

Multilateral Organizations and Domestic Democratic Governance

by

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ABSTRACT

International organizations are ubiquitous in the international system and often intervene in domestic political affairs. Interventions can occur because states do not have adequate infrastructure to govern, because a political regime seeks international legitimation of its rule, or because an intervention may prevent political crisis. Whatever the reason, there are consequences of such interventions for domestic society. This project asks how interventions sanctioned by international organizations affect individual political involvement, specifically attitudes toward democracy and democratic institutions. I theorize and empirically demonstrate that when an international intervention reinforces existing democratic institutions in a state, individual levels of confidence in democracy and levels of trust in democratic institutions improve. By contrast, when an intervention undermines existing democratic institutions, levels of confidence in democracy and trust in democratic institutions decrease. This research is important because it shows that the determinants of individual political engagement are not only domestic, but also affected by international-level phenomena. This means that international organizations and the interventions they regularly employ in states can meaningfully affect the prospects for democratic consolidation.

ACKNOWLEDGMENTS

I owe a debt of gratitude to my committee and my colleagues for challenging me intellectually. This process has been rewarding, but I am so happy to be able to say that it is now over.

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Chapter 1

INTRODUCTION: MULTILATERALISM AND DEMOCRACY ON THE GLOBAL STAGE

At a recent international economic conference, Director General of the International Monetary Fund (IMF) Christine LaGarde commented on the role of the IMF in the stability and development of states. She said “The idea of cooperation and multilateralism is, of course, at the heart of the IMF’s work...[the IMF] is also helping low-income and transition countries to get a foothold in the global economy and is working behind the scenes to build capacity and resilience through its technical assistance” (LaGarde, 2014). These comments reiterate the underlying philosophical ideas that the creators of multilateral institutions had in mind when designing these institutions, and speak to their goals in the modern international political economy.

Importantly, it is not only the IMF that is working to help developing states in times of need. There are many programs that international organizations can use to help states in times of governing crisis. For example, international election monitoring is common in developing democracies because states seek to send signals to the international community that their electoral process was fair and transparent (Kelley, 2008). In cases of civil conflict, the United Nations can deploy peacekeeping forces intended to protect civilians from the ravages of conflict. In post-conflict situations, international law bodies have developed hybrid court systems to help states administer justice to perpetrators (e.g. The Extraordinary Chambers in the Courts of Cambodia that was established to try members of the Khmer Rouge regime). These are just several examples of cases where multilateral organizations like the UN, the

IMF, and others have programs to intervene in domestic governance when domestic governing capacity is weak.

Interventions into domestic governance by multilateral institutions have generated scholarly interest for their effects on societies. As one example, scholars have sustained interest in understanding how international lending programs administered by the IMF affect long-term economic growth (Conway, 1994; Przeworski and Vreeland, 2000; Barro and Lee, 2005; Easterly, 2005; Dreher, 2006). Despite this interest at the macro-level, however, there has been little inquiry into the effects of these interventions on individuals. This is surprising given the dramatic changes that these types of interventions can catalyze in developing democracies. For example, the presence of electoral monitors has been studied for its effect on electoral outcomes (Bjornlund, 2004; Hyde, 2007), but not for its effect on an individual's feelings of electoral integrity.

This lack of scholarly attention is surprising given that there are good theoretical reasons to expect that interventions like election monitoring may affect individual political involvement. For example, the physical presence of electoral monitors at polling places visually reminds voters that there are mechanisms in place to detect and sanction electoral fraud. Thus, merely the *presence* of electoral monitors may make an individuals more likely to participate in the electoral process, because monitors may reinforce the idea that votes will be counted fairly. Understanding the effects of these types of interventions on individuals is important because individual political attitudes and behaviors are essential to developing a strong civic society and consolidating democratic governance (Dahl, 1973; Lijphart, 1977; Almond, 1963). If an intervention is counterproductive in this regard—in other words, if an intervention creates conditions where individuals become less confident in democracy as a form of government—they become threats to democratic stability and consolidation in the places where they are used.

Aside from understanding the direct effects on individuals, there is another important reason to understand the relationship between governing interventions and individual attitudes in politics. Over the past several decades, it has become much more common for international organizations to intervene in domestic democratic governance. For example, one of the interventions of interest to this project, international election monitoring, has gone from being a relatively uncommon occurrence in the early 1980s to an intervention used in more than 90 percent of elections in developing democratic countries in the early 2000s (Kelley, 2008) (See Figure 1.1). Similarly, with increasing globalization, international lending programs have become more commonplace, especially in times of economic recession (See Figure 1.2). For this reason, it is essential to understand the effects that international governing assistance programs can affect individuals and how these governing interventions could be improved to enhance the process of democratic consolidation.

Figure 1.1: Rise of International Election Monitoring

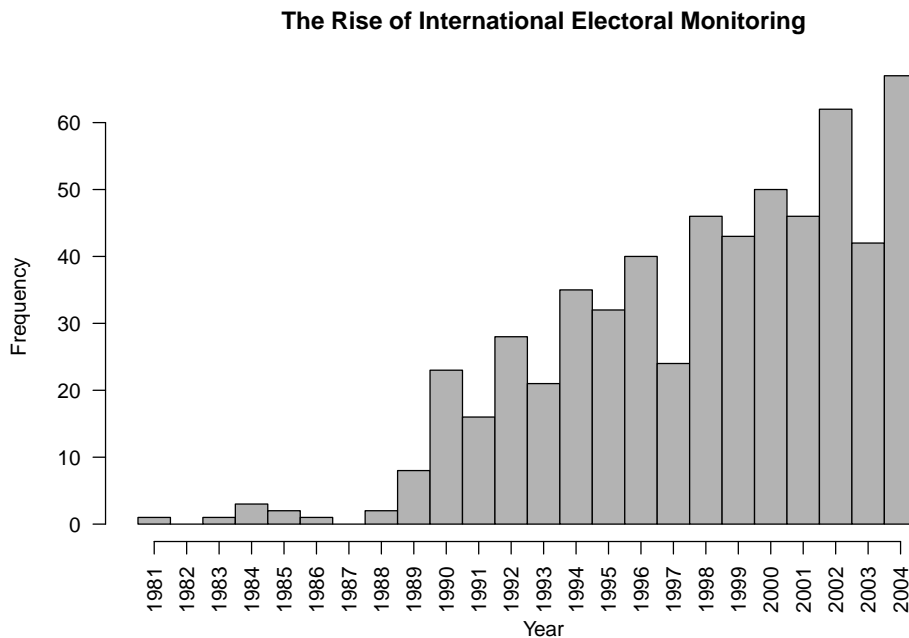
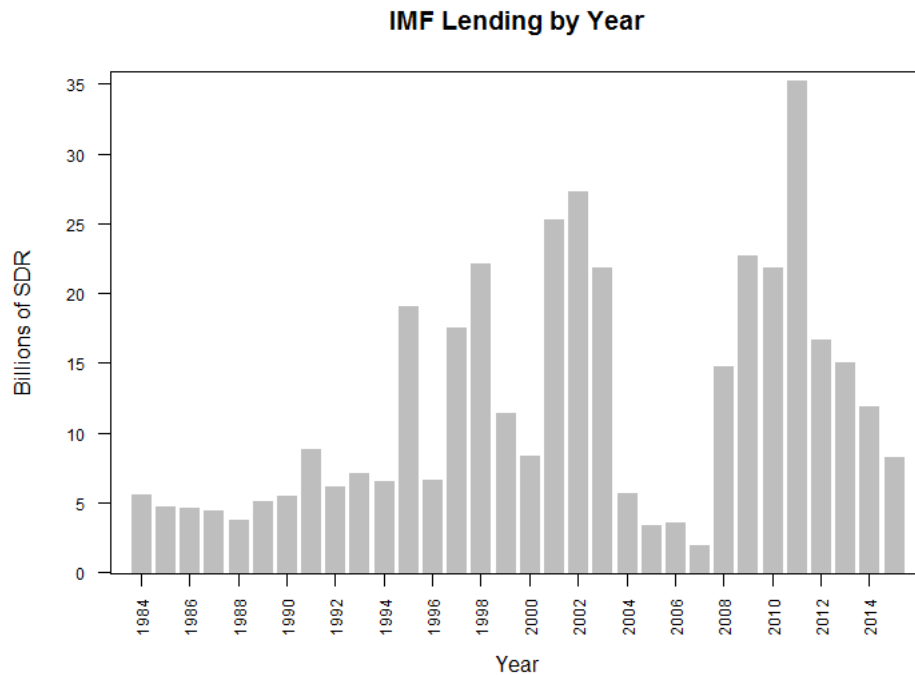


Figure 1.2: IMF Lending by Year



An Institutional Approach to the Study of Governing Interventions

The scholarly literature on domestic political institutions has focused on the ways that different institutional arrangements are formed and the processes governing their change. The literature has also appraised the effects that different arrangements have on individual political behavior (March and Olsen, 2006). Theoretically rich, the variegated work in this tradition has investigated the implications of proportional versus majoritarian electoral systems for democratic governance (Powell, 2000); the effect of electoral laws on the number of presidential candidates in national elections (Jones, 1999); and the ways that consociational institutional arrangements encourage voter turnout (Lijphart, 1997). Although the role of institutions differs somewhat between various “institutional” approaches to the study of politics, the unifying theme

between these approaches is that institutions matter for our understanding of how and why individuals participate in politics (Hall and Taylor, 1996).

More recently, scholars have started to investigate the formation and change of multilateral institutions and their associated effects on the interactions between states. Formal international organizations have received a good deal of attention (Martin, 2006), but also non-governmental organizations (Florini, 2000), instances of regional integration with an emphasis on the European Union (Rosamond, 2005), and the legalization of international relations (Simmons, 1998, 2000). The development of this literature has focused almost exclusively on the ways in which multilateral institutions structure interactions between states with little attention focused on the micro-level implications of this macro-level question.

In the present project, the primary argument is that by examining governing interventions at the institutional level, particularly the ways that the institutions associated with the governing intervention interact with existing institutions in democracies, there is an opportunity to predict the effects that these interventions will have at the individual level. Multilateral institutions not only structure the terms of interaction between states, but also affect the incentives and opportunities for individuals to participate in domestic democratic politics. Drawing on established theories of democratic institutions, I propose a theory that links multilateral governing interventions with a state's domestic institutional arrangement to explain changes in individual political attitudes in democratic societies. Of particular interest are the governing interventions designed by international organizations and the ways in which these interventions may abruptly reshape the political landscapes within which individuals are making political decisions. In cases of international election monitoring and international lending, the interventions of interest here, the effects of multilateral institutions are easily observable and consequential for the state and society. However,

the theoretical expectations generalize beyond these particular interventions to many different types of multilateral institutions and governing interventions.

Furthermore, by adopting an institutional approach to the study of governing interventions, different types of governing interventions become comparable. There is no disputing that different types of governing interventions used by international organizations should have very different effects on societies and the individuals within that society. However, by taking an institutional approach to the study of governing interventions, the aggregate effects of the interventions is not of primary interest; rather, the the focus is on how *institutions* associated with the interventions affect the political landscapes in which individuals make decisions about how and why to participate in political activities. In this way, the theoretical framework applied here creates a *focused* study, in that the interest in each intervention is limited only to those features related to the research objective. In this way, interventions become comparable to each other by comparing how these features differ. In other words, the study focuses on how institutions associated with governing interventions interact with existing democratic institutions in developing democracies, concomitantly affecting the incentives and opportunities for individuals to participate in politics.

The primary argument here broadly agrees with Keohane et al (Keohane *et al.*, 2009) by suggesting that multilateral institutions can enhance domestic democratic governance. However, Keohane et al focuses solely on the macro-level benefits of multilateral institutions and suggests that while they may enhance democracy, “such mechanisms may attenuate popular control and so undermine [participatory democracy],” (Keohane *et al.*, 2009, 9). I build on this work by showing that even without such macro-level benefits for democracy, governing interventions can yield micro-level benefits by altering the democratic landscape in which individuals form attitudes and make decisions about politics. In other words, the manner in which governing inter-

ventions shape incentives and constrain behaviors at the macro-institutional level has effects for individual political engagement. Thus, multilateral institutions not only have the potential to enhance domestic democracy at the macro-level but also have the capacity to solicit positive affect towards an existing democratic system. Such an argument relies not only on the ways that various institutional arrangements structure rational individuals' incentives and opportunities for political participation (Weingast, 1996; Shepsle, 2006) but also the more recent theoretical development emphasizing the symbolic cues that institutional arrangements transmit to citizens about their role in the democratic process (Kittilson and Schwindt-Bayer, 2010).

Contributions to Recent Scholarly Debates

This project makes important contributions to major debates in the fields of political behavior and comparative institutions. Most importantly, it contributes to the debate about the effects of multilateral institutions for domestic democratic governance by showing one way that these institutions have substantive effects on individual political engagement. This contribution can be framed within two particular strands of literature: First, within the literatures focusing on the effects of domestic and international institutions. Whereas to this point these literatures have developed in relative isolation (with domestic institutional context linked to individual political behavior, and international institutional context linked to the interactions between states) almost no work has been done that relates various international institutional influences to this micro-behavioral level. This study is one of the first to theorize and systematically examine the ways that international institutions associated with governing interventions can exert effects upon the ways that individuals feel about and participate in political activities. In this way, it advances our understanding of the ways that institutions work to structure the rules of political interaction between

individuals and their systems of government. Put another way, the theory and results of this study suggest that sources outside domestic society can be significant in the formation and activation of political engagement in individuals.

Second, this contribution can be framed as the next step in the debate between scholars of multilateral organizations who have characterized them as “undemocratic” for a variety of reasons (Dahrendorf, 1999; Rabkin, 2005; Braithwaite and Drahos, 2000) and the more recent challenge to this convention by Keohane et al (Keohane *et al.*, 2009). I accept premises from both sides of this debate: international institutions can both enhance and undermine domestic democratic governance. However, I challenge a primary assumption within this debate which is that multilateral institutions enhance or undermine domestic democratic governance at the systemic level. Rather, this study changes the analytical focus of the debate to emphasize the ways that multilateral institutions structure domestic political interactions. In this way, it advances our understanding of individual political engagement in transitioning democratic states, and in particular the potential ways that individual political attitudes and behaviors may be altered by governing interventions. This is substantively important for understanding the conditions necessary to consolidate democratic governance and how these conditions can be supported and enhanced when governing intervention is required for developing states.

More broadly, this dissertation makes a novel contribution to our present knowledge about the processes of institutional formation and change. This research shows that institutional change can be exogenous to domestic political systems; more specifically, I show that international governance can impose arrangements that alter the constancy and stability of a states’ institutional arrangement. By showing one way in which institutions are exogenously transformed, this research demonstrates that institutional change need not be attributed to an actor in any specific context. To this

point, rational choice institutionalism has attributed institutional change to changes in preference ordering or, more recently, to long-term endogenous effects (Greif and Laitin, 2004). This research shows that multilateral organizations, though not always present in political exchanges that occur between individuals and their states, can abruptly and significantly alter the rules by which such exchanges take place. Thus, it emphasizes that a strictly rational choice or strictly institutional approach to the study of political behavior will not suffice. A more nuanced account incorporating both approaches is necessary.

Finally, this research makes important contributions to our understanding of international organizations and the ways that they currently operate. Most clearly, it shows that when international organizations face high costs when states do not comply with their provisions, there is a need to design strong sanctioning mechanisms within governing interventions to limit the organization's risk. However, while protecting the organization from risk, also often undermine democratic governance in the state where the intervention is deployed. Thus, the results here show the need to rethink the ways in which international organizations provide governing assistance in order to come up with ways to protect the organization from undue risk that enhance, rather than hinder, democracy even when the stakes are high.

Outline of the Study

In this study, I examine the micro-level effects of two particular types of governing interventions commonly used by international organizations, though I expect that the theory proposed here generalizes beyond these specific cases to interventions of other types. First, I examine international lending programs as an example of a governing intervention that routinely has institutional features that compete with and undermine existing democratic institutions in states (a negative case). As a

counterpoint, I examine international electoral monitoring missions as an example of a governing intervention that commonly has institutional features that reinforce existing democratic institutions in states (a positive case). In this way, the findings of this study will show that governing interventions can both undermine or reinforce democratic governance in states, depending on how the interventions are designed and implemented in practice.

Furthermore, as noted above, this study is primarily concerned with the effects that international governing interventions yield at the micro-behavioral level – in other words, how do international lending programs and international electoral monitoring missions affect individual political attitudes, specifically attitudes toward their government and toward democracy? Though the theoretical expectation is that these governing interventions will affect the way individuals choose to participate in politics, that subject is reserved for further study in the future.

I start by elaborating a theory of multilateralism and democracy in Chapter 2, which provides the groundwork for the empirical portion of the study. In very simple terms, the proposed theory suggests that when governing interventions support existing democratic institutions in states, the intervention will positively affect individual attitudes toward democracy and toward their government. In negative cases where governing interventions undermine or replace existing democratic institutions in states, commonly found in cases of international lending, the intervention will negatively affect individual political attitudes. There are some exceptions to this general theoretical rule that are elaborated in the next chapter.

For the empirical portion, I use multiple methods to provide evidence in support of the theory. Chapters 3 and 4 use a cross-national quantitative approach to examine the relationship between international election monitoring and attitudes toward democracy and international lending programs and attitudes toward democracy,

respectively. More specifically, these chapters provide cross national quantitative evidence of a statistically significant relationship between the governing interventions of interest and changes in levels of confidence in parliament, political parties, and government. These relationships are statistically significant even after controlling for the most common explanations for changes in political attitudes, like economic conditions, various demographic controls, and political ideology. As with any cross-national quantitative study, however, no causal relationship can be definitively identified. Thus, while they are important for establishing the plausibility of the proposed theory, these results need to be supported with qualitative evidence to substantiate the theoretical linkages between governing interventions and individuals. This is the task of Chapter 5.

Chapter 5 looks at two particular cases – one case of international election monitoring and one case of international lending – to establish the micro-level foundations for the theory proposed in Chapter 2. The chapter looks in depth at international lending in present day Greece to show that the institutions associated with the emergency lending program have altered democratic institutions in the state. For example, the lending program has removed opportunities for individuals to hold their government accountable, because despite changes in governing parties, no government has been able to successfully alter the course of austerity imposed by the lending institutions. In other words, the controls that the IMF and European Central Bank have implemented to ensure repayment of the loan have also created conditions that eliminated the ability for citizens to hold their government accountable. Evidence is presented from Greece and other European Union countries to show that while attitudes were similar between Greece and other EU countries during the Great Recession (before Greece needed emergency lending), after the emergency lending program was

implemented, Greece's attitudes toward government, parliament, and political parties sharply diverge from other EU countries.

The chapter also looks at the case of elections in Ghana to show the positive effects of international electoral monitoring. The 2008 election in Ghana was monitored by the European Union while the 2012 election was not. While there are some differences between the elections in terms of candidates, the evidence presented indicates that the presence of the international election monitor made individuals more likely to accept the election results, even when their preferred candidate did not win. There was substantial backlash and unrest after the unmonitored 2012 election, as well as claims of electoral fraud and manipulation by the losing party and their supporters.

It is important to note that the case studies are not theory *testing*, insofar as I do not draw strong causal conclusions from the evidence presented. Rather, the goal of the chapter is to show, when combined with the cross-national statistical evidence, that of all the possible causes of changes in political attitudes, the relationship between macro-level governing interventions as a significant motivator for political attitudes at the micro-behavioral level is plausible and theoretically well-grounded. In other words, the case studies are used to look for evidence that elements of the governing intervention can be directly linked to changes in political attitudes.

This study aims to provide a theory and preliminary investigation into the relationship between governing interventions sanctioned by international organizations and the political attitudes of individuals. Such empirical connections are difficult to establish because of the many degrees of separation between macro-level phenomena and micro-level behaviors. However, by adopting an institutional approach to the study of interventions, meaningful theoretical connections can be made between these levels. By using cross-national and in-depth evidence from particular cases, this study shows that international governing interventions are consequential beyond

their effects for societies. In order to make international governing assistance more effective, the findings from this study suggest that policymakers should pay close attention to the design of governing assistance, taking care to ensure that features of the assistance program do not undermine existing democratic institutions in developing democracies. For undermining these existing institutions creates a new political landscape for individuals to navigate, and makes it more difficult to support and consolidate democratic governance through the hearts and minds of citizens.

Chapter 2

A THEORY OF MULTILATERALISM AND DEMOCRACY

International organizations are important venues for governance. As the primary institutional mechanisms in the international system, they facilitate interstate action to address global problems, resolve international disputes, and develop international standards for governance (Abbott and Snidal, 1998). In addition to these functions, international organizations frequently provide governing assistance in developing states where governing capacity is weak (Burnell, 2000). Given their ubiquity in domestic political contexts, how do international organizations and the forms of governing assistance they provide to states affect the prospects for democracy and democratic consolidation?

The prevailing assessment in existing studies is that international organizations are inherently anti-democratic for a variety of reasons. Dahl (1999) for example, suggests that international organizations are undemocratic because they require ceding democratic legitimacy to a “bureaucratic bargaining system” which results in the marginalization of democratic accountability and participation. As a result, Dahl suggests that an “...international organization is not and probably cannot be a democracy.” Vaubel (2006) similarly concludes that due to the extended chain of delegation and competing influences, national representatives to international organizations do not share the interests of the citizens they purportedly represent. As a result, international organizations become anti-democratic because citizens have no recourse for holding unelected representatives accountable, even when their interests are misrepresented. Beyond the undemocratic relationship between citizens and representatives in international organizations, Kapur and Naim (2005) argue that international or-

ganizations can have even more deleterious effects on domestic political systems by undermining existing democratic institutions. They show that IMF lending programs often impose a chain of accountability in domestic political systems where state leaders become accountable to IMF officials rather than their constituents. The implication is that the ability for citizens to hold their elected leaders accountable, a hallmark of democratic governance, is temporarily replaced.

A more recent contribution to this debate by Keohane *et al.* (2009) argues that while these criticisms may be valid, their narrow focus on the participatory element of democracy overlooks the ways that international organizations can enhance democratic governance more broadly. A constitutional conception of democracy is not only about citizen participation, but also about minority inclusion and deliberation. So, while international organizations may attenuate the participatory element of democracy, it can enhance these other elements and make positive contributions to democratic governance at the domestic level. International organizations work to combat special interests, protect minority rights, and foster widespread collective deliberation of issues and in these ways can enhance domestic democratic governance, even if popular participation may be restricted by these activities.

Part of the disagreement between these strands of literature stems from the precise question being investigated. That is, there are different answers to the questions “Are international organizations democratic?” and “Do international organizations enhance or hinder democratic governance?” The latter question is the focus of this project. More specifically, this project seeks to enlighten the ways that international organizations, particularly through the governing assistance they provide to states, can alter the domestic institutional context within which individuals make decisions about how and why to participate in politics. I seek to show how governing assis-

tance from international organizations can change individual political attitudes and behaviors, thereby affecting the stability of democratic governance in a state.

I take a practical approach to conceptualizing democracy by not focusing on “participatory” or “constitutional” democracy at a theoretical level, because these concepts are contested and conceptual clarity is essential for analysis (Sartori, 1991; Collier and Mahon, 1993). Rather, I conceptualize democracy as a set of conditions that, taken together, constitute something approximating democratic governance (Dahl, 1973). The primary advantage of this approach is that the effects of international organizations and the governing assistance they provide for democracy become observable.

In broad terms, the argument articulated here agrees with those put forth by Keohane *et al.* (2009). However, this project seeks to expand upon their contribution by providing a more general account of the conditions under which international organizations, and particularly the governing assistance they routinely provide to states, can enhance or hinder democracy at the domestic level. The theoretical focus of this project is on the ways that citizens affect democratic stability and consolidation through their attitudes and behaviors (Dahl, 1997; Inglehart, 1997; Inglehart and Welzel, 2005b; Putnam *et al.*, 1994). As such, the theory presented here links macro-level institutions with micro-level behaviors to show how the primary institutional features of governing interventions sanctioned by international organizations can change the domestic institutional context in states. This argument does not assume that democracy-enhancing multilateralism must necessarily attenuate the participatory facets of democracy. Rather, the theoretical expectation is that international organizations enhance or hinder participatory democracy (and any other facet of democracy) depending on the ways that the institutions associated with governing assistance interact with the domestic institutional context.

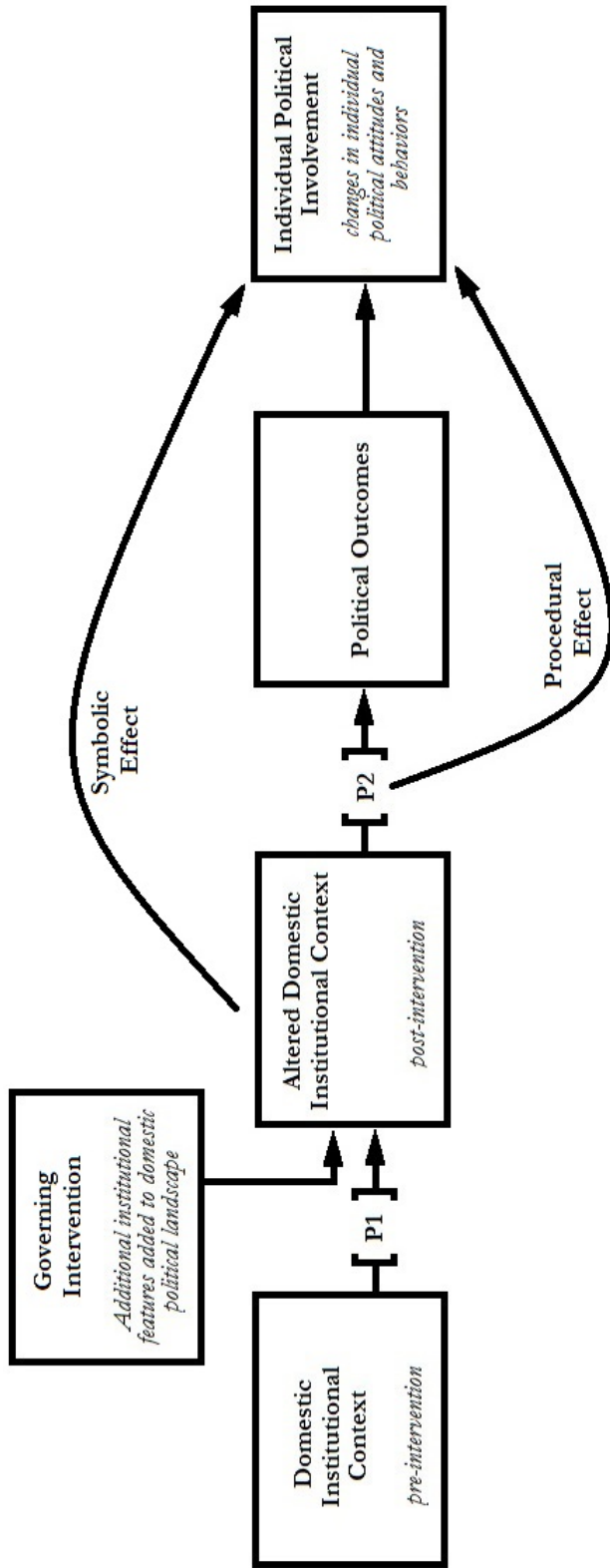
The focus on what is referred to as “governing assistance” or “governing interventions” to investigate the relationship between macro-level institutions and micro-level behaviors is adopted for several reasons. First, the goal of this work is not to provide a comprehensive account of the ways that international institutions may affect aspects of individual political behavior. The goal is to show that these linkages exist and can impact the ways that individuals perceive and interact with their political systems. Second, governing assistance from international organizations is frequently relied upon by developing democracies to establish standards, provide services, and inspire credibility in their political systems (Abbott and Snidal, 1998). As such, governing assistance has become an important feature in the landscape of not only *global* governance, but also *domestic* governance, particularly in the developing world. Finally, focusing on governing assistance programs instead of any particular type of assistance helps to show how the theoretical arguments articulated here apply generally.

The remainder of this chapter lays out the theoretical linkages that connect international governing assistance to changes in individual political attitudes and behaviors in domestic political systems. To state these connections briefly, Figure 2.1 provides a schematic representation of the theory. The schematic starts with the domestic institutional context as it exists pre-intervention. This represents a country’s institutional context before governing assistance and the institutions associated with it have been implemented in the state. P1 represents the political process generated by the domestic institutional context before governing assistance. In other words, P1 is the process by which individuals within the state make political decisions.

The theory then introduces a governing intervention from an international organization. I assume that governing interventions come with a set of institutional features that are introduced to the domestic institutional context. When the institu-

tional features associated with the governing intervention become part of the domestic political system, the domestic institutional context is altered, which is represented in the schema. This altered domestic institutional context is what affects individual democratic attitudes and behaviors through several causal mechanisms. The first is what I call a direct procedural effect, represented by the arrow from P2 to individual political involvement. P2 represents the post-intervention political process in the state generated by the altered domestic institutional context. P2 may change marginally or substantially depending on the substance and extent of the institutions associated with the governing intervention. If P2 is more inclusive and contestable (concepts which are further elaborated in the following section), the changes in democratic attitudes and participation should be positive; higher levels of confidence in democracy and higher levels of participation in traditional forms of democratic activity. If P2 is less inclusive and contestable than P1, the opposite outcome should occur.

Figure 2.1: Governing Interventions and Political Involvement



Beyond this direct procedural effect, there is a less tangible, but still direct, symbolic effect represented in the schema by the arrow from the altered domestic institutional context to the changes in individual political involvement. When states adopt new or stronger democratic features into their political landscape, they signal to citizens that democratic values are important in governing of the state (Kittilson and Schwindt-Bayer, 2010, 2012). Moreover, adopting democratic institutions sends messages to the international community that the state is making an effort to conform to international norms of legitimate government (Bjornlund, 2004). These messages can trigger emotive responses from citizens, leading to changes in perceptions or behaviors, that affect the quality and stability of democracy (Kittilson and Schwindt-Bayer, 2012).

Changes in the institutional context in a state may also yield indirect effects on democracy that are mediated through the outcomes generated by the political process. Adopting institutions that alter the inclusiveness and contestability of the political process can change political outcomes by affecting the balance of power between citizens and elites. These changes affect individuals by affecting the quality and quantity of government services allocated to them. As I specify later in this chapter, these theoretical expectations lead to the conclusion that when international institutions support existing democratic institutions in a state, individuals will become more confident in their political system. Further, I argue that individuals will be more likely to participate in the traditional forms of democratic activity, because these channels are responsive and can meaningfully affect political outcomes.

Governing assistance is not created equally, however. When international institutions subvert or compete with the existing democratic institutional framework, the positive effects for democratic attitudes and participation can reverse. Individuals may become less confident in their political systems and more likely to resort to

contentious political activities to articulate political demands. This is because the international institutions affect the domestic political context by creating conditions that make it difficult for individuals to navigate their political systems through democratic channels and by changing the incentives for policymakers to be responsive to citizens' political demands. In these cases, I expect that individuals will express lower levels of confidence in democracy and will participate more frequently in contentious forms of political activity, like protests and riots. The remainder of this chapter more explicitly theorizes these causal linkages.

Developing Democracy and Governing Assistance

In more precise terms, what is “governing assistance” and when do states require it? Governing assistance is defined here as an arrangement that relies on the resources and capacities of an international organization to supplement, replace, or otherwise adjust a mechanism of governance in a state as a matter of necessity, consensual agreement, or force. Such a definition is purposefully broad and applies to a variety of programs regularly implemented by international organizations. For instance, by this definition, international lending programs and international election monitoring, the interventions of interest to this project, are both considered forms of governing assistance. Beyond these, hybrid court arrangements, peacekeeping missions, and development aid would all be considered forms of governing assistance. The defining features of such assistance are that the programs are designed and administered for particular states and at least partially controlled by an international organization.

However, governing assistance does not always have to be a proactive intervention into the domestic affairs of states. Sanctions, for example, are qualitatively similar to these more positive forms of intervention and may yield similar effects on individuals in states. The picture is complicated by who individuals may blame in the case of

sanctions levied on a state by an international organization. There may be instances where individuals assign blame to their government for acting against international norms. In other cases, target governments may use propaganda and other means to persuade the public to assign blame to the international community. However, the theoretical linkages between governing assistance, or perhaps more appropriately “governing interventions,” are similar.

This project does not consider programs administered by non-governmental organizations (NGOs) as governing assistance for several reasons. First, NGOs frequently operate based on a particular agenda (women’s rights, fair labor practices, et cetera), often without having a motivating concern with stable governance more broadly. The activities of NGOs may very well matter for individual political involvement, but the mechanisms through which these linkages occur may be different than those between formal international governmental organizations and domestic political systems. Second, focusing on IGOs makes the argument more generalizable because the “treatment” remains relatively constant cross-nationally with regard to the norms that govern the provision of such assistance. This does not mean that the treatment is identical. Rather, I consider “governing assistance” as defined above to be a class of cases that can be analyzed for their effects on domestic democratic governance. In this sense, governing assistance is the “treatment” and is more or less constant across cases.

This project explores two particular forms of governing assistance in the empirical chapters that represent a structured and focused comparison (George and Bennett, 2005). The comparison is “structured” in that each case of governing assistance is assessed against a standardized set of theoretical questions; primarily whether the main features of the assistance reinforce or undermine existing democratic institutions. The comparison is “focused” in that the case studies are not comprehensive, but focus at-

tention on the main attributes that make the cases comparable for analytic purposes. There may be doubt as to whether phenomena as varied as international electoral monitoring and international lending are comparable. Of course there are meaningful differences between these types of assistance, and in some cases, it may not make sense to compare them. This analysis, however, compares them by examining only how they affect the domestic institutional landscape where individuals make decisions about how and why to participate in politics. In this way, the cases are comparable insofar as they both yield different effects in this regard through the same causal mechanisms. Further, international election monitoring and international lending make for a valuable comparison because they empirically validate the generalizability of the theoretical arguments presented.¹

Importantly, governing assistance programs are routinely administered to developing and maturing democratic states that are partially, but not fully consolidated. Developing democracies are those that have recently transitioned to democracy from another form of government, and are attempting to consolidate the institutions associated with democratic governance. This is one reason that states have an incentive to invite monitors to observe their elections. There is a tangible benefit to conveying to the international community that the electoral process was fair and adhered to international norms of good governance. However, international organizations are also sometimes required to intervene in states that are not developing democracies in the traditional sense, but may perhaps be more appropriately called “maturing” democracies (Lupu, 2010) in the sense that they still face some of the pressures that developing democracies face in conveying messages of legitimacy to the international community. Present day Greece, for example, would fall in this category; it has been

¹Further justification for case selection is discussed in the empirical chapters.

a democracy for a relatively long period of time, but in the face of economic trouble, has faced pressures to demonstrate that the government is capable and effective.

Developing and maturing democracies are rarely *forced* to accept assistance, but often seek out programs for different reasons. For example, research on international election monitoring has convincingly shown that the spread of monitoring missions in recent times is, at least in part, because the practice has been established as a norm for holding “legitimate” elections in developing democratic states (Bjornlund, 2004). International lending, by contrast, is most commonly sought when states face an existential fiscal crisis and are unable to borrow money in private financial markets (Penalver, 2004). However, in each case, the governing assistance comes with a specific institutional features that temporarily become a part of the domestic political context and affect the ways in which individuals interact with their political systems. Though the interventions are deployed in different ways and for different purposes, the important point for this analysis is that when present in a domestic political context, these international institutions interact with the existing institutional infrastructure to alter the domestic political context in the state.

How is it determined whether governing assistance programs reinforce or undermine existing democratic institutions? To arrive at an answer, it is important to conceptualize democracy according to its primary characteristics and to assess whether, in practice, the primary features of governing assistance programs support these criteria or whether they compete with their fundamental ideas. I rely on the work of Dahl (1973, 2005) which posits two theoretical dimensions of democracy, contestation and participation. *Contestation* refers to the degree to which Dahl’s eight institutional guarantees of democracy² are “...openly available, publicly employed, and fully

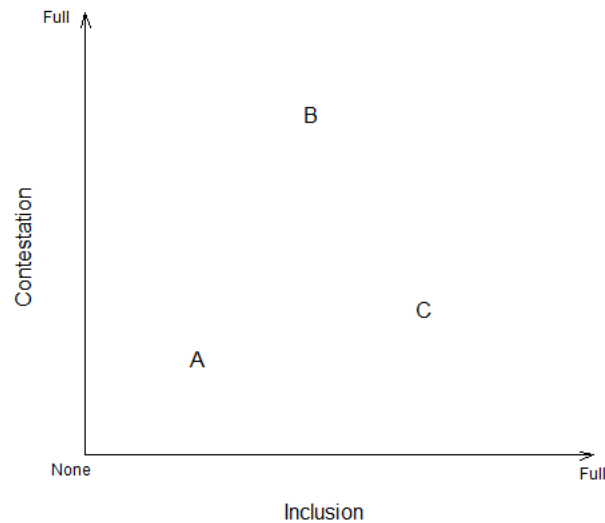
²1. The freedom to form and join organizations; 2. Freedom of expression; 3. The right to vote; 4. The right of political leaders to compete for support; 5. Access to alternative sources of

guaranteed to at least some members of the political system who wish to contest to conduct of government,” (Dahl, 1973, 4). Participation refers to the “...proportion of the population entitled to participate on a more or less equal plane in controlling and contesting the conduct of government,” (ibid). For clarity, the I refer to the participatory dimension of democracy as *inclusion* so as to avoid the term being conflated with the outcomes I am trying to explain—the participation of individuals in certain forms of political activity.

By this metric, determining whether governing assistance reinforces or undermines democratic institutions existing in a state requires assessing whether the primary institutional features associated with the assistance increases or suppresses contestation and inclusion. Visualizing contestation and inclusion as two theoretical dimensions of democracy means that every regime can be located in a two-dimensional graphing plane (See Figure 2.2). Both dimensions go from low to high which means that in the lower left portion of the graph are “closed hegemonies” while in the upper right portion are “polyarchies,” to use Dahl’s language. As a regime moves from the lower left to the upper right portions on this two dimensional plane, it becomes more inclusive and contestable. For example, in Figure 2.2, regime A is the least democratic because the contestability and inclusiveness are relatively low. Regime B allows for more public contestation, but is still not an inclusive regime. Regime C is more inclusive, but allows fewer opportunities to contest the conduct of government.

information; 6. Eligibility for public office; 7. Free and fair elections; 8. Institutions for making government policies depend on votes and other expressions of preference.

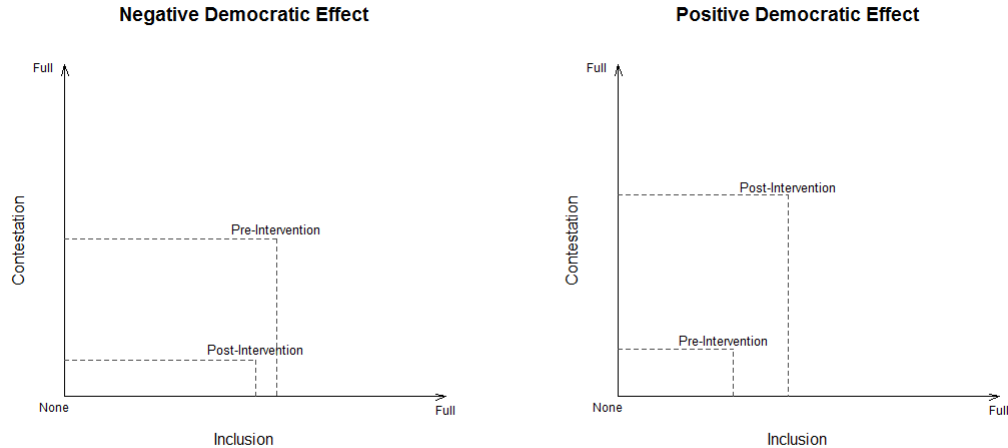
Figure 2.2: Theoretical Dimensions of Democracy



Political regimes can be evaluated on this two dimensional plane before and after governing assistance is deployed to determine how the institutions associated with the governing assistance affect the democratic context within which individuals make decisions about politics. If the change is negative from the prior position (i.e. limiting contestation or inclusion) I assume that the net democratic effect of the governing assistance is negative, such that the institutional context of the state is *less* democratic than before the governing assistance. A simple example of such a change is illustrated in the first panel of Figure 2.3. In other words, pre-intervention, the regime illustrated in the first panel of Figure 3 was *more* democratic (i.e. more inclusive and contestable) than post-intervention. By contrast, if the change from the pre-intervention to post-intervention is positive (i.e. expanding inclusion or contestation), I assume that the net democratic effect of governing assistance is positive, such that the institutional

context of the state is *more* democratic than before governing assistance was deployed. An illustration of this is presented in the second panel of Figure 2.3.

Figure 2.3: Evaluating the Effects of Governing Assistance



I make a simplifying assumption that changes in inclusiveness and contestability lead to the same effects for democracy. In other words, if a political regime were to gain (or lose) one theoretical unit in inclusiveness, the effect on attitudes and behaviors of individuals would be the equivalent to a one-unit gain (or loss) in contestability. This assumption is not likely to be empirically valid, but is useful for this analysis because the theoretical arguments presented here do not require this level of specificity and because of a lack of precise measurement for either of these theoretical concepts. The argument here requires only on a basic assessment of whether governing assistance, in the aggregate, supports or undermines existing democratic institutions in the state. I now turn to describing the theoretical linkages between changes in the democratic institutional context and political attitudes and behaviors followed by a discussion about the effects these changes have for democratic consolidation and stability. The discussion focuses on how the theory applies to the two specific cases used

in the empirical sections of the project, but it should be emphasized that the logic of the theory applies to other types of governing interventions, as well.

Direct Effects of Governing Assistance on Political Involvement

As noted previously, there are both direct and indirect effects of governing assistance on political attitudes and behaviors. There are two direct effects: the direct *procedural* effect and the direct *symbolic* effect. The procedural effect refers to the ways that governing assistance changes the procedures by which political decisions are made in the state. The symbolic effect refers to the ability of a state's institutional choices to send signals to citizens about the values and priorities of state and society.

Procedural Effects

Political processes, or the procedures that lead to political decisions, have been identified as determinants of attitudes toward democracy and government. For example, when individuals perceive a process to be fair, they are more confident in that process and its outcomes, even when outcomes are not those they preferred (Anderson, 1998; Feld and Kirchgässner, 2001). In other words, if individuals perceive that they are playing a fair game, they are more willing to accept a loss than if the loss had been the outcome of a game that was rigged.

The causal mechanism linking political process to changes in individual political attitudes becomes more clear when the logic of the arguments posed above is applied. A state's institutional context determines how individuals perceive the process by which political decisions are made (Mishler and Rose, 1997). When this institutional context is changed by governing assistance, the processes to make political decisions changes as well. When the process is changed such that individuals perceive it to be more fair in the way it generates political outcomes, they should express more

confidence in it and be more satisfied with the outcomes the process generates, in general. When the process is changed such that it is perceived to be less fair in the way it generates outcomes, individuals should express less confidence in it and be less satisfied with the outcomes it produces when the outcomes are not those preferred by the individual. Taken together, the implication of this finding is that changes to the political process induced by governing assistance can affect levels of confidence in the democratic process in states.

Furthermore, procedural changes to the democratic process can alter the incentives and opportunities for effective political participation, thereby influencing the types of political activities that individuals most frequently participate in. When individuals are confident that the democratic process in their state is effective, they should be more willing to articulate their political demands through traditional democratic channels, like voting, because these are the established institutions where individuals may express political demands. Where individuals perceive the political process to be unfair or biased, they may have incentives to participate in politics through other means, including contentious activities, because the traditional channels of participation are biased in the outcomes they generate.

Referring back to the two theoretical dimensions of democracy posited above, there are two possible mechanisms through which this direct procedural effect can work: first, by changing the inclusiveness of the political process, or altering who is involved in making political decisions; and second, by changing the contestability of the political process, or altering what political activities are permissible.

Procedural Effects through Inclusion

Inclusiveness serves an important function in any democracy because being included gives individuals a say in the conduct of government. Further, being included in

the political process serves an educative function that helps create democratically active citizens. Bowler and Donovan (2002), for example, find that widespread inclusion helps citizens become more aware of the political process and their role in it, and that these citizens are more likely to perceive government responsiveness to citizen demands. Further, they find that when citizens participate in state-level direct democracy (e.g. referendums or initiatives), they are more likely to feel that they can influence the conduct of government. When citizens are included in the democratic process, the effect on individual political attitudes “...rival[s] the effects of formal education,” (Bowler and Donovan, 2002, 371).

It is through this educative function of political activity that a civic culture conducive to stable democratic governance can be sustained, a finding established by Almond (1963) foundational study on citizen attitudes toward politics. Since Alexis de Tocqueville’s famous observation that Americans gained their political awareness from “schools of democracy”—voluntary organizations such as juries and town hall meetings—classic democratic theorists have focused on this habituation process as an important variable in stable democratic governance (Barber, 1984; Budge, 1996). Thus, when governing interventions expand the inclusiveness of a political regime by incorporating more citizens into the political process, they facilitate the development of democratic citizens and a vibrant civic culture capable of sustaining democracy for the long-term. By contrast, when governing interventions limit the inclusiveness of the political process, they retard progress in developing democratic citizens and stunt the development of civic culture because citizens are not habituated into a democratic ethos.

Take the example developed by Pattie *et al.* (2004) who argue that the changing nature of the relationship between citizen and state in Britain has long-term consequences for political attitudes and engagement of British citizens. The authors show

that citizens in Britain feel that their political system is unresponsive and inefficient and use this empirical finding to argue that individuals withdrawal from political activities because they perceive the political process as voluntary rather than obligatory, yielding little value for the course of their daily lives. While focused on somewhat different factors, such an argument is functionally equivalent to the procedural effect I stress here: individuals' perceptions of the fairness and effectiveness of the political process structures the costs and benefits for participation in certain forms of political activity. When the political process is viewed as biased or ineffective, individuals express dissatisfaction and should resort to non-participation or participation in non-traditional democratic activities to articulate their political demands. When the process is perceived to be fair, individuals have an incentive to participate in traditional forms of political activity because it is through these channels that preferences are articulated, aggregated, and considered in the conduct of government. By altering the inclusiveness of a democratic system, governing assistance sanctioned by international organizations can shape individual and collective attitudes toward democracy and structure the incentives and opportunities for individuals to participate in political activity.

Procedural Effects through Contestability

Democracy is more than inclusiveness, however. In addition to the ways that international governing assistance can affect who is included in the political process, it can also affect the range of permissible methods of opposition, public contestation, or public competition over the conduct of government. Theoretically the concepts are distinct; as Dahl notes "...in the absence of the right to oppose the right to 'participate' is stripped of a very large part of the significance it has in a country where

public contestation exists,” (Dahl, 1973, 5). Without effective channels of contestation, participation becomes devoid of its democratic value.

Contestation according to Dahl consists of the first three institutional guarantees for polyarchy: That citizens should have the right to 1) formulate their preferences, 2) signify these preferences to fellow citizens and government through individual and collective action, and 3) have these preferences weighted equally in the conduct of government (Coppedge *et al.*, 2008). Using these criteria as benchmarks, it becomes clear that the institutions associated with international governing assistance can also affect the channels of contestation in a domestic context, and often through the same changes that affect the inclusiveness of a political regime. Though the empirical chapters provide a more complete account, I now offer some examples of the ways that inclusion and contestation can be both expanded and limited by the institutions associated with governing interventions. The examples provided here use international election monitoring and international lending, the governing interventions that constitute the empirical chapters, for maximum theoretical clarity.

Election Monitoring

The European Union *Handbook on Electoral Observation Missions* (Commission, 2008) notes that one of the functions of the electoral observation mission is to ensure that elections are conducted according to the legally-binding provisions of the *International Covenant on Civil and Political Rights (ICCPR)* which states that “Every citizen shall have the right...without unreasonable restrictions...to vote and be elected at genuine periodic elections, which shall be universal and equal suffrage and shall be held by secret ballot, guaranteeing the free expression of the will of the electors” (ICCPR, 1966, Article 25). This mandate requires that all citizens be enfranchised and that there are no unreasonable restrictions on access to voting. In an effort to ful-

fill this mandate, the EU and other electoral monitoring organizations regularly send technical assistance before national elections to help with voter registration, consult on the locations of polling stations for ease of voter access, and manage information campaigns to bring awareness to the election and the right to participate (Commission, 2008). The technical assistance is intended to maximize inclusion in national elections by lowering the costs of voting for individuals who otherwise may not.

However, technical assistance is not a part of every observation mission. Yet even in the absence of technical assistance, electoral monitoring still expands democratic inclusion. If we assume that the act of voting is a rational calculus where individuals vote when the benefits are greater than the costs, the monitoring activities make voting a more valuable proposition for individuals. Electoral monitoring missions are deployed with the goal of monitoring the electoral process to ensure its integrity. Hyde (2007) provides some evidence to indicate that missions are effective in this regard, reducing fraud in observed polling stations in Armenia by approximately six percent. The implication of this finding is that results from monitored polling stations more closely reflect the will of the electorate and thus, the group of individual voters. In such circumstances, the prospect of voting is more attractive because votes matter for the electoral outcome more so than in an election riddled with fraud.

Thus, electoral monitoring works to enhance the inclusiveness of the democratic process directly by providing technical assistance to states aimed at encouraging participation from citizens. Monitoring also enhances inclusiveness by making voting a more beneficial political activity for individuals through their monitoring activities. In these ways, electoral monitoring reinforces existing democratic institutions in the state and should generally yield positive payoffs for democratic involvement.

As to contestation, the act of observing electoral activity to reduce fraud is a mechanism to ensure that citizens preferences are weighted equally. Fraudulent elec-

tions are not authentically contestable by citizens because even if majority preference is against the candidate perpetrating electoral fraud, the electoral results often will not change without other significant collective action. Monitoring electoral activities increases the costs of electoral manipulation and creates a mechanism to identify and publicly denounce fraud. In this way, it enhances the contestability of the electoral process.

International Lending

Governing assistance can also limit inclusiveness such that previously enfranchised groups are excluded from the political process. One criticism of international lending has been the degree to which it excludes citizens from the policymaking process due to structural adjustment policies required to obtain loan funds (Stiglitz, 2002). Greece, for example, recently experienced a painful recession that required emergency lending from the International Monetary Fund (IMF) and the European Union. The two institutions agreed to a deal worth approximately 150 billion USD, but required substantial austerity measures as a condition of receiving the loan funds (IMF, 2010). These austerity measures included raising taxes, cutting wages for public workers, reducing spending on public services, and cutting welfare benefits. Though mandated by the terms of the IMF loan, these measures were extremely unpopular in Greece and spurred widespread protests, labor strikes, and political discontent across the state. Moreover, the policies were not proposed by elected representatives, but by the co-lenders, totally eliminating the role of citizens in the conduct of government.

For these reasons, Greek citizens have been very ineffective in changing the course of policies. As Kapur and Naim (2005) argue, IMF lending programs often build an alternative chain of accountability in borrower states, where leaders become accountable to IMF officials instead of their constituents. This is true of Greece, which has

resulted in leaders being unresponsive to citizen demands. During the most recent round of national elections, Greek citizens elevated a previously marginal left-wing party that opposed the austerity measures, Syriza, to the main opposition party with 27 percent of the popular vote. However, the results of the election changed very little substantively and the austerity measures continue to be implemented by Greek officials (Donadio, 2012).

Through this imposed accountability, the lending program in Greece and those that are structurally similar to it remove the mechanism that makes the conduct of government responsive to citizen preferences, one of the eight institutional guarantees theorized by Dahl as being necessary (but not sufficient) for democratic governance. The implication is that inclusion in the political system while a lending program is in progress is a less effective mechanism of altering the conduct of government than before the intervention. In this way, lending programs can render political participation ineffective for individuals, which undermines democracy in the state.

On contestation, the Greek example is one of many where strong public sentiment against IMF policies has existed while the policies remained in place. By making elected officials responsible to IMF authority instead of their constituency, the institutions associated with IMF lending compete with domestic democratic institutions and undermine the opportunities for contestation in the political process.

For example, in early 2012 before it was clear that a pro-EU/IMF bailout government could be formed in Greece, German Finance Minister Wolfgang Schäuble suggested that a provisional government appointed by officials with the lenders should assume control of Greece for two years to implement the structural adjustment program concomitant to the bailout. For these and other reasons, Schäuble is detested by the public in Greece; so much so that before he made a visit in June 2013, the Greek government banned political demonstrations in central Athens. Roads and subway

stations were systematically blocked to restrict access to common city demonstration sites and 4,000 officers were deployed to contain any episodes.

Thus, there is anecdotal evidence that governing assistance can exert procedural effects that alter individual attitudes and behaviors by affecting the inclusiveness and contestability of the political process. I expect that when governing assistance alters the domestic institutional context to be more inclusive with more opportunities for political contestation, individual levels of confidence in democracy will improve and rates of participation in traditional forms of political activity, like voting, will increase because the process is perceived as being more legitimate and because the traditional democratic channels are more responsive to citizen demands.

When governing assistance alters the domestic institutional context by limiting inclusion or narrowing the range of permissible channels of contestation, individual levels of confidence in democracy will deteriorate and rates of participation in contentious forms of political activity will increase. This is because by hindering inclusion and contestation, individuals perceive the political process less favorably than before governing assistance and because the democratic institutions that they normally use to articulate political demands become less responsive. Contentious forms of political activity like riots, boycotts, and protests become the most effective ways to affect the conduct of government when traditional channels of contestation are marginalized.

In this project, I focus only on the behavioral changes stemming from these effects. This is for two primary reasons. First, political attitudes are essential to the consolidation of democratic governance. As demonstrated by an important corpus of research, successful democracy depends on having a population that believes in democracy as a form of government and that democracy, despite its procedural sluggishness, is normatively superior to other forms of government. For this reason, understand the causes and consequences of individual changes in political attitudes is

important. Second, though the theory elaborated here does make specific empirical predictions about changes in individual behaviors, such a project given the state of the theoretical development in this particular area would be premature.

Symbolic Effects

Governing interventions directly affect political involvement through not only procedural mechanisms as described previously, but through symbolic mechanisms as well. As Kittilson and Schwindt-Bayer (2010, 2012) have argued, the institutional context in a political system engenders the norms and ideals of that society, and citizens learn about these by engaging with their particular institutional context. When states adopt institutions that make the political process more inclusive and transparent, that sends symbolic messages to citizens about the government's commitment to democracy which can affect individual perceptions of the system without necessarily exerting any procedural changes to the democratic process. In other words, symbolic effects create changes in political attitudes and behaviors by appealing to values, ideals, and emotions, without necessarily exerting any effect whatsoever on political procedure.

As one example, Kelley (2008) argues that states transitioning to democracy invite electoral monitors to legitimize their electoral process on the global stage. One implication of this is that states use the act of inviting an electoral monitor as a signal that their elections will be transparent and free of fraud. This signal serves not only to elicit legitimacy from the international community, but from constituents in the state as well, about the quality of the electoral process. The invitation of electoral monitors is symbolic in this sense: it expresses a government's commitment, however authentic, to comply with the prevailing democratic norms and ideals related to free and fair elections. Though these symbolic effects are more difficult to empirically iso-

late and measure, they can “...trigger emotive responses from citizens that can draw them into electoral politics,” (Kittilson and Schwindt-Bayer, 2012, 15).

This effect can work in the opposite direction, too, however. The adoption of an IMF lending program strongly signals to citizens that the government has been inept in its management of the economy. Moreover, adopting institutions that exclude citizens from the decision-making process sends a signal that the preferences of citizens are unimportant in the management of crises and that democratic governance is a temporary, not permanent, feature of the political landscape in which citizens live.

The empirical chapters intentionally focus primarily on the direct procedural effect and indirect effects as being the primary causal mechanisms in the argument. There is more and better data about these two types of effects, and these data can be used to more credibly support my theory. However, I do occasionally refer to anecdotal evidence indicating the plausibility of a symbolic effect for citizens.

Indirect Effects of Governing Assistance on Political Involvement

The theoretical argument to this point has emphasized the direct channels through which governing assistance may affect individual perceptions of democracy and rates of participation in certain types of political activity. The institutions associated with governing assistance may also indirectly influence these characteristics by affecting political outcomes in a state. Changes in the inclusiveness and contestability of the political process can alter political outcomes in a state, thereby influencing levels of confidence in democracy and incentives to participate in particular forms of political activity.

This indirect effect is difficult to keep theoretically separate from the direct effects described above. The primary difference between them is from where the effects originate. In the case of the direct effects, both the procedural and symbolic effect

originate from the *changes in the domestic institutional context caused by the governing intervention*. In the case of the indirect effect, it originates from the *changes in political outcomes* generated by an altered institutional context.

To clarify, imagine a political system where both the institutional context and political outcomes could be manipulated by researchers. In the first iteration of such a system, the researcher deploys a governing intervention that creates a more inclusive and contestable political process. Through this process, political outcomes are altered in favor of previously disenfranchised populations from what they would have been under the original domestic institutional context, pre-intervention. In this case, both direct effects and the indirect effect would be at work; the direct effect yielding from the more inclusive and contestable political process and the indirect effect yielding from the outcomes changing in favor of previously disenfranchised political groups.

Now imagine the same theoretical experiment with the same governing intervention creating a more inclusive and contestable political process. But in this case, the political outcomes generated by the altered domestic institutional context are *identical* to the outcomes that would have been generated by the pre-intervention institutional context. In this case, only the direct effects (procedural and symbolic) could possibly be affecting individual democratic attitudes and behaviors. For the indirect effect to alter individual political involvement, there must be changes in political outcomes.

Obviously we cannot exert such fine-tuned control in the real world. However, the thought exercise proposed above is useful insofar as it theoretically distinguishes the types of effects I expect to find in cases of governing interventions in democratic states. Moreover, though we can never know for certain, it seems reasonable to assume that changes in the inclusiveness and contestability of political systems would very frequently generate changes in political outcomes that lead to the indirect effects described here.

Referring to the empirical examples briefly discussed above, electoral monitoring seeks to ensure the transparency and fairness of national elections. Through this process, electoral monitors affect *procedural* democracy by ensuring that the opportunity to participate is unrestricted and that candidates genuinely compete for support.³ However, the presence of electoral monitors potentially affects political outcomes, as well. For example, through its monitoring activities, the electoral observation mission may create conditions where an opposition candidate could be elected to office who otherwise would not have. This political outcome may have been highly unlikely in the absence of the governing assistance. Thus, the intervention of interest initiated changes in the domestic political context that not only affect procedural aspects of the democratic process, but also the outcomes it generates.

Similarly, international lending frequently changes political outcomes, especially as they relate to economic and fiscal policy in states. Elected officials in Greece, as noted above, have committed their administrations to complying with the structural adjustment policies required by the EU/IMF bailout agreement, despite widespread unpopularity and criticism from large portions of the Greek population. In cases of international lending, the program's effects on political outcomes are often highly visible and a source of contention among competing political factions in the state.

There is one further distinction between direct and indirect effects that merits attention. Through the indirect effect, it is possible that even when the political process is made more inclusive and contestable by a governing intervention, that individual attitudes toward democracy and participation in democratic activities could deteriorate. In the way of a brief example, consider a case where an election monitor makes the electoral process more transparent and more fair, but through this

³It is acknowledged that some states invite electoral monitors and still cheat in the electoral process. I take up this argument in more detail in Chapter 4.

transparency discovers and makes public an incumbent's attempt to manipulate the electoral process. Though the democratic process was reinforced (insofar as it became more inclusive and contestable), the outcome for individual political involvement is potentially negative, because individuals receive information that their political leaders are corrupt. This example is further elaborated in Chapter 4.

Discussion and Conclusion

This chapter has articulated a general theory for understanding how and when governing assistance provided by international organizations will affect the democratic stability of states. The theory focuses on the micro-behavioral foundations of democratic stability in that it seeks to causally link governing interventions with changed individual political attitudes and behaviors. The theory also sets expectations for empirical outcomes that are the focus of subsequent chapters.

In very general terms, the theory presented here conceptualizes democracy along two dimensions; inclusiveness and contestability. Inclusiveness refers to the proportion of the population in a state that is free to participate in the political process. Contestability refers to the opportunities for individuals to contest the conduct of government. I argue that when international organizations provide governing assistance to states, it is possible to assess whether the institutions associated with the governing assistance enhance or restrict the state's institutional context along these dimensions. Further, I argue that how the governing assistance restricts or enhances democracy along these dimensions suggests the empirical effects most likely to manifest at the individual level.

When governing assistance alters the domestic institutional context such that it enhances inclusiveness and opportunities for contestation, I expect that individuals will generally express higher levels of confidence in democracy and higher rates of

participation in traditional democratic activities. This is because individuals procedural and symbolic changes catalyzed by the governing assistance leads individuals to perceive the democratic process as more inclusive, more transparent, and more equitable in generating political outcomes. Further, individuals may experience emotive responses to democratic changes in the political process that signal their government's commitment to transparency and good governance. Finally, through these changes to the domestic political context, political outcomes may be altered in favor of previously disenfranchised populations, which should lead to increased satisfaction with the performance of government.

When governing assistance alters the domestic institutional context by restricting inclusiveness and opportunities for contestation, the opposite effects should be observed. Individuals should generally express lower levels of confidence in government and should participate at higher rates in contentious forms of political activity, as these are the most effective channels for articulating political demands when democratic institutions are unresponsive.

Chapter three uses cross-national survey data to substantiate the statistical relationship between international election monitoring, a governing intervention that I argue expands inclusiveness and opportunities for contestation in a state, and individual political involvement. Chapter four uses data to explore the opposite type of intervention, one that restricts inclusiveness and opportunities for contestation, by looking at international lending programs in a cross-national context.

To help substantiate the causal mechanisms articulated by the theory, chapter five conducts two case studies that provide additional qualitative and quantitative evidence that linkages between international governing interventions and individual political attitudes and behaviors exist. Chapter six summarizes the results and concludes by providing some suggestions for future research.

Chapter 3

ELECTORAL MONITORING IN A CROSS-NATIONAL CONTEXT

Monitoring democratic elections is an important and widely practiced norm in developing democracies around the globe. As Hyde notes, while election monitoring is a relatively new phenomenon, by the year 2004 at least 80 percent of national elections in developing states were observed by an international election monitor (Hyde, 2007, 38). This trend is substantively important for democratic governance, for the effects of election monitoring should matter for the quality and transparency of the electoral process. More generally, given the ubiquity of electoral monitoring in transitional democracies, it is important to understand the implications of having monitoring missions present as independent third parties in the electoral process.

To this point, research on international election monitoring has focused on its effects on electoral fraud and manipulation by domestic political actors. Hyde (2007), for example, finds that the presence of international election observers at polling places decreased election-day fraud by approximately six percent. At the macro-level, Kelley (2008) investigates the rise of electoral monitoring as an international norm, including the puzzling question of why states would invite an electoral monitor, yet still manipulate the electoral process. In more recent work, Kelley (2010) has investigated the biases of electoral monitoring organizations and the conditions under which the official assessments certify or denounce election results. In short, most research to this point has focused on the organizations that monitor elections and the state targets of these monitoring missions. While this focus on the organizational and state levels has yielded important insights into the effects of electoral monitoring

missions, this project takes a different approach by investigating relationship between electoral monitoring and individual political attitudes and behaviors.

Such a focus is important because electoral monitoring missions are intended to detect and sanction fraud and manipulation in the electoral process such that the political preferences of voters are fairly considered (Carothers, 1997; Chand, 1997; Anglin, 1998). In other words, electoral monitoring missions are intended to ensure the transparency and fairness of the electoral process by certifying that in the presence of monitors, no major irregularities were detected. In doing so, electoral monitoring missions convey messages to citizens that the democratic process was a true and accurate expression of popular political will. But do these functions and signals have any effect on individual political attitudes?

The next section briefly reviews literature on the relationship between political institutions and individual political attitudes and behaviors as well as relevant literature about electoral monitoring missions in order to provide the appropriate context for the present theoretical approach. The third section applies the theoretical framework described in Chapter 2 to generate hypotheses about the relationship between international electoral monitoring and individual political involvement and posits hypotheses related to changes in political attitudes for individuals in states with monitored executive elections. The third section also proposes some alternative explanations for changes in levels of individual political involvement independent of the variables measuring electoral monitoring. I then test these hypotheses in a cross-national context to show that individuals have increased confidence in democracy and higher rates of participation in voting in states where elections are monitored and *certified*. Where elections are monitored and the results are *denounced* or *ambiguous*, individuals report lower levels of confidence in democracy and are less likely to vote. This chapter's primary contribution is to present cross-national statistical evidence linking election

monitoring to predictable changes in individual attitudes toward democracy and rates of participation in the traditional democratic activities.

Institutions and Micro-Level Political Attitudes

Scholarly interest in the relationship between political institutions and individual political attitudes and behaviors has led to several important findings. Relatively early in this tradition, Anderson and Guillory (1997) asked whether and how political institutions mattered for satisfaction with democracy. They concluded that differences in the type of electoral system matter for individual levels of satisfaction with democratic outcomes. When an individual politically identifies with an electoral winner, levels of satisfaction were maximized in majoritarian systems. When an individual identifies with an electoral loser, those in consensus-based political systems expressed higher levels of satisfaction than individuals in majoritarian systems due to the incorporating features of consensus-based democratic institutions. Beyond these specific conclusions, these findings showed more generally that political institutions matter for understanding the formation of political attitudes and the reasons that individuals engage in political activity. Since then, this conclusion has been substantiated by an impressive body of scholarship (Jones, 1999; Lijphart, 1999; Taylor, 2000; Norris, 2004; Machado *et al.*, 2011; Fumagalli and Narciso, 2012, *inter alia*).

To this point, the focus of research in this traditions has been almost exclusively on the relationship between *domestic* political institutions and individual political involvement. However, international institutions are present not only in the international system, but also in the domestic political systems of many states as they are relied on to provide governance when states require assistance doing so (Chabal, 2002; Laakso, 2002). As such, there are important lessons to learn by studying the linkages between international institutions and individual political involvement using what is

already known about the relationship between domestic institutions and individuals as a conceptual guide. In some ways, the theoretical expectations in both cases should be similar. Institutions are forces that constrain the range of permissible political activity. The set of choices available to individuals will be different depending on the institutional context structuring their political system. In other words, when international and domestic institutions structure political systems similarly, political outcomes should be similar, too.

However, there are also major differences between domestic and international institutions which potentially affect the nature of these relationships. Most obviously, international institutions and their associated governing interventions are temporary, non-enduring features of domestic political systems. Once an international election monitor issues its final report, the monitoring mission ends and the monitors leave the country. More generally, governing assistance programs tend to share this characteristic. Rather than conceiving of these institutions as near-constant and permanent fixtures in a political system as domestic political institutions are commonly conceived (March and Olsen, 2006), it is appropriate to consider the temporary nature of these international institutions and assess whether this characteristic matters for the effects they may exert on individuals.

The dependent variables in this chapter measure individual levels of satisfaction with democracy. Such a focus is warranted for several reasons. Primarily, confidence in democracy is considered a necessary condition to the sustenance and consolidation of democratic governance in developing states (Putnam *et al.*, 1994; Dahl, 1997; Inglehart, 1997, 2000). By focusing on the ways that international institutions affect confidence in this regard, the findings of this research have implications for democratic stability in developing democracies around the globe. Further, the focus on confidence in particular democratic institutions is used as a measure of political atti-

tudes because of the availability of cross-national survey data and because, as noted by Newton, "...confidence in institutions is about something deeper and more fundamental than trust in politicians or in particular governments," (Newton, 2001, 5). Confidence in institutions is a proxy for satisfaction or dissatisfaction with the existing political system and its outputs.

The findings of this chapter provide information about the long-term prospects for democratic governance in developing states. More importantly, they show that governing assistance provided by international organization is not *ex ante* good or bad for states. Rather, how the institutions concomitant to the governing assistance interact with the state's existing institutional context determines the effect it will have for democracy in the state. For this reason, the design of governing assistance programs matters for whether they ultimately enhance or undermine governing stability and the process of democratic consolidation. As further elaborated below, election monitoring is one form of governing assistance whose institutions typically reinforce existing democratic institutions in a state. Therefore, the expectation is that election monitoring should generally exert positive effects on individual political involvement (with some caveats to be discussed). These results show that international organizations can be a positive force for helping democratizing states around the globe by eliciting support for democracy and encouraging participation in traditional democratic activity. More generally, the findings indicate the need to take governing assistance and international institutions seriously when examining the sources of individual political attitudes and activation.

Electoral Monitoring and Confidence in Democracy

How does the theory articulated in Chapter 2 causally link international election monitoring to changes in individual political attitudes and behaviors? Recall that

the expectations for changes in individual political involvement are generated by assessing whether the institutions associated with governing assistance reinforce or suppress the existing democratic institutions in a state. In the case of international election monitoring, I argue that this type of governing assistance generally *reinforces* existing democratic institutions in states where it is deployed.

In more precise terms, election monitoring reinforces existing democratic institutions in several ways. First, election monitoring makes the electoral process more transparent and makes voting a more beneficial political act for individuals. The direct procedural effect, in which individual political attitudes and behaviors are affected by changes to the political process, exerts itself most directly. This effect could also be described as a “rationalist” effect, insofar as the presence of the governing assistance alters the costs and benefits of political action (Shepsle, 2006; Weingast, 1996). Electoral monitoring helps to shape the incentives not only for individual voters, but for incumbent and opposition political candidates seeking (re)election, as well.

For example, at the individual level, international election monitoring helps to increase the efficacy of any individual vote, because a vote counted fairly is worth more than a vote in an election where the outcome is manipulated (He, 2006; Kandelaki, 2006). Even if electoral fraud is not eliminated by the presence of monitors, so long as the presence of the monitors improves the fairness of the election, this effect should hold. Furthermore, the effect even improves the hypothetical “value” of votes when an individual plans to vote for the party that manipulates the electoral process. In the case of a fraudulent election, their vote is effectively meaningless because it is fraud, and not individual votes, that determines the outcome of the election (cf. Diamond (2002, 32)). Thus, when electoral monitoring missions work as designed and reduce

the amount of electoral fraud in a state, it makes voting a more beneficial undertaking for individuals.

The direct procedural effect also operates in the context of electoral strategy. In the case of an observed election where the costs of electoral manipulation increase, persuading voters through more traditional mechanisms becomes more beneficial as an electoral strategy for competing political parties. As a result, incumbents and opposition candidates may be more willing to adopt the policy preferences of the electorate in order to win their vote (Adams and Merrill, 2000; Bueno de Mesquita and Smith, 2011). In other words, the presence of electoral monitors may prompt politicians to be more responsive to the policy demands of the electorate than they otherwise would be since winning votes through policy concessions may be a better electoral strategy than attempting to cheat. These changes should prompt individuals to feel more confident in the electoral institutions in their state and the quality of democracy overall given that they have the ability to choose from meaningful political alternatives and that the outputs of government are benefiting them.

The direct procedural effect alters the strategies for competing political candidates, as well. As argued above, if an electoral monitoring mission works as designed and creates incentives for political candidates to play by the rules, voters ultimately benefit because the incumbent and political opposition will have to resort to more traditional voter targeting methods instead of electoral manipulation. In other words, electoral monitors raise the costs for cheating such that incumbents and opposition candidates will seek to persuade voters through alternative mechanisms. Additionally, the costs of cheating increase in the presence of electoral monitors because of the potential ramifications if caught (Hyde and Marinov, 2007). Due to the rise of electoral monitoring as an international norm for developing states (Kelley, 2008), when an election is judged to be “ambiguous” or “unfair,” the state and its leaders

not only suffer losses in domestic legitimacy, but also international legitimacy because electoral monitors convey a highly visible and credible signal to the rest of the world that the state is not abiding by democratic principles.

Although these rational effects are the most obvious mechanisms through which election monitoring may alter patterns in political attitudes and behaviors, another possible mechanism through which electoral monitoring may operate is through the direct symbolic effects of these institutions. The direct symbolic effect refers to the emotive responses of individuals catalyzed by the messages states send by adopting particular features into its institutional context. As Kittilson and Schwindt-Bayer argue, "...political institutions do more than afford rational incentives for participation but also symbolize a country's most important ideals for the democratic process," (Kittilson and Schwindt-Bayer, 2010, 990).

Electoral monitoring missions come at the explicit invitation of a state and are not necessarily allocated according to where electoral fraud is most likely. Therefore, when a state's electoral commission formally invites an international organization to observe its national elections, this acts as a signaling device to citizens. The invitation sends a message to citizens that the government is committed to democracy, that transparency and inclusion in the political process are important, and that free and fair elections are vital to sustaining legitimate government. For this reason, individuals may feel more incorporated into their political systems and may feel more politically effective since the government is ostensibly taking steps to prevent electoral manipulation. This particular argument is complicated somewhat by the finding that states sometimes invite election monitors and still cheat (Kelley, 2008; Beaulieu and Hyde, 2009), but the act of inviting an organization to monitor domestic elections conveys a pro-democratic message even if the behaviors of particular governments does not always comport with such an ideal.

Furthermore, it seems likely that political leaders recognize the importance of this signaling device for their domestic elections. A common assumption about political leaders is that their primary motivation is to stay in office (Bueno de Mesquita *et al.*, 2001). If this is true, then there must be a rational payoff for a leader to invite an organization to observe domestic elections, even when that leader intends to manipulate the electoral process. The payoff, it seems, is that having observed elections sends signals of credibility to both domestic and international audiences about the legitimacy of the electoral process. Thus, though these symbolic effects are difficult to empirically isolate, they are likely important determinants of individual political attitudes and behaviors.

Finally, there are indirect effects resulting from changes in political outcomes in the presence of governing assistance. I argued above that the presence of electoral monitors affects the strategies that political candidates will use to elicit support, as electoral manipulation becomes a less attractive strategy. The precise outcomes are difficult to specify, *ex ante*, but the increased responsiveness of political candidates to individual political demands should yield positive payoffs in the form of policy concessions.

For example, the 2008 Presidential election in Ghana became a race between two competing candidates Nana Akufo-Addo of the ruling New Patriotic Party and John Atta Mills of the National Democratic Congress. The 2008 Ghanaian election occurred in the midst of discovering vast national oil resources (BBC April 8, 2008). The campaign between these two candidates was almost entirely about how these resources would be best spent on the Ghanaian public, and which party would do the most to reduce corruption and cronyism. Despite the fact that oil revenue was not expected until late 2010, candidates campaigned with particular attention to the demands individuals and regions made on these oil revenues and made exceptional

promises to deliver goods and services to regions that were habitually underserved. Promises to deliver schools, roads, and updated infrastructure ultimately became the issues that citizens cared about and the ones that candidates routinely used to elicit support while on the campaign trail.

The National Democratic Congress several times made claims of electoral manipulation on the part of the New Patriotic Party. However, because the European Union was present in the country to monitor the electoral process, these claims of fraudulent activity were never substantiated and did not become major issues in the campaign. Furthermore, in a surprising twist, despite the fact that Akufo-Addo was shown to be ahead in public opinion polls conducted by the Ghanaian electoral commission, Mills ultimately won the election in a second-round runoff with 50.7 percent of the vote. The presence of election monitors in this case helped keep attention on the issues in the campaign, including how the newly discovered oil revenue would be managed and spent. In this way, it required the major political candidates to take these issues seriously that otherwise may have been neglected in a context where claims of electoral manipulation could have become a more central campaign issue.

It is through these two sets of mechanisms that individual-level attitudes and behaviors may be impacted by the presence of international election monitors. Election monitors reinforce existing democratic institutions such that they operate more effectively by raising the costs for electoral manipulation and helping to ensure that political parties and candidates play by the rules of the game. More subtly, the invitation and presence of election monitors vests citizens with a sense of inclusion in the democratic process where their votes matter for determining their political fates.

It is unlikely that these effects apply uniformly to democratic states, however. There are at least three confounding factors that potentially affect whether or not electoral monitors influence attitudes and behaviors at the individual level. First is

the credibility and extent of the electoral monitoring mission; second is the monitoring organization's final judgment on the electoral process in the state; third is the degree of democratic consolidation in the target state.

Electoral Monitors

The task of monitoring international elections is not the domain of a single international organization. Rather, there are several international organizations, both governmental and non-governmental that perform these tasks. These organizations vary in the transparency of their operations, the public awareness and visibility of their monitoring missions, and their reputations for rendering unbiased assessments. A certain number of organizations have been deemed "credible" by previous research for their histories of good performance in this area, and these are the organizations that are frequently invited to observe domestic elections (Kelley, 2009). There are other organizations that have reputations for being politically biased, but provide a useful service to governments seeking validation of their fraudulent electoral process to elicit international legitimacy (Beaulieu and Hyde, 2009). The mechanisms posited above should most strongly affect individuals when the monitoring organization is considered credible and is generally trusted to undertake the task of monitoring a domestic election without strong political biases. When the organization is not credible, it is very possible that the effects disappear entirely or even reverse. Such an investigation is beyond the scope of this study. The present analysis attempts to avoid this issue by limiting the empirical portion of this paper to only those monitoring organizations considered to be credible by previous research and by their track records in monitoring elections worldwide.

Election monitoring missions also vary with regard to the size and extent of the missions (Kelley, 2010). Some missions provide only technical assistance, such as

registering voters and choosing the location of polling places before the election occurs. Other monitoring missions provide pre-electoral assistance, but also provide election-day assistance in the form of volunteers to observe the electoral process at polling stations around the country. Larger and more extensive missions should be more effective at detecting fraud in the electoral process and therefore makes the electoral process more transparent than a smaller monitoring mission. Additionally, the mere presence of monitors at a polling place may act as a visible signal to citizens that the electoral process is being fairly conducted. In general, then, the theoretical expectation is that the larger and more extensive an electoral monitoring missions is, the more acute the effects will be for individuals.

As important as the credibility of the monitoring organization is the organization's judgment of the electoral process in the state. When a credible organization denounces a national election as ambiguous or fraudulent, individuals may lose confidence in the democratic process because of the highly public nature of the electoral fraud claims (Hyde and Marinov, 2007). Further, fraudulent elections have a tendency to result in political instability and in extreme cases, violent conflict, because the opposing sides make competing claims about the integrity of the electoral process (Lehoucq, 2003; Magaloni, 2010). In extreme cases, such as in Kenya after its 2007 national election, this instability can result in civilian deaths and civil conflict which has created a fragile political situation that remained long after the election was held (Cheeseman, 2008; Mueller, 2008). Thus, when credible monitors certify an election as free and fair, the effects posited above should hold. When the organization rules that the electoral process was ambiguous or fraudulent, individuals may lose confidence in the democratic process given the high-profile and public manner in which the fraud was detected and reported.

Finally, the level of democracy in a state matters, too, because in consolidated democracies, the effects of these temporary political institutions may be negligible, or even opposite of what they are in transitional democratic governments. Consider the case of electoral monitoring in the United States in the most recent presidential election. Representatives from the Organization for Security and Cooperation in Europe (OSCE) opened a formal electoral monitoring mission for the United States 2012 federal elections at the request of “authorities of the United States,” (OSCE, 2012). In response, the Attorneys General of Texas and Iowa threatened the observers with legal recourse should they show up to polling places (Palmer, 2012). While this is only anecdotal evidence that the causal linkages between international institutions are different in differing democratic contexts, it is reasonable to assume that consolidated democracies may not need to send strong signals about the legitimacy of the government and as a result, these governments may interpret intrusions into domestic democratic processes from a different perspective than transitioning democratic states. These mechanisms do not operate identically where democratic governance is consolidated and where elections are generally considered to be free and fair. Rather, it is where democracy is fragile that these effects should be most acute.

From this theoretical framework, I develop the following hypothesis that will serve as the basis for the empirical analysis in the following sections:

- H1 *Pre- to post-electoral changes in individual levels of satisfaction with democracy will be highest in states where the electoral process was certified as “acceptable” by an international electoral monitoring organization, all else equal.*

- H2 *Individuals in states with the largest missions (adjusted for population) will report the greatest increases in levels of confidence in democracy, all else equal.*

H3 *Individuals in states with monitored elections are more likely to report an intention to vote than those in states with unmonitored elections, all else equal.*

There are, of course, alternative explanations that merit investigation as well. Primarily, satisfaction with democracy has been theoretically linked to perceptions of economic performance (Lipset, 1959; Hofferbert and Klingemann, 1999). When individuals perceive economic performance to be strong, they are more likely to express satisfaction and confidence in their political system than when the reverse is true. Therefore, changes in public opinion may be initiated by changes in macroeconomic performance and may have nothing at all to do with the process of electoral observation. Thus, the following hypothesis is considered as an alternative explanation:

H2 *Pre- to post-electoral changes in individual levels of satisfaction with democracy are best explained by a state's change in economic performance over the same period.*

Finally, although there is little variation in levels of democracy between the states in the sample used in the present analysis, *prima facie*, there may be a more nuanced statistical relationship that is not immediately evident. Therefore, I test one additional alternative explanation related to the level of democracy in a state with the following hypothesis:

H3 *Pre- to post-electoral changes in individual levels of satisfaction with democracy are best explained by a state's change in democracy over the same period.*

Data and Methods

To investigate whether international electoral monitoring has significant effects on individual attitudes toward democracy and democratic institutions, I rely on Latinobarometer public opinion data from six Latin American executive elections held

between 2001 and 2005.¹ All elections in the dataset were monitored by a major multilateral organization and all monitoring missions came only after the country extended a formal invitation. I focus on this specific subset of elections for two reasons. First, by focusing on a particular region of the world, regional variation is minimized that would otherwise need to be controlled. In this way, the analysis is able to focus on the electoral monitoring mechanisms themselves while assuming that the units of analysis constituting the data are reasonably similar. Further, this particular subset of elections was monitored by large, mainstream organizations and thus focusing on this subset helps to reduce variability in the quality and type of electoral monitoring employed in each state. In short, by focusing on this particular region and time, much of the variation that may otherwise affect the results is minimized.

I first assess whether there are significant differences between pre- and post-electoral country means for satisfaction in democracy using a method developed by Kruschke (2013) called Bayesian Estimation Supersedes the t-Test (BEST). This is a Bayesian implementation of a standard t-test, but has several methodological advantages for the present purposes. First, the BEST procedure is more conservative in small sample sizes and does not show significant differences in small sample sizes where the standard t-test might improperly do so. Second, because the BEST procedure relies on Markov Chain Monte Carlo (MCMC) sampling procedures, multiple representative posterior distributions can be easily computed to ensure that the results of the BEST procedure are stable and consistent. Having the ability to assess the consistency of the findings is key when the difference in means and the effect size are substantively consequential. In other words, we must not only be confident that the means are significantly different between pre- and post-electoral attitudes, but

¹The particular elections included in the dataset are Bolivia 2002, Colombia 2002, Ecuador 2002, El Salvador 2004, Guatemala 2003, and Paraguay 2003.

must also be sure that the size of the difference is accurately estimated. However, simply assessing that there are significant differences between pre- and post-electoral country-level means says nothing about the causal factors contributing to this change in attitudes. In order to better assess the causal relationship between electoral monitoring and individual political attitudes, I rely on predictive Bayesian modeling and use out-of-sample cross-validation techniques to assess the robustness of each predictive model's accuracy.

For each country, I use survey data from two time periods: the year prior to and the year after the election. I use these opinion data to determine whether there are significant differences between pre- and post-electoral attitudes. After establishing the existence of significant differences between pre- and post-electoral public opinion data, I then use the public opinion and electoral monitoring data to construct a predictive model for post-electoral changes in satisfaction with democracy. To do this, I randomly divide the survey data into four groups, three with approximately 700 observations each that are used as training data to build three predictive models. The fourth subset of data is the testing dataset where each of the predictive models will be tested for predictive accuracy. As Schneider et al writes, "...the academic goal is the identification of the out-of-sample prediction that offers the most accurate forecast in comparison to the real outcome," (Schneider *et al.*, 2011, 7). By reserving data for testing the competing models, confidence in the predictive value is increased because the observations that the model is predicting was not used to construct the predictive models themselves.

The independent variables in the predictive models are measured at the time of the post-electoral survey data are taken (Latinobarometer 2001; 2002; 2003; 2004; 2005). Each model includes the same individual-level predictors of satisfaction with democracy, including news readership, self-reported political ideology, education, sex,

age, whether the individual has personally known an act of corruption in the past year, how the individual rates the present economic situation of their country, whether the individual approves of the incumbent administration, the economic well-being of the individual (measured by how well their income covers their needs), and whether the individual trusts people in general. Each of these predictors has theoretical justification for inclusion in the models and I refer the reader to other work for those explanations (Lipset, 1987; Nye, 1997; Anderson and Singer, 2008; Booth and Seligson, 2009; Norris, 2011).

In addition to the individual-level predictors, each of the models includes a single country-level predictor related to the three hypotheses discussed previously. The data for these variables comes from data related to the specific electoral monitoring mission in the election year, (Kelley, 2012) as well as other country-level indicators from the World Bank and Polity IV project (Marshall and Jaggers, 2010).

The first model uses electoral monitoring as the country-level predictor. The variable is dichotomous and is coded as “1” for each country that was monitored by an international organization *and* where that organization deemed the election “acceptable” or “free and fair.” Where a state had a monitored election but the monitoring organization issued a final report declaring the election “ambiguous” or “unacceptable,” the country-level predictor was coded as “0.” While a rather general measure of the effects of electoral monitoring in a state, the measure does capture a theoretically important difference between simply being a monitored or unmonitored election. The variable as constructed tells us also about the *quality* of the election, or at least the quality of the election as determined by the monitoring organization. Electoral monitoring organizations release public statements, write official reports, and ultimately make very public signals to the electorate about their judgement of the electoral process (Beaulieu and Hyde, 2009; Hyde, 2011; Kelley, 2012). By coding

the outcome of the electoral report, this measure serves as a proxy for the type of public statements individuals may have been exposed to.

The second model uses the level of democracy as the country-level predictor. The level of democracy is important because a states fidelity to democratic principles strongly impinges on levels of citizen satisfaction. As Anderson and Tverdova (2003, 91) argue, "...informal political practices, especially those that compromise important democratic principles, should be considered important indicators of political system performance." More generally, since system performance is strongly related to levels of satisfaction with government, level of democracy is a substantively predictor at the country-level. The variable is measured as the state's Polity IV score in the year the survey data was collected.

The final model uses economic performance as the country-level predictor. When economic performance is poor, individuals feel less confident in democracy and democratic institutions as well as less satisfied with the outputs of the government. The variable is measured as the change in GDP per capita, adjusted for purchasing power parity, from the pre-electoral to post-electoral period. Though imperfect, this measure is appropriate because it most closely assesses the economic conditions of individuals in a cross-national perspective and is used widely as a measure of access to economic resources (Anand *et al.*, 1994).

The dependent variable in each model is the individual-level response to a question about satisfaction with democracy. However, since the focus of this inquiry is on *change* and not simply predicting levels of satisfaction at a given point in time, I transform the dependent variable into a binary variable with a value of "0" if the individual responded as being satisfied with democracy below the pre-election country mean. The dependent variable is coded as "1" if the respondent answered as being satisfied with democracy above the pre-electoral country mean. While this is

imperfect, is the most practical solution given that the survey data do not follow the same respondents from year to year. By coding the dependent variable in this way, we are able to determine whether there are shifts in satisfaction and where they are most pronounced.

I use a Bayesian hierarchical logit to estimate the predictive models. The Bayesian implementation of this model yields several advantages. First, as recently shown by Stegmueller (2013) the Bayesian model outperforms its frequentist counterpart when the number of level-two observations is small. In this case, there are six country-level observations, and the Bayesian model will yield more consistent and reliable estimates. Second, the Bayesian implementation of a statistical model more easily deals with problems of data missingness, because missing values are treated as unknown parameters that are sampled from the posterior distribution (Jackman, 2000).

Each of the predictive models is specified with the individual-level intercept as a function of the country-level predictor. More formally, the individual level of the model is specified as

$$\mu_i = \alpha_j + \beta X_i + \epsilon, \quad \alpha_j \sim N(\mu_{\alpha j}, \tau_{\alpha j})$$

where X_i is the matrix of individual-level predictors and α_j is a draw from a random normal distribution with the mean $\mu_{\alpha j}$ and precision $\tau_{\alpha j}$. These are then calculated as a function of the country-level predictor as follows

$$\begin{aligned} \mu_{\alpha j} &= \alpha_{L2} + \beta_{L2} Z_j, & \alpha_{L2} &\sim N(0, .0001) \\ \tau_{\alpha j} &\sim \Gamma(1, 1) \end{aligned}$$

where Z_j is the matrix of country-level predictors (in each model, Z_j is a vector including a single country-level predictor) and the country-level intercept is a draw from a random normal distribution with a mean of 0 and a precision of .0001.

All prior values used in this analysis are uninformative and did not affect the results substantively.

Results

For the six countries in the dataset, the mean pre- and post-electoral levels of satisfaction with democracy are presented in Table 3.1. All six countries experienced a monitored executive election between the pre- and post-electoral surveys. Five out of the six countries experienced increases in the mean level of satisfaction with democracy while one country (Guatemala) experienced a slight decrease (See Figure 3.1).

Figure 3.1: Mean Satisfaction with Democracy in Monitored Elections

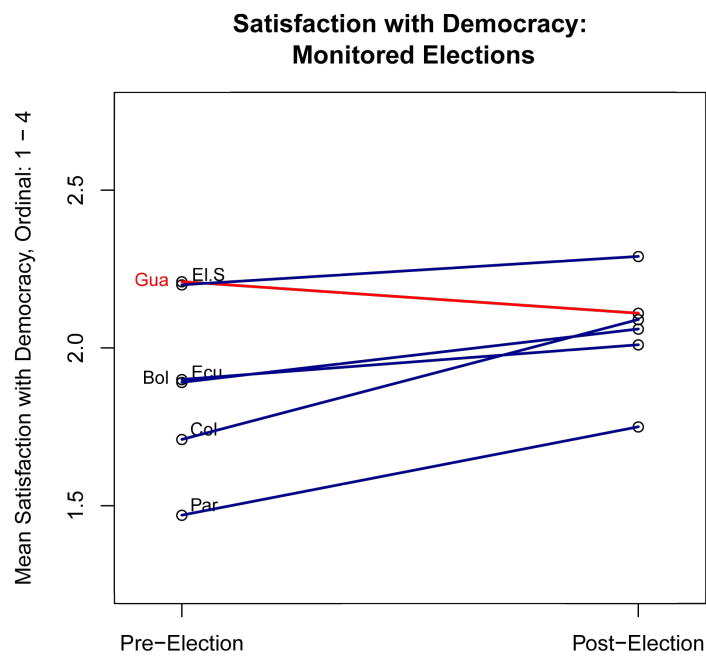


Table 3.1: Country Averages: Satisfaction with Democracy

Country	Pre-election	Post-election	Difference
Bolivia	1.89	2.01	+ 0.12
Colombia	1.71	2.09	+ 0.38
Ecuador	1.89	2.06	+ 0.17
El Salvador	2.19	2.29	+ 0.10
Guatemala	2.22	2.11	- 0.10
Paraguay	1.47	1.75	+ 0.28

I first present the results of the BEST estimation to assess whether there were significant changes between the pre- and post-electoral attitudes for this subset of countries in Latin America. Figure 3.2 presents samples from representative posterior distributions for the pre-election country means. Before the election, the posteriors show that the aggregated country average is approximately 1.8.² Figure 3.3 shows samples from representative posterior distributions for the post-electoral country means. Post-election, the aggregated country average is just above 2.0. Moreover, as Figure 3.4 shows, the difference between pre- and post-electoral mean satisfaction with democracy is significant and positive; in this particular subset of elections, individuals were significantly more satisfied with their democracies after the election than in the year before it.

²The score of 1.8 is measured on the same four-point scale as the survey question; an answer of “1” indicates “Not at all satisfied”; “2” indicates “Not very satisfied”; “3” indicates “Fairly satisfied”; “4” indicates “Very satisfied.”

Figure 3.2: Satisfaction with Democracy: Posterior Estimates, Pre-Election

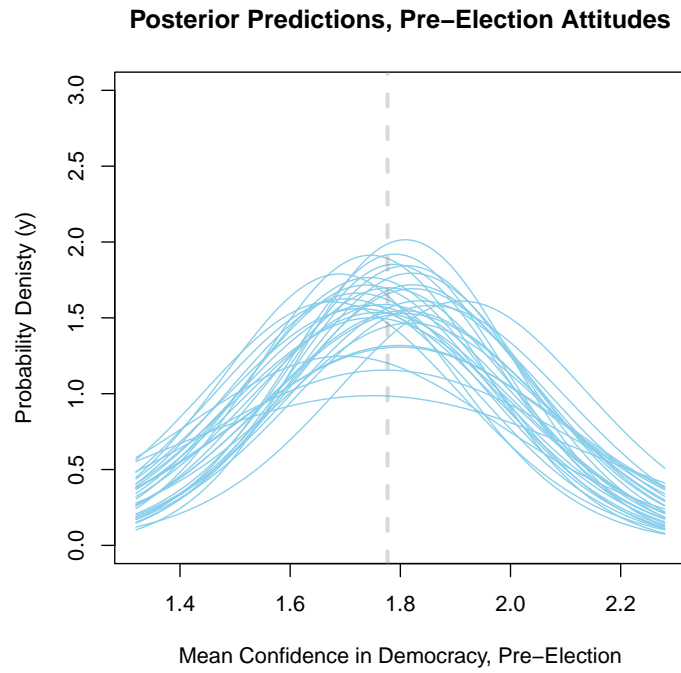


Figure 3.3: Satisfaction with Democracy: Posterior Estimates, Post-Election

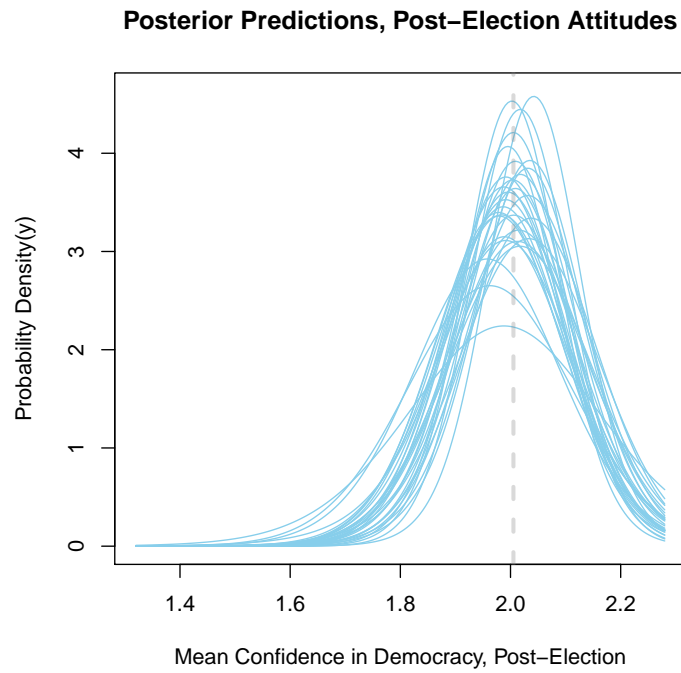
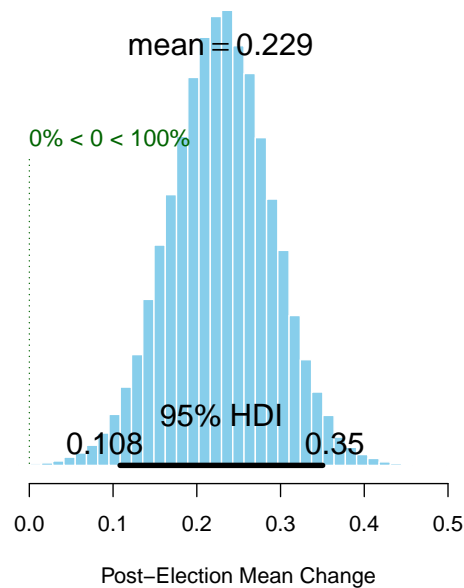


Figure 3.4: Difference of Means: Pre- and Post-Election

Difference of Means: Pre-election to Post-election



Finding evidence of a significant shift in attitudes is only the first step in the analysis, however, because there are many alternative mechanisms that could shift attitudes after an election. One equally plausible explanation is that economic performance, independent of the election itself, is driving changes in individual attitudes toward democracy. As economic conditions improve, individuals are more likely to express satisfaction with the outputs of their system (Lipset, 1959; Hofferbert and Klingemann, 1999). Thus, it is necessary to design and test each of the plausible explanations to the extent possible in order to determine which explanations are supported by the empirical patterns identified in the data. That is the methodological approach taken here.

I use three predictive models to test the three competing hypotheses proposed above that potentially explain the changes in satisfaction with democracy. Again, each of the three models includes the same individual-level predictors. Out of those

individual-level predictors included and across all three models, ideology, economic well-being, approval of the incumbent, and the individual's rating of the economic situation of the country were the strongest predictors of satisfaction with democracy. Of prime interest here is the direction and magnitude of the *country-level* rather than individual-level effects.

The first model includes election monitoring as the country-level predictor. Out of the six countries in the sample, all had monitored elections that were certified as "acceptable" with the exception of Guatemala, where the election was considered "ambiguous." Each model estimated 300,000 draws from the posterior distribution using the adaptive Metropolis Hastings sampler and WinBUGS software version 14. Further, all models were checked for model convergence and autocorrelation and no problems were detected.

The second model included level of democracy as the country-level predictor. In this particular set of cases, the states were relatively similar on democracy scores. The range varied from a low of "6" to a high of "8." Interestingly, Guatemala's democracy score was "8", indicating a high level of democracy, while the electoral monitoring variable indicated significant problems with the state's electoral process. Moreover, the lowest democracy score in the sample was "6" in the state of Ecuador, which had an election certified to be free of problems. This shows that the variation is indeed different between the two country-level predictors and that the democracy variable is not simply replicating the country-level variation present in the electoral monitoring variable.

The final model includes economic performance as the country-level predictor. Economic performance is measured by the pre- to post-electoral change in GDP per capita, adjusted for purchasing power parity. In this case, there is significant variation between countries. The country with the lowest growth, Colombia, experienced a 6.6

percent decline in this economic measure from the pre- to post-electoral period. By contrast, Paraguay experienced the highest growth with 31 percent increase in the measure from pre- to post-electoral periods. Again, the variation on this second-level predictor is not replicating the variation of the other measures.

The posterior distributions for each of the models is presented graphically in Figures 3.4, 3.5 and 3.6. The strongest country-level effect is the electoral monitoring variable. In the cases where the electoral monitoring were present and endorsed the electoral process, the mean of the individual-level intercept increased from 0 to approximately 1.8, on average. Approximately 85 percent of the posterior distribution is greater than zero. The other two country-level predictors, democracy and economic performance, exhibited a weakly negative effect and no effect, respectively. For democracy the mean effect was -0.43 and for economic performance, the mean effect on the individual level intercept was effectively 0. Thus, there is tentative evidence that when electoral monitors endorse the national electoral process, individuals are more likely to answer as being more satisfied with democracy than the pre-electoral period country mean.

Figure 3.5: Posterior Distribution: Monitored Election

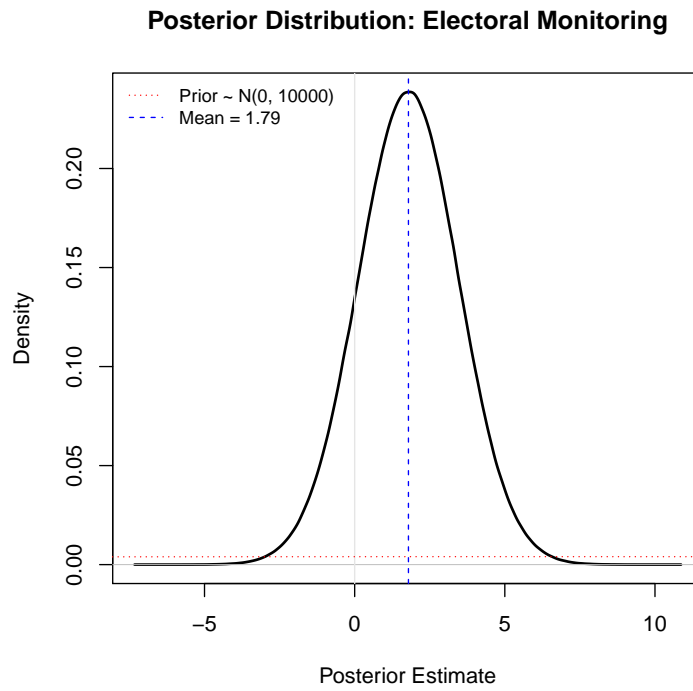


Figure 3.6: Posterior Distribution: Level of Democracy

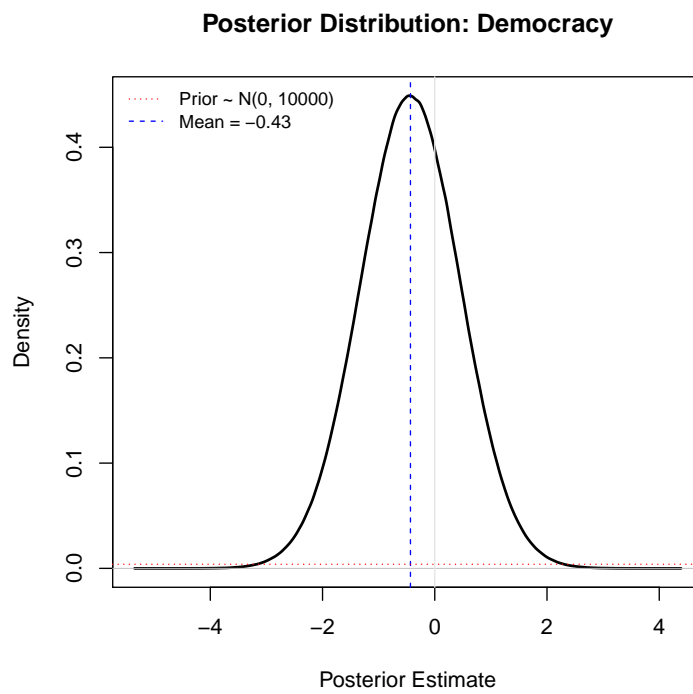
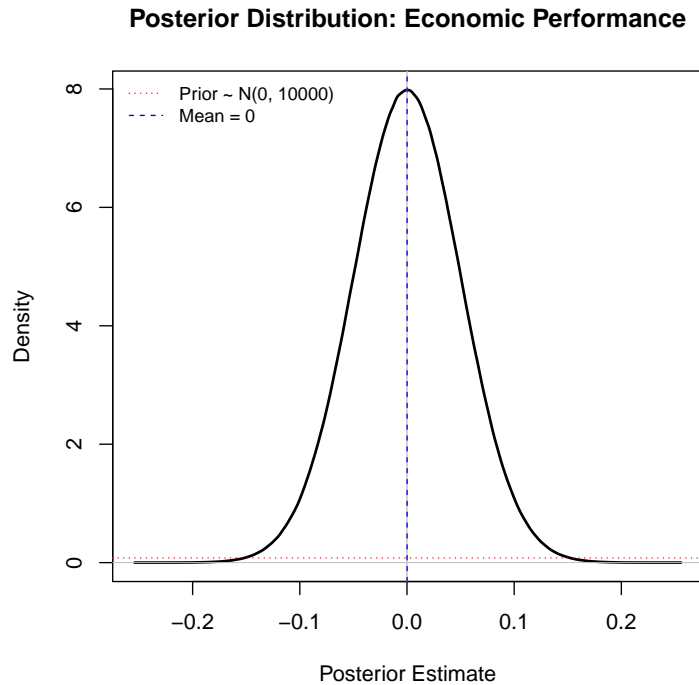


Figure 3.7: Posterior Distribution: Economic Performance



As previously mentioned, the predictive models were specified using three training data subsets of approximately 620 observations each. However, their analytic value extends beyond how well the particular models fit the data used to specify them. The data remaining after sampling for training sets was then used to test the predictive accuracy of each model. A prediction for each observation was calculated and those values of μ_i less than or equal to 0 were predicted to be a “0” on the response variable, indicating that the specific individual did not answer as being satisfied with democracy above the previous period country mean. Those values of μ_i greater than 0 were predicted to be a “1” on the response variable, indicating that the specific individual was more satisfied with democracy than the mean response from the previous period.

Out of the four models, the model with the highest predictive accuracy was the model that included electoral monitoring as a country-level predictor. Out of 1,533 cases, the model with electoral monitoring as a country-level predictor correctly pre-

dicted 1,138 cases and the cross-validated prediction rate was approximately 74 percent (See Table 3.2). Model 2 included the state’s level of democracy as the country-level predictor and was the least accurate predictive model in the group, though this may be related to measurement of “democracy” as a latent concept. The model correctly predicted 800 out of 1,533 cases, for an accuracy rate of just over 52 percent. The largest marginal (i.e. predicting a 1 for every observation) performed equally well. The final model, which included economic performance as a country-level predictor correctly predicted 991 out of 1,533 cases, or approximately 64 percent. Moreover, a model with no country-level predictor performed almost identically, which is expected given that economic performance was found to have no appreciable effect. In short, knowing that an election was monitored and that the electoral monitoring organization certified the election improves the predictive accuracy of a model by approximately 10 percent.

Table 3.2: Out-of-Sample Predictive Accuracy

	Model 1	Model 2	Model 3
	Elec. Mon.	Democracy	Econ. Perf.
Correct	1,138	800	991
Incorrect	395	733	542
Predictive Accuracy	74.2%	52.1%	64.6%

Discussion and Conclusion

The evidence presented in this paper has shown a tentative evidence for an empirical relationship between international election monitoring and changes in individual levels of satisfaction with democracy in six Latin American democracies. Each of these states held executive elections that were monitored by an international or non-governmental organization and five of the six experienced increased levels of sat-

isfaction with democracy. The single state in the sample that did not experience an increase in levels of confidence is the same state that held an “ambiguous” election, according to international election monitoring reports. Thus, while tentative, the evidence presented here suggests several avenues for future research into the consequences of international institutions on individual political attitudes and behaviors.

In addition to the substantive findings, this paper has shown the advantages Bayesian modeling strategies can yield for comparative political research. Bayesian modeling has several advantages including its flexibility when faced with missing data, its easily interpretable results, and its ability to model complex relationships that are not always tractable within a frequentist framework. I have used several Bayesian implementations of familiar models including the standard t-test and the hierarchical logit, and shown tentative evidence of a relationship between electoral monitoring and micro-level mechanisms of political activation.

While the evidence presented here is only a first look, it does provide a theoretical lens through which international institutions can meaningfully impinge on the motivations for individual political action. Most obviously, international institutions constrain and reshape the incentives and opportunities in a given political system for not only individuals, but also political officials and other actors in the system that must abide by the rules. The way in which international election monitoring does this is by raising the costs of attempting electoral manipulation and fraud; when the costs for cheating are high, politicians seeking support must rely on more traditional means of currying voters’ favor. In this way, individuals may benefit from the invitation of an electoral monitor because politicians will seek to win votes by adopting popular policies that will help get him elected.

Beyond the rationalist effects of international institutions, there are more subtle but still important ideational effects of these institutions. As Kittilson and Schwindt-

Bayer (2010) point out, institutions can convey to citizens messages of inclusion or exclusion from the political process and the most important ideals of a democratic system. In the case of electoral monitoring, both effects are likely at work. When states invite an electoral monitor to observe their national electoral process, it signals to citizens that the government is promoting a free and fair electoral process and that the role of popular preferences are vital to democratic governance. For these reasons, when an electoral monitor observes and certifies the election, individuals may be more confident in the results and more willing to tolerate an electoral loss and wait for the next opportunity for electoral success rather than resorting to measures that destabilize democratic governance.

The findings of this research are important because research on the relationship between political institutions and individual political attitudes and behaviors has to this point been narrowly focused on domestic institutions. In many ways, international and domestic institutions are similar — both constrain the realm of permissible political action; both reshape the incentives and opportunities in a political system. However, they are also different in several important respects. While domestic institutions are considered long-lasting and slow to change, international institutions are often temporary and short-lived but still consequential for society. By considering these sorts of questions, this research contributes to our understanding of how and why individuals engage with and participate in their political systems, how transitioning democracies can stabilize and consolidate, and how international institutions can be effectively used in domestic governance.

Chapter 4

INTERNATIONAL LENDING IN A CROSS-NATIONAL CONTEXT

International organizations are important venues for governance in the international system. They primarily function to facilitate interstate action to solve collective problems, serve as forums for dispute resolution, and develop international standards for governance (Abbott and Snidal, 1998). In addition to these functions, international organizations are frequently relied upon to provide governing assistance to states where domestic governing capacity is weak (Burnell, 2000). The guiding question in this project is, given their ubiquity in domestic political contexts, how do international organizations and the forms of governing assistance they provide to states affect the prospects for democracy and democratic consolidation, particularly by affecting the attitudes and behaviors of individual citizens?

The theoretical foundations detailed in Chapter 2 were previously applied to cases of international election monitoring to show ways that international organizations can positively influence democratic consolidation. However, there are cases in which international organizations can undermine democratic stability and consolidation, which is the focus here. This chapter applies the theory to cases of international lending, another form of governing assistance that has become increasingly common in recent decades. To this point, scholarly attention has investigated the macro-level effects of international lending programs on states and societies, but has devoted far less attention to the ways in which these programs may impact individuals. Using what is known about the relationship between domestic institutions and individual political attitudes and behaviors as a conceptual guide, this chapter contends that

international institutions, and particularly those associated with governing assistance from international organizations, can significantly affect individuals in similar ways.

When governing assistance from international organizations is deployed in states, institutions concomitant to the assistance become temporary institutional features in the domestic political system. In this way, governing assistance can reshape the institutional contexts that govern how individuals can interact with their political systems. For example, one of the most notable features of IMF lending programs is “conditionality,” or officially, structuring a loan agreement such that “[loan] disbursements [are] made in installments that are linked to demonstrable policy actions,” (IMF, 2013b). In this way, conditionality is an institutional feature temporarily present in the domestic political system of the borrower state. As Anderson (2007, 592) notes, “[institutional] contexts are critical for understanding the decisions people make because they affect different people differently, and people’s decisions, in turn, shape the nature, shape, and stability of these contexts.” Thus, investigating the ways in which IMF programs alter the institutional contexts within states will inform how we understand the attitudes, behaviors, and decisions of individuals within political systems affected by these programs. More generally, understanding the patterns of interaction between IMF programs and domestic institutional contexts provides a better understanding of how lending programs work in practice and the reasons why they sometimes fail to produce stable and prosperous outcomes.

This chapter focuses on confidence in democratic institutions as dependent variables because of the role of confidence in sustaining and reinforcing democratic governance (Dahl, 1997; Inglehart, 1997; Inglehart and Welzel, 2005a; Putnam *et al.*, 1994). As noted by Newton (2001, 5) “...confidence in institutions is about something deeper and more fundamental than trust in politicians or in particular governments,” and serves as a proxy for satisfaction or dissatisfaction with the existing political system

and its outputs. However, the reference to “democratic institutions,” does not mean to imply that these institutions are only present or relevant in democratic societies, but only that these institutions are integral to successful democratic governance.

Applying the theory from chapter 2, this chapter argues that IMF lending programs exert both direct and indirect effects on individual attitudes toward democratic institutions. Directly, there is a procedural effect where IMF programs affect the inclusion and contestability of the political process (Dahl, 1973). Conditionality alters the domestic institutional context by affecting the mechanisms of accountability that citizens typically use to hold leaders accountable. By creating a system where elected officials become accountable to the IMF in order to continue to receive loan disbursements, the role of citizens is marginalized in the political process, resulting in individual perceptions of political inefficacy. Citizens, even if they are still included in the political process, have fewer opportunities to effectively contest the conduct of government, and therefore may perceive political leaders and the political process differently.

IMF programs may also yield indirect effects on levels of confidence in democracy that are mediated by political outcomes. By altering the institutional context in a state, IMF programs can change the rational incentives for participation in political activities. As a result, the political outcomes generated by the system may be different than those generated by the system before the IMF lending program was in place. Moreover, because conditionality provides convenient cover for officials to implement unpopular policies (Vreeland, 1999), political outcomes may be strongly opposed by the general public, yet still implemented. In this way, IMF lending creates conditions where the popular preferences of citizens may not be reflected in the conduct of government, violating a primary characteristic of democratic governance (Dahl, 1973).

The theoretical application leads to several empirical expectations that are tested in the empirical portion of this chapter. Primarily, I expect that individuals in states with high levels of dependence on IMF lending should express lower levels of confidence in democratic institutions. Additionally, it is anticipated that the marginalization of democratic institutions in a state should be most noticed by the most politically engaged citizens in society and as a result, the erosion of confidence in democratic institutions should be sensitive to an individual's level of educational attainment (as a proxy for political engagement).¹ Particularly in underdeveloped and relatively young democracies, as many borrower states are, negative changes in orientations toward democratic institutions at a minimum threaten the prospects for democratic consolidation and at the extreme, have the potential to make a state vulnerable to severe political instability.

The empirical investigation uses data from the 2005 wave of the World Values Survey to test the hypotheses. Using hierarchical modeling (Bryk and Raudenbush, 1992; Steenbergen and Jones, 2002; Gelman and Hill, 2007) with approximately 1000 respondents in each of 33 democracies, I examine the effect IMF borrowing on trust in democratic institutions. The results show that individual levels of confidence in democratic institutions are significantly and inversely related to a state's overall dependence on IMF lending. Additionally, the results show that the most politically engaged citizens experience this effect most strongly. This tentative evidence supports the idea that IMF emergency lending programs may negatively affect individual democratic attitudes which has significant implications for the ability of a state to foster

¹There is no measure of political engagement on the World Values Survey. I argue that education is an appropriate proxy, because as Hillygus (2005, 25) notes, "Empirical political behavior research has consistently observed a robust and positive relationship between education and political engagement..." Participation is one important element of political engagement that also has empirical support for being positively related to educational attainment (Mayer, 2011).

conditions amenable to the sustenance and consolidation of democratic governance in times of economic crisis.

IMF Lending and Confidence in Democratic Institutions

To this point, scholarly interest in IMF programs has predominantly focused on two broad theoretical questions: First, what are the economic and political effects of IMF programs in states? And second, under what domestic conditions will states will turn to the IMF for loans? The first theoretical question is the focus here, though the perspective is novel in that I focus on the effects for individuals in states.

On the first theoretical question posed above, one of the primary relationships of interest has been the degree to which participation in IMF lending programs helps or hinders a state's economic development (Khan, 1990; Conway, 1994; Bird, 1996; Fischer, 1997; Vreeland, 2003; Dreher, 2006). Though the evidence is somewhat mixed, a common finding from these studies is that IMF programs hinder economic growth in the states that undertake them. As Dreher (2005, 21) showed, the longer an IMF program is in effect, the more severe the consequences for negative economic growth.

Other scholars have looked at different types of economic and political effects. Garuda (2000) investigates the effects of IMF lending programs on the economic conditions of citizens. The study finds that in countries with poor economic conditions, IMF lending significantly exacerbates income inequality by redistributing income away from the lowest income quintile in the state. A study conducted by Barro and Lee (2005) looks at a number of effects and concludes that in addition to reducing economic growth, IMF lending negatively effects levels of democracy and the rule of law. Studies that engage the first theoretical question noted above start

with IMF participation as given and investigate the consequences of the programs for economic and political outcomes in a state.

Despite this narrow focus on the relationship between IMF lending and the macro-level economic and political effects, there are theoretical reasons to expect that IMF lending manipulates micro-level processes as well, though these relationships have been underexplored. For many years, the standard narrative regarding conditionality in IMF lending programs was that conditions were “imposed” on borrower states (Stiglitz, 2002, cf.). Contributions from the literature engaging the second theoretical question posed above have challenged this assumption by suggesting, for example, that conditionality may not be *imposed*, but rather may be sought out by elected leaders in a state to serve as a convenient political cover for enacting certain unpopular policy reforms that otherwise may not be possible.

Furthermore, the relationship between IMF lending and the income distribution in states indicates that IMF lending may change the personal economic situation of individuals living in the states where programs are undertaken. Because IMF lending arrangements come with structural adjustment conditions that mandate changes to state spending, these conditions can affect wages, pensions, and the social welfare system leading to changes in personal economic situations for the individuals that depend on these programs for their livelihoods.

In general terms, then, IMF programs alter the domestic institutional context that individuals use to express and articulate their political preferences. The important implication is that IMF loans affect individuals more directly than has presently been studied, and in so doing IMF programs may plausibly affect attitudes and behaviors at the micro-behavioral level. This is the primary theoretical question under investigation here, with particular attention to the ways that IMF lending affects attitudes toward democratic institutions. This question is important because pop-

ular confidence in democratic institutions is a prerequisite to the development and consolidation of democratic governance (Dalton, 1994). Without confidence in the institutional arrangements associated with democratic governance, the system cannot effectively survive.

In more specific terms, what are the theoretical linkages that connect IMF lending programs and individual attitudes toward democracy? Three possible mechanisms identified in chapter 2 apply here: first, there is a direct procedural mechanism, where IMF lending programs can affect the inclusiveness and contestability of the political process; second, there is a direct symbolic mechanism, where undertaking an IMF program sends signals to citizens about the values of society, triggering emotive responses that can alter patterns of political involvement; third, there is an indirect effect of IMF lending mediated through political outcomes which can affect the outputs that governments produce and citizens receive.

IMF Lending and Domestic Political Processes

The primary direct effect between IMF lending and individual political attitudes is what is referred to as the procedural effect, which is the effect that emanates from altering the process individuals use to make political decisions. As previous research has shown, when individuals perceive a process as fair, they are more likely to be satisfied with its outcome, even when that outcome is not the one they preferred (Anderson, 1998; Feld and Kirchgässner, 2001). For this reason, changes to the political process that lead citizens to view it as more or less biased should theoretically influence their level of satisfaction with the outcomes the political system generates.

In order to assess how IMF lending alters the political process, I focus on two theoretical dimensions of democracy originally articulated by Dahl (1973): the inclusiveness of the political process, or who is involved in political decision-making; and the contestability of the political process, or the opportunities available to individuals

to contest the conduct of government. It is by restricting both inclusion and contestability that IMF lending programs negatively affect attitudes toward democracy.

The inclusiveness of a political system refers to the proportion of the population able to effectively participate in political decision-making (Dahl, 1973). However, the question addressed here is not about political participation; so how does participation relate to confidence in democratic institutions? Political participation serves an important function in any democracy because it gives individuals a say in the conduct of government and because it serves an educative function that helps to make citizens aware of how political decisions are made (Bowler and Donovan, 2002). Citizens that participate in political activity are not only more aware of their role in the political system, but are also more likely to perceive government responsiveness to their demands (ibid). The primary implication of this finding is that participation in political activity has the potential to meaningfully affect political attitudes.

How do lending programs affect inclusion and contestability in borrower states? Consider the “ideal” of democracy, where governments are accountable to citizens. This relationship implies a connection between citizens’ political preferences and those policies actually adopted for the state. If this is not the case, citizens have the ability to punish their representatives by voting them out of office (Przeworski *et al.*, 1999). This creates a strong incentive for politicians to be responsive to political demands, because his electoral prospects hinge on satisfaction with overall performance. Indeed, evidence indicates that there may be a tendency for politicians to make concerted efforts to elicit and consolidate political support just before an election (Kriner and Reeves, 2012; Smith, 1996).

However, in states where IMF programs are present, this relationship is supplanted by an arrangement where governments become accountable to IMF officials monitoring progress toward the adoption of mandated structural adjustments. Kapur and

Naim (2005, 98) describe this problem by writing “among the most troubling issues raised by international financial crises is the degree to which elected governments must answer to external actors rather than domestic constituents.” With this tension between accountability to IMF officials and accountability to constituents, elected officials face a difficult dilemma; they can ignore the demands of their constituents and comply with the terms of the loan arrangement, but must stake their electoral chances on the possibility that the lending program works and the economy improves enough that voters retain them despite having been unresponsive to citizens’ demands.

The alternative course of action is to ignore the terms of the lending arrangement, thereby cutting off emergency loan funding to the state. If this course is taken, citizens’ demands may not be met either, because economies dependent on IMF lending are in a precarious position to begin with and rely on IMF loans as a last resort. Without the funds from the IMF, state leaders would be forced to make drastic cuts in spending in order to remain solvent and still solvency may still be impossible. Thus, the second alternative presents a much riskier proposition for policymakers: reject IMF structural adjustments, cease IMF loan funding, and quite possibly exacerbate economic adversity in the state. From this perspective, then, it becomes rational for state officials to heed the demands of the IMF rather than their own constituents because it is the only alternative with the possibility of a favorable outcome (in which case, the IMF lending program works as designed, the economy is relieved of the stresses that plague it, and voters’ confidence in government officials and institutions is restored). In the meantime, however, the power voters typically hold over government officials is usurped by the authority of the IMF. Thus, by temporarily eliminating this connection between citizens and their elected leaders, IMF lending programs limit one of the primary channels through which citizens could contest the conduct of government.

Consider the example of present-day Greece. The agreement between Greece and the IMF and European Union (co-lenders), valued somewhere around 240 billion euros, required a substantial reduction in the national minimum wage, broadening the tax base in the country, and deep cuts in domestic spending in order to continue to receive loan disbursements. However, these policies were widely unpopular and have spurred labor strikes (or near-strikes) and large protests against the measures. More dramatically, in the most recent Greek election in May 2012, the two major parties constituting the governing coalition responsible for implementing these reforms were strongly rejected and as many as seven minor parties won seats in parliament. Because no governing coalition could be formed between the newly elected parties, the parliament was dissolved and new legislative elections were held in June. The June legislative elections yielded a plurality for the New Democracy party, one of the coalition partners responsible for the implementation of the IMF program, and New Democracy leaders invited all parties to participate in a coalition that would respect the terms of the lending agreement already in place.

In this case, the citizens of Greece strongly rejected the parties responsible for emergency lending programs, in no small part because of the unpopular policies attached to the program. However, the second legislative election kept the major party in power which formed the governing coalition with the presumption that the terms of the lending agreement would be upheld. Thus, even with the ostensible ability to punish leaders by voting them out of office, citizen's electoral choices were, in practice, limited and changed very little about the political reality in the state. Further, it is startling that despite such widespread and virulent opposition to the terms of the agreement, the major political parties remained accountable to the IMF-EU officials and not to their own constituencies and were able to impose policies detested by the public.

Individual experiences with these imposed institutional arrangements and the policy changes they catalyze will impact the formation of individual political attitudes toward the state, its institutions, and the system of government by which the rules are made (Lipsky, 1980; Schneider and Ingram, 1993; Welzel and Inglehart, 2007). In cases where individual experiences are largely negative resulting from, for example, economic insecurity or political inefficacy, citizens are more apt to lose confidence in the institutional arrangement from which the negative experiences emanate (Lipset, 1959; Sales, 1972; Inglehart, 2000). In this way, one's experience with the state bureaucracy has a direct bearing on that individual's confidence and approval of that bureaucratic arrangement. According to the theory proposed in Chapter 2, in cases where IMF programs are present, policymakers are less responsive and less accountable to citizens, translating into negative experiences and a loss of public confidence. More specifically, I expect to observe a loss of confidence in parliament because policy outcomes are poor and a loss of confidence in political parties because they are unresponsive to popular political preferences.

Importantly, the relationship between institutional context and political preferences is not unidirectional, but rather reciprocal (Anderson, 2007, 590). Institutions have a direct bearing on the types of experiences individuals have, individual experiences orient political attitudes toward systems of government, and mass political attitudes determine which institutional contexts may survive. For the purposes of this argument, this means that sustained and repeated negative democratic experiences not only affect the levels of confidence in these specific institutions, but also the democratic system of government more generally.

There is a second direct effect, which is referred to as the symbolic effect. Kittilson and Schwindt-Bayer (2010, 2012) show that institutions send signals to individuals about the values of society, and in so doing, can trigger emotive responses that affect

their attitudes and behaviors in their political systems. In cases where these symbolic messages are positive and inclusive (such as adopting gender quotas, or monitoring democratic elections) individuals may feel that the state values their participation in the democratic process, and as a result, may be more likely to participate and more confident in the outputs of the system. Conversely, when the symbolic messages are exclusionary, the opposite effects may manifest. In the case of international lending, I argue that it sends messages to citizens that in times of economic insecurity, their participation in the political process is not valued, and their demands are unimportant. As a result, it is expected that individuals will express lower levels of confidence in democratic institutions.

More specifically, the suppression of democratic institutions conveys ideational messages that undermine individual perceptions of democratic inclusiveness and political efficacy. The more often these institutions become unresponsive, the more powerful the effect on citizen's levels of confidence should be, because institutional unresponsiveness reinforces the idea that in times of adversity the democratic process becomes defunct rather than determining the path to recovery. I theoretically expect that IMF programs lead to a loss of public confidence in the government more generally, then, because citizens feel excluded when democratic institutions are suppressed in the state and that this effect becomes stronger the longer the state is involved with IMF lending arrangements.

It should be noted that the symbolic effect is considerably more challenging to isolate empirically. In fact, there is no good way to distinguish between the procedural and symbolic effects in the empirical analyses. The theory is only trying to specify the possible mechanisms that may be linking governing assistance to individual-level attitudes and behaviors, and the symbolic mechanism is one possibility. Future research will be required to separate these effects empirically.

In addition to the direct effects, there is an indirect effect linking IMF lending programs to changes in individual political attitudes that is mediated by political outcomes. In other words, changes to the inclusiveness and contestability of a political system not only affect how political decisions are made, but also the outcomes of the decisions themselves. For example, in the case of Greece, if the political process had not been altered to include IMF officials to hold elected leaders accountable, many of the policies that have subsequently been enacted may not have passed muster without this alternate accountability mechanism in place. This analysis is agnostic about the issue of whether political leaders sometimes enter into IMF agreements for political cover to enact unpopular reforms. In either case, however, such an argument assumes the kinds of linkages proposed here between individuals and international institutions, and thus support the theoretical expectations proposed above.

Analyses to answer the proposed questions requires must be careful, because states that require assistance from the IMF typically have severe economic troubles and only request IMF lending when access to private credit markets is restricted. Observationally, this means that levels of confidence in democratic institutions will be negatively impacted before the program is implemented, because the effectiveness of government is related to the public's approval of the system (Easton, 1965; Anderson and Singer, 2008). Requiring an emergency loan from an international organization unequivocally conveys that the government has been ineffective at least in its management of the economy. For this reason, individual levels of confidence in democratic institutions should deteriorate. But this effect is independent of the IMF program, not a result of it, so it is necessary to distinguish between the two effects when investigating the relationship between IMF programs and levels of confidence in democratic institutions. This project is concerned with the effects of IMF programs and their associated institutional impositions and attempts to empirically isolate this outcome.

Isolating these effects is difficult, however, because they result from phenomena that are difficult to precisely observe. When IMF programs are implemented, changes in the institutional context within the state are common; however, it is difficult to precisely measure *how* accountable an elected official is or *how much* influence individuals have on the policymaking process in the state. Thus, a method to distinguish institutional effects of the type proposed above from other effects linked to IMF programs, such as economic ones, is needed. Institutional effects, particularly the ones described in the proposed theory, largely deal with individuals' abilities to meaningfully participate in politics. As such, I expect that the changes will primarily affect the most politically engaged in society. In other words, I use an interaction to isolate the institutional effects by hypothesizing that those individuals most attuned to the political process will be most affected by the changes resulting from the imposition of IMF programs.

The effectiveness of an interaction with political engagement may seem only a marginally effective solution to the problem of separating the economic effects from the institutional ones of interest. However, previous research provides some background as to why this type of identification strategy may be appropriate in this particular case. In cases of financial crises, particularly in developing democracies, leaders are vulnerable and thus seek to keep their selectorates satisfied in order to maintain power (Bueno de Mesquita and Smith, 2011). In cases of shrinking resource pools, this can be a difficult task. Thus, one characteristic shared in many financial crises in developing democracies is that marginalized groups suffer most in economic terms when state funds become restricted. Funds for welfare programs, food assistance, and other types of government assistance to poor and vulnerable groups is often cut in favor of providing goods and services to those with the will and ability to keep leaders in power. If this is the case, then the economic effect should yield an empirical

effect directly inverse to the institutional effects. That is, the least politically engaged should be most negatively affected in an economic sense, because their services are the first to be cut by governments in budget-slashing efforts. It may still be true that the levels of confidence of the politically engaged will be negatively affected by the simple act of their government seeking an emergency loan; but by the same token, these cases of emergency funding are rarely as widely publicized as Greece's case, and rarely as urgent. Thus, while recognizing it as an imperfect solution to isolating the effects of interest to this project, this strategy should at least help to minimize any spuriousness in the models.

Based on the theoretical framework presented above, the following hypotheses will serve as the basis of the empirical portion of the paper:

H1 Individuals' levels of confidence in democratic institutions will be negatively related to a state's total dependence on IMF lending arrangements. In states where there has been no or little dependence on IMF lending, individuals will exhibit higher levels of confidence in democratic institutions than individuals in states habitually dependent on IMF lending, all else equal.

H2 This effect will be sensitive to an individual's level of educational attainment, because the most educated and politically engaged citizens will experience the effects of political inefficacy and exclusion most strongly.

Data, Measurement, and Multilevel Modeling

Multilevel modeling can be thought of as a regression that includes a variable representing group membership (Gelman and Hill, 2007, 251). The advantage of this model over a model without multiple levels is that it corrects the problems of estimating variance between similar groups. The model could be alternatively estimated

by either completely pooling the data (ignoring the group membership altogether) or not pooling the data at all and estimating a different model for each group (in this case, for each country in the sample). However, in the former case, variation is completely ignored and in the latter, variation is overstated (Gelman and Hill, 2007, 253). This is because in the first case, group membership characteristics that might affect whether individual i in country j does or does not trust a democratic institution are not considered (for example, the overall level of democracy within a country that varies by country). With no pooling, it is impossible to state a generalizable relationship between variables of interest, as each case is context dependent. Additionally, in cases where each group is estimated individually and there is a small sample within a single group, the variation between that group and others may be overstated because of the low level of confidence in an estimate based on few data points. Therefore, the multilevel model corrects these problems by *partially* pooling data and modeling two distinct levels of predictors: in this case, both individual- and country-level characteristics with theoretical links to individual trust in democratic institutions are included in the modeling process.

This analysis uses data from the latest wave of the World Values Survey (WVS 2005), the International Monetary Fund, and the World Bank to test the hypotheses from the theoretical portion of the paper. For the operationalization of the dependent variables, I use a series of questions from the World Values Survey asking about respondents' level of confidence in three democratic institutions of interest: government, political parties, and parliament.

I focus on these specific institutions because each is important in evaluating popular support for democratic governance and because there are theoretical expectations that IMF programs will affect levels of popular confidence in these institutions specifically. Measuring individual levels of confidence in government provides an ap-

proximation of ones' feelings of inclusion in and satisfaction with the political system (Robinson *et al.*, 1999). Thus, this dependent variable is related to the unresponsiveness of democratic institutions and the concomitant exclusion individuals perceive. As discussed above, it is expected that the more dependent a state is on IMF lending, the lower individual levels of confidence in government will be.

Additionally, measuring confidence in political parties and parliament captures the effects emanating from the alternate accountability that exists with IMF arrangements as well as the dissatisfaction resulting from inefficacy in altering the course of public policy. Levels of confidence in political parties and parliament signify a positive or negative response to the performance and policy outputs of political parties and parliament (Catterberg and Moreno, 2006). If political parties are responsive to citizens' demands and parliamentary outputs are commensurate with the popular will, levels of confidence in these institutions should be high, and vice versa. If an IMF program creates a problem of external accountability, levels of confidence in these institutions should be lower in democracies highly dependent on IMF programs than those not.

The cases in the dataset were selected based on scores on the Polity IV index at the time of the survey. All counties included in the 2005 wave of the WVS that scored "6" or higher on Polity IV were included. "6" was used as the cutoff because this is the benchmark for being considered a democracy (Marshall and Jaggers, 2010). As a result, only states classified as democracies are included in the study. However, the age of a democracy could have an effect on levels of confidence as well, because recently transitioned democracies can experience a "honeymoon" period where popular expectations about the new system of government are high (Bernhard *et al.*, 2003). Additionally, as noted by Gerring *et al.* (2012) the developmental benefits of democracy are longer-term and new states may have yet to consolidate these bene-

fits. For these reasons, each model controls for the age of the democracy, measured in the number of continuous years (descending from the year 2005) that each state has scored “6” or higher on the Polity IV scale.

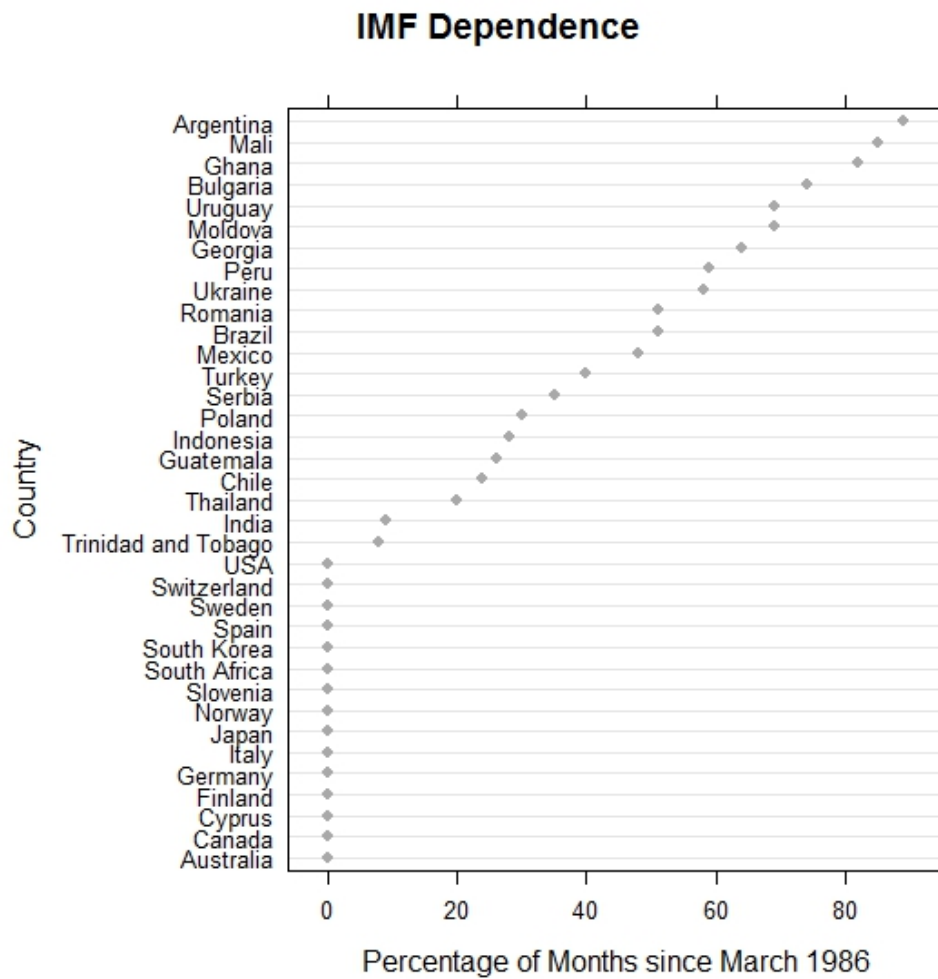
The independent variable of interest measures a state’s total dependence on IMF lending. The measure starts from March 1986, which was when concessional financing to low-income countries transitioned to being provided by the Structural Adjustment Facility (SAF).² This is the beginning of the dataset because structural adjustments became much more common features of lending programs starting around this time (Stone, 2011, 76). Each state was coded as a percentage representing the number of months since March 1986 or date of membership³ that the state had an active IMF lending program, with the exclusion of Flexible Credit Lines,⁴ (See Figure 4.1). While alternative measures might include the size of loan packages, this measure is less appropriate in this case because no matter the aggregate value of a lending program, similar types of structural adjustments and monitoring mechanisms are used. The effect of interest here – how international lending programs and their institutional attachments alter the institutional context within states – should not be significantly vary by the size of programs.

²The Structural Adjustment Facility has since been renamed and altered as part of reforms to lending instruments. However, the reforms were centered on issues unrelated to the issues of interest in this paper and make no discernible difference to the present argument. The reformed lending instruments still contain structural adjustments and monitoring, which is the foundation of this argument.

³The following list contains the states included in the dataset that were not members of the IMF in March 1986, as well as the date the state became an independent member: Republic of Poland, June 1986; Bulgaria, September 1990; Ukraine, September 1992; Republic of Moldova, August 1992; Georgia, May 1992; Republic of Serbia, December 1992.

⁴Although the start of the Structural Adjustment Facility is the beginning of the dataset, not all lending programs included in the dataset are through this instrument. All IMF lending arrangements except for the Flexible Credit Line (FCL) programs are included. FCL programs are excluded because typically they have no structural adjustments attached.

Figure 4.1: Dependence on IMF Lending, 1986-2010



Understandably, there are many other variables that affect levels of confidence in democratic institutions. Following the literature on the subject, the analysis includes a number of alternative explanatory variables commonly linked with individual attitudes toward democracy and trust in democratic institutions. Among the most important are individual-level characteristics including age, gender, ideology, religion, income, and education. The theoretical connections between these and attitudes toward democracy have been covered elsewhere and I refer the reader to that work for the discussion (Anderson and Singer, 2008).

At the country level, I include alternative explanatory variables including Polity IV score, the rate of literacy among adults ages 15 and over, and the linear log of the population. Further, each model includes variables indicating proportional representation or mixed electoral systems because of the potential effect of consociational arrangements on political incorporation and the resulting effect for levels of confidence in the system (Beck *et al.*, 2001).

Also at the country-level, I include variables measuring economic conditions within the state to empirically separate the effects of IMF lending arrangements from the effects of poor economic performance. As a proxy for social spending, I use a measure of a state's spending on public healthcare as a percentage of GDP. This measure is appropriate both because it incorporates states that do not spend significantly on other forms of social welfare programs (social security or unemployment, for example) and because of the lack of consistent cross-national data on other social spending programs. Also included is the linear log of GDP per capita as a measure of economic development, the 2005 rates of GDP growth, inflation, and unemployment, and the level of debt to the IMF as a ratio of Special Drawing Rights to the state's GDP measured in millions of USD.

Finally, in order to ensure that the results are not only measuring government ineffectiveness, two final country-level variables are included. I rely on the World Bank index of government effectiveness, a measure that uses individual-level survey data and expert opinion to assess the perceived effectiveness of government in a given state ⁵, and Transparency International's measure of government corruption. ⁶ By

⁵The World Bank description of the variable writes, "Government Effectiveness captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies."

⁶In other specifications of the model (results not presented) the models controlled for GINI, as this has been found to be important in past work (Anderson and Singer, 2008, cf.). However, there were no consistent measures available for 2005 for the universe of cases included here. When using

including these variables, the explanatory power of IMF dependence is independent of either condition, in case confidence in democratic institutions is driven predominantly by either.

As one further test of the proposed theory, I include an interaction between IMF dependence⁷ and education, a variable that is positively and robustly related to political engagement (Hillygus, 2005). If the effect is the result of institutional changes that impact an individual's political efficacy and inclusion, the most politically engaged should be the individuals who are most negatively affected by the changes. Thus, I expect that when the interaction is included, the effects of IMF dependence will be most significant for educated individuals, all else equal.

Due to the ordinal-level nature of the dependent variables, I follow the advice of Gelman and Hill (2007, 123) and model a series of logistic regressions for each outcome against the remaining higher levels (1 against 2, 3, and 4; 2 against 3 and 4; 3 against 4). In this way, there is more flexibility in fitting the data to the specific models but also has the disadvantages of losing some efficiency in the estimates and yielding coefficients that are more difficult to interpret. Among the models available to estimate ordinal-outcome multilevel logistic regressions however, this is be the best alternative.⁸

only 2005 GINI data and excluding all other cases, it had no significant effect on the results. I then tested model fit between the full model without GINI controls and the restricted model with GINI, and found the full model to be a better fit of the data.

⁷Because degrees of freedom were limited at the country-level, I collapsed this from a continuous level variable into a five-level variable: No dependence; 1 - 24 percent dependence; 25 - 49 percent dependence; 50 - 74 percent dependence; and 75 - 100 percent dependence.

⁸Other studies have used factor analysis to estimate the relationship between different dependent variables and then created an index from these estimates as one way to approximate a continuous dependent variable (Kittilson and Schwindt-Bayer, 2010; Inglehart and Welzel, 2005b). However, factor analysis is a linear function with strong assumptions that are rarely satisfied in practice. This renders its use problematic in creating indices for dependent variables. Primarily (and most importantly for purposes here) factor analysis assumes that the distance between levels "1" and "2" in the ordinal measure is the same as the distance between levels "3" and "4", which is not true. Thus, the estimates that factor analysis provides and the resulting index face the same problems one would face when estimating a four-level ordinal measure with OLS regression. For this reason, I refrain from the use of factor analysis or indexing here.

For each dependent variable, I present the results of the first model that estimates the probability of a respondent answering in the lowest category (for the measures here, “no confidence”) as opposed to any of the other three (“very little confidence”; “some confidence”; “a lot of confidence”).⁹ This is an important difference that grants significant leverage in explaining individual orientations toward democratic institutions, particularly in relation to the institutional contexts within states and the necessary conditions for successful democratic governance. An expression of no confidence unequivocally conveys immense dissatisfaction with the current system.

Results

For each dependent variable, I estimate two models. The first model estimates the effect of IMF dependence on confidence in democratic institutions, ignoring any potential interaction between independent variables. The second model includes an interaction term to test the hypothesis that the most politically engaged citizens are most negatively affected by the institutional changes resulting from IMF programs. The results are mixed, but generally supportive of my hypotheses.

Before discussing the country-level results, it should be noted that the individual determinants of trust in democratic institutions are significant predictors in the expected directions. Age, education, gender, and ideology are significant across most models.¹⁰ It is also important to note the variation between individual- and country-level coefficients. Due to both the great amount of variation explained by

⁹I coded the dependent variables so that a negative sign indicates less confidence in democratic institutions. The interpretation, then, is that individuals are less likely to have answered in any of the three alternate levels, each indicating some level of confidence in the institution.

¹⁰All individual-level variables, which are consistently found to be significant determinants of support for democracy, are not significant in all models. However, the relationship between these individual-level variables and confidence in various institutions has not been definitively established in the literature and therefore I expect that in cases where these variables are insignificant, there are good theoretical explanations. It is beyond the scope of this paper to undertake such an investigation.

the individual-level variables and the number of observations of individuals versus groups, there is much less variation to be explained at the country-level in the model (Anderson and Singer, 2008). As a result, the substantive effects of country-level variables are smaller in magnitude.

The proposed theory suggests that changes in the institutional contexts within states that marginalize democratic institutions result in a loss of individuals' confidence in these institutions. I tested levels of confidence in three specific democratic institutions: government, political parties, and parliament. The results are presented in Table 4.1. Full results for country-level predictors are included in Appendix A. I present the estimates of the coefficients as well as the standard errors and signifiers showing statistical significance at the .05 level. Model 1 shows that IMF programs have the weakest effect on confidence in government generally. The effect does not reach standard levels of statistical significance, but is in the expected direction. Similarly, when the interaction is included, the marginal effect of the interaction term indicates that more educated individuals are no more negatively affected than less educated individuals (Brambor *et al.*, 2006). Figure 4.2 presents the marginal effects for levels of confidence in all three institutions.

Table 4.1: IMF Dependence and Confidence in Democratic Institutions

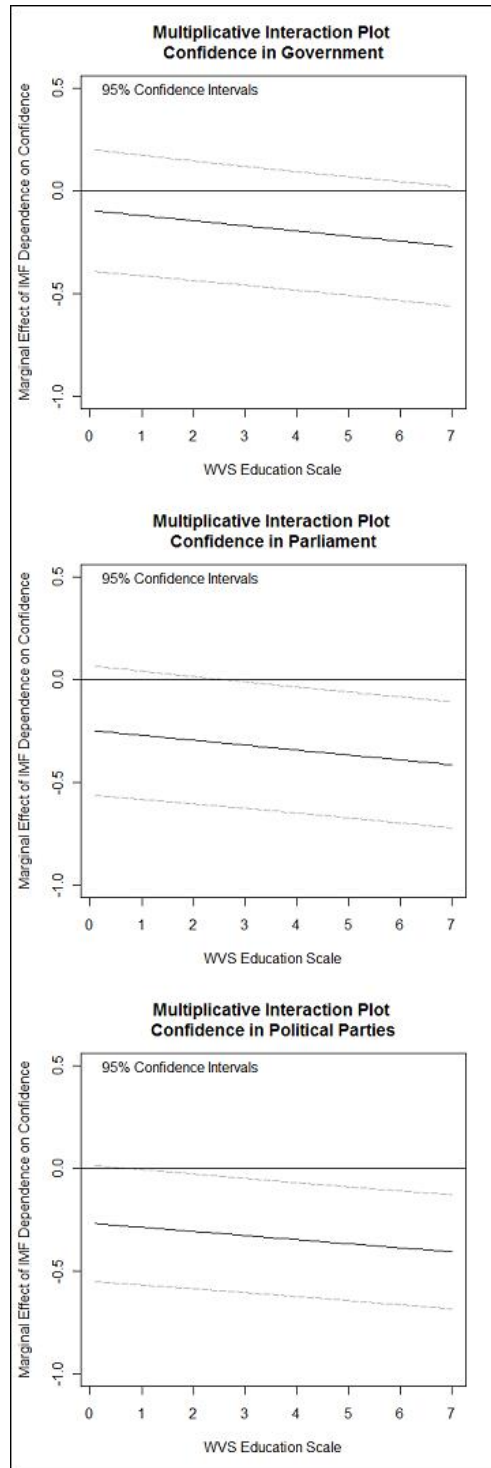
	Government			Parliament			Political Parties		
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6			
<i>Individual</i>									
<i>Age</i>	.003 (.001)*	.004 (.001)*	.001 (.001)	.001 (.001)	.000 (.001)	.000 (.001)			
<i>Female</i>	.116 (.032)*	.117 (.031)*	.072 (.029)*	.073 (.029)*	.050 (.026)	.050 (.026)			
<i>Religiosity</i>	.279 (.043)*	.281 (.043)*	.292 (.041)*	.294 (.043)*	.283 (.037)*	.285 (.037)*			
<i>Ideology</i>	.044 (.007)*	.045 (.007)*	.032 (.006)*	.033 (.006)*	.026 (.005)*	.027 (.006)*			
<i>Education</i>	.002 (.012)	.039 (.017)*	-.000 (.011)	.040 (.017)*	.004 (.010)	.036 (.014)*			
<i>Income</i>	.033 (.007)*	.033 (.007)*	.034 (.007)*	.034 (.007)*	.031 (.006)*	.031 (.006)*			
<i>Country</i>									
IMF Dependence	-.012 (.006)	-.095 (.151)	-.016 (.007)*	-.247 (.162)	-.018 (.006)*	-.267 (.144)			
IMF Dependence X Education		-.247 (.008)*		-.025 (.007)*		-.020 (.006)*			
n = individuals	32615	32615	32465	32465	32547	32465			
N = Countries	33	33	33	33	33	33			

Models 3 and 4 look at confidence in parliament. The results are statistically significant and in the expected direction. For each 10 percent increase in a state's dependence on IMF lending, individuals are between 1.10 and 1.25 times more likely to answer as having no confidence in parliament.¹¹ Substantively, considering that states that borrow from the IMF often do so habitually, this means that the effects can be very important. Consider Argentina, with over 80 percent dependence: compared to having no loan programs at all, individuals in Argentina are between 2.05 and 6.29 times more likely to answer as having no confidence in parliament, all else equal.

When the interaction is included, the marginal effect of the interaction term shows that more highly educated individuals are significantly more negatively affected than the less educated and the effect is strongest for the most educated. This result supports the argument related to institutional changes that affect individuals' political efficacy and inclusion. The most politically engaged feel the effect most acutely.

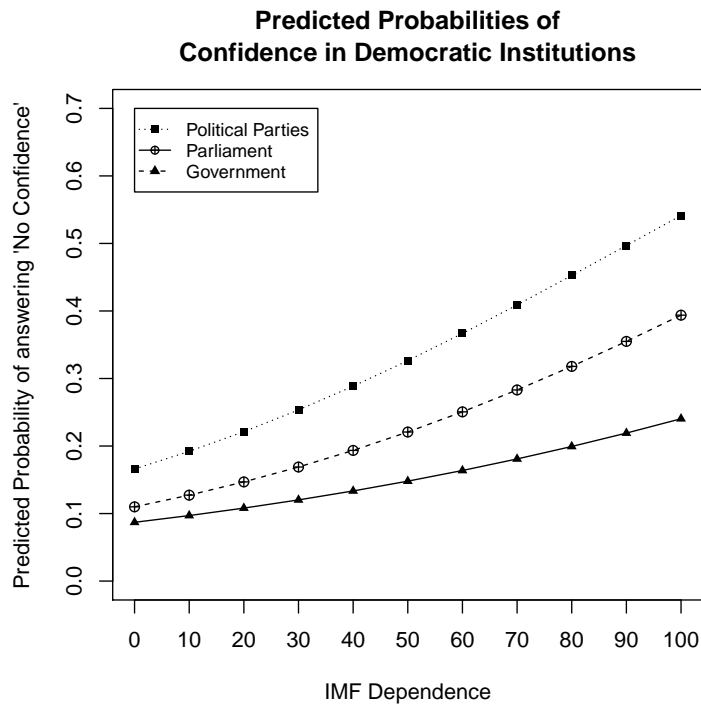
¹¹The models return the logged odds ratio. These ranges are calculated by exponentiating the log odds coefficient +/- 1.96 times the standard error.

Figure 4.2: Marginal Effects: Confidence in Democratic Institutions



The results for confidence in political parties (models 5 and 6) support the stated hypotheses, as well. For each 10 percent increase in a state’s IMF dependence, individuals are between 1.13 and 1.27 times more likely to answer as having no confidence in political parties. When the interaction term is included in model 6, the results again show that highly educated individuals are more negatively affected than others. Thus, in two of the three primary democratic institutions tested, levels of confidence are significantly and inversely related to a state’s overall dependence on IMF lending. Figure 4.3 shows the predicted probabilities of an individual answering as having no confidence in the three institutions tested, leaving all controls at their means and modes. It shows that as IMF dependence increases, individuals are significantly more likely to answer as having no confidence in democratic institutions.

Figure 4.3: Predicted Probabilities: Confidence in Democratic Institutions



Relatedly, in two of three institutions, the most politically engaged are the most negatively affected by the changes resulting from IMF lending arrangements. This

result supports the theory of institutional changes that impact individuals' perceptions of political efficacy and inclusion. If the effects of IMF programs were solely economic, there would be no theoretical reason to expect that IMF programs should most strongly affect the politically engaged because as noted by Vreeland (2003), IMF programs tend to redistribute income upward and the costs of such policies are concentrated among the least politically organized (Nooruddin and Simmons, 2006). The implication of these findings is that if the effects of IMF programs were solely economic, the poor and least politically engaged should be most negatively affected by them. The findings here, by contrast, show that IMF programs most strongly erode the confidence of the most politically engaged, suggesting that the effects go beyond economics and negatively affect citizens in other ways.

Discussion and Conclusion

There is no dearth of scholarly inquiry into the effects of IMF programs on domestic societies. Most of this research has focused on the relationship between lending programs and domestic economic and political conditions. In this chapter, I applied the theoretical framework articulated in chapter 2 to explore a related, yet distinct relationship between IMF programs and individual levels of confidence in democratic institutions. I theorized that because IMF programs undermine existing democratic institutions in states that undertake them, levels of confidence in democratic institutions would be negatively impacted, and that the effects would increase in strength as a state's dependence on IMF lending increased. I expected these effects to be particularly strong for the most politically engaged citizens, because they would perceive political inefficacy and exclusion more acutely than less engaged citizens. These hypotheses were tested using multilevel models and data from the World Values Survey. The major conclusions are:

1 *Individual levels of confidence in democratic institutions are significantly and inversely related to their states' dependence on IMF lending.* IMF programs negatively impact individuals' confidence in democratic institutions by creating conditions that make it difficult for democratic institutions to operate effectively. Structural adjustments suppress democratic institutions in the state and exclude citizens from participating in the political system. The significant findings for confidence in parliament and political parties support this conclusion. I suspect that the non-finding with confidence in government is related to the ambiguity of that specific question. Individuals might have different conceptions of what constitutes "the government" (the present administration, the constitutional arrangement, the particular type of government, etc.) whereas the others are more specific and easily definable.

2 *The effect was sensitive to levels of formal education.* This finding suggests that the changes resulting from IMF programs affect not only the economies of states, but also the institutional contexts that structure the opportunities and incentives for participation in politics. I argued that IMF programs are a specific type of democratic assistance that leads to institutional changes that suppress democratic institutions within the state. The implication is that individuals are less capable of affecting the course of politics in their state and holding their elected officials accountable. Including this interaction term in the models and finding significant results lends support to precisely this type of institutional effect: the most politically engaged individuals are the most acutely affected because their perceptions of political efficacy and inclusion most noticeably deteriorate.

These conclusions suggest several important implications. First, if the goal of IMF programs is to provide economic stability for states by promoting effective governance, the fact that lending programs are linked with lower levels of confidence in democratic institutions should serve as an impetus to question the ways in which lending arrangements are designed. I have discussed several ways in which these programs are theoretically and logically connected to confidence in democratic institutions. More specific to the argument here, bringing democratic participation back in might be one important way that lending instruments could be modified to enhance, rather than inhibit, effective governance and popular support during times of crisis borrowing. However, as noted by Borowiak (2007) democratic legitimacy is only one of many types of legitimacy, so democratization is not the only or perhaps even the best reform to make international lending more effective.

Second, this chapter contributes to the relatively new but quickly growing literature investigating the nexus between the institutional context within states and political behavior. The ways that institutions exert effects upon individuals and their political choices are an important and understudied phenomenon in comparative political research. This paper makes a contribution to this literature by showing that institutional contexts are not merely a product of domestic conditions, but that they are also strongly shaped by international forces leading to significant effects on the political attitudes and behaviors of individuals. Election monitoring in the previous chapter and international lending in the present chapter are only two such international forces that may shape the development of a states' institutional arrangement. I suspect that there are many more. More research is needed to determine precisely what types of international forces may have similar effects and how these effects translate to changes in individual political attitudes and behaviors.

Finally, this chapter adds to the growing literature within comparative political research that utilizes multilevel models to more fully account for country- and individual-level effects. The models are relatively novel in their use in comparative political research and are incredibly useful for their ability to disentangle the power of effects from error and non-stochastic variance. Beyond examining the effects of institutional variation on individual-level characteristics generally, these models allow us to organize individual observations into groups with varying characteristics that might affect an individual's propensity to feel positively or negatively toward democratic governance. Individual- and group-level characteristics can be modeled to more fully appreciate the contingencies associated with each and their respective relationships with institutional contexts within states.

This analysis also faces important limitations. Most obviously, the causal mechanisms identified in this particular context are difficult to isolate observationally. Government ineffectiveness and economic adversity undoubtedly have an impact on individual levels of confidence in institutions. However, I argue that by controlling for these conditions and still observing significant effects and by adding the additional check provided by the inclusion of the interaction term, I have provided strong, yet tentative evidence to support the basic theory.

Second, it should be emphasized that it is not borrowing from an international organization, as such, that results in lower levels of confidence in democratic institutions, but only the manner in which the lending arrangements are designed and implemented in states. In other words, the theory proposed in chapter two generates empirical expectations based on how the international institutions interact with existing democratic institutions. In other words, if lending programs could be designed such that they enhanced existing democratic institutions, the theory proposed here would suggest the opposite empirical effects from the ones expected in this case.

Moreover, if institutional changes undermined existing democratic institutions in the absence of an IMF lending arrangement, I would expect similar decreases in individual levels of confidence in democratic institutions. However, these findings are still relevant for states undertaking IMF programs, particularly if no meaningful reform to lending instruments presently utilized by the IMF takes place.

Finally, as Schelling (1978), (cited in (Cederman and Girardin, 2007)) notes, the task of connecting micro-level mechanisms and macro-level behaviors is an onerous one. This is also true when connecting macro-level mechanisms to micro-level behaviors, as presented here. This study certainly runs the risk, like any such study, of missing a causal pathway or behavioral link that might affect the results. I believe that the models are theoretically well-defined, substantively important, and empirically sound and have accounted for those variables found previously to most significantly affect individual democratic attitudes.

The scholarship linking cross-national institutional variation with individual political attitudes is developing rapidly. This research contributes to this literature by theorizing a way that institutional contexts within states can be affected by international influences, thereby impacting individuals. I find this to be an important contribution, especially as it pertains to the political economy of international organizations and the relationship between international institutions and domestic politics. The IMF has as a goal the economic and political development of states, but implements programs that deteriorate the population's capacity to embrace and sustain democratic governance. For this reason, the lending instruments provided by the IMF should be interrogated so as to reform those mechanisms that hinder progress in this regard.

Chapter 5

MULTILATERALISM AND ATTITUDES TOWARD DEMOCRACY IN GHANA AND GREECE

While the previous two chapters have worked to establish a statistical relationship between variables measuring the interventions of interest and changes in individual political attitudes, no causal relationship should be inferred from those findings. Rather, the evidence from these chapters should be considered a check to determine whether investigating cases for evidence of the causal mechanisms hypothesized is necessary. That is, while the findings to this point provide some support for the *plausibility* of the theory articulated in Chapter 2, it does not provide sufficient support for any of the specific causal pathways that may link governing interventions to individual political attitudes. Finding evidence for these causal pathways is the goal of this chapter.

This chapter focuses on two instances of governing interventions as case studies to explore the micro-level theoretical foundations identified in the hypotheses. Applying a form of the “diverse cases” methodology proposed by Seawright and Gerring (2008), I use variation in expected outcomes to identify two cases – electoral monitoring in Ghana and international lending in Greece – that represent “easy” tests of the theory, insofar as the case selection strategy specifically identifies cases where the hypothesized relationships are most likely to become observable. It is important to note that these case studies are not “theory confirming” in the sense that a more comprehensive case study might be. Rather, given the wide variation in the types of cases and the dimensions relevant to individual political involvement, this test

is meant to be exploratory in order to determine the plausibility of the micro-level theoretical foundations underlying the hypothesized relationships.

Even with the evidence identified in this chapter, a strictly *causal* relationship cannot be inferred, but the combination of sound theory, strong cross-national statistical evidence, and the quantitative and qualitative evidence supporting the micro-level foundations identified by the theory provide support that international governing interventions can and do affect individual political attitudes and behaviors. However, further research will be required to establish how these connections work in particular cases, and the magnitude of the effects, given certain conditions in the states where governing interventions are most commonly used.

Case Selection Methodology

A methodologically well-grounded case selection strategy is essential for quality case study research. The purpose of case study research is to “[analyze] a single unit or small number of units (the cases), where the researcher’s goal is to understand a larger class of similar units (a population of cases),” (Seawright and Gerring, 2008, 296). As such, choosing cases that are most well-suited to understanding features of a population of cases is essential.

While pragmatic considerations are, of course, an important element of case selection, they cannot be the only consideration in choosing cases. Methodological justification is essential, which is to say that a good case study design must support the cases one selects beyond the considerations of practicality (data availability, the researcher speaks the language, theoretical interest in recent literature, etc.). When cases are selected according to a particular methodology, the findings from the case study analysis can be used to make more generalizable inferences about the population from which the cases were selected. If case selection is not executed according to

sound methodological principles, there is a risk that conclusions and generalizations resulting from the analysis are biased and do not accurately represent the characteristics of the population from which the cases were drawn.

To select cases for this chapter, I followed the methodological advice offered by Seawright and Gerring (2008) which identifies and explains several strategies for case selection and the conditions under which they may be useful. One of the approaches they identify is the “diverse cases” approach, which is useful here for understanding the full range of variance along the relevant case dimensions. In this particular case, there are several causal mechanisms identified by the theory, but one “causal process” of interest where each of these individual mechanisms works in tandem to affect outcomes on the dependent variable (at the individual level). For this reason, the case selection methodology comports with the strategy taken with the quantitative approach previously, which is to select a “positive” case and “negative” case or a case where governing interventions support existing democratic institutions and one where governing interventions suppress them. It is in this sense that the cases are “diverse” and capture the variance of the population of cases.

In addition to adopting the diverse cases approach to understand the population of cases to which this theory applies, the cases here also adopt the “structured” and “focused” approach identified by George and Bennett (2005, 69). The comparison of cases is *structured* in that I compare each case against a set of general questions related to the research objective. In the present case, the research objective is to determine how institutions associated with governing interventions sanctioned by international organizations reinforce or undermine existing democratic institutions in states. The theory elaborated in Chapter 2 then leads to empirical expectations based on this assessment. In a case where the institutions associated with a governing intervention reinforce existing democratic institutions in a state, the empirical expectation

is that individual attitudes toward democracy would improve, because the democratic process has additional mechanisms to support democratic involvement and keep the process fair. Conversely, in a case where institutions associated with a governing intervention undermine existing democratic institutions, the empirical expectation is that individual attitudes toward democracy would deteriorate, because individuals are unable to navigate their political system through traditional channels and the system may be perceived as unresponsive. Thus, cases of international election monitoring and international lending—and any other governing intervention deployed by international organizations in developing democracies—become comparable insofar as each of these interventions has observable effects in the ways that they affect state-level democratic institutions, and can be assessed for their relative effect in this regard.

The cases here are *focused* in that I deal only with certain aspects of each case study relevant to the research objectives. In other words, there may be attributes of the cases under investigation that are important, but unrelated to the research goals of the study, and consequently ignored. In this particular case comparison, for example, international lending may have some tie to a state’s status as a former colony; this is important, but not necessarily for the purposes of the research question being investigated here. The cases here are tentative explorations intended to show that the statistical findings from previous chapters have sufficient micro-level theoretical foundations.

At this point, the case selection strategy requires that the selected cases be diverse on the set of independent variables ¹ and that the cases be analyzed in a structured and focused manner so as to make the cases comparable on only the relevant dimensions. However, while these two strategies guide the general set of cases

¹I refer to “set of independent variables” not in the specific sense, but in the sense of the independent variables considered together lead to both positive and negative cases of governing intervention.

available for selection (one positive and one negative), they do not inform why or how any particular case should be selected from these larger populations. Thus, I also adopt a common strategy in case study research by selecting “most-likely” cases for investigation.

So called “most-likely” cases (or their converse, “least-likely” cases) are cases “...which are likely to either clearly confirm or irrefutably falsify propositions and hypotheses,” (Flyvbjerg, 2006). That is, the case selection methodology assumes that if the theory is (or is not) true in this particular “easy test” case, then the theory is (or is not) plausible for a wider set of cases from which the most or least likely case was drawn. It should be emphasized that this case selection strategy sets a lower analytic bar, insofar as the generalizations that may be applied to the populations from which these cases are drawn is more limited. However, when theories have not been tested thoroughly, most-likely designs yield important insights about the appropriate conditions to bind the theory and establish micro-level foundations for phenomena occurring at the macro-level (George and Bennett, 2005). Given the limited analytical goals of the present chapter which are more focused on establishing the plausibility and existence of the necessary micro-level theoretical foundations than on a purely “theory testing” analysis, this strategy is appropriate and fruitful.

Most-Likely cases: Electoral Monitoring in Ghana and International Lending in Greece

Given the methodological principles guiding case selection strategy, the task now is to evaluate which cases are most likely to exhibit the theorized relationships. The proposed hypotheses from each of the previous two chapters expect that the size of the effect on individual political attitudes to be dependent on characteristics of the governing intervention itself. For example, in the case of international lending,

the size and particularly the length of time a lending program and its concomitant provisions are in place, the more acute the effects should be at the individual level. In the case of international election monitoring, it is also the size, scope, and visibility of the mission that affects how influential the mission will be in affecting individual perceptions.

Using these criteria to come to more specific attributes, a “most-likely” case of electoral monitoring is one where the mission was in the country for an extended duration of time relative to other electoral monitoring missions; where the monitoring mission had broad coverage over a country, not merely concentrated in population centers or particular potentially troubled locations; and where the scope of the monitoring mission included different forms of assistance, but especially physical monitoring of polling locations on election day. Theoretically, these are the attributes of electoral monitoring missions that catalyze changes in individual political attitudes, because they are visible signals that the government is committed to a fair electoral process, and that there are additional mechanisms in place to deter, detect, and sanction instances of electoral fraud.

In addition to these criteria, however, the practicality of the case is important for analytic purposes. In order to make assessments of how international election monitoring affects individuals, there must be some indicators of individual feelings that can be used for this purpose. For this reason, the cases that had both large and expansive monitoring missions and sufficient data to make conclusions about the effect of monitoring missions severely limited the number of potential cases. However, one case, Ghana’s 2008 election, stood out both for the size and scope of the mission and for its comparative potential. The 2008 national election was monitored by a large mission from the European Union and electoral assistance and observation was allocated to all ten electoral districts in the country (Commission, 2009).The

EU mission arrived in Ghana on November 1, 2008 and stayed through January 24, 2009—a duration of nearly 90 days when the mean duration for all major electoral monitoring missions is 24.2 days (Kelley, 2010). The mission was also quite large in terms of the number of observers. The mean number, according to election monitoring data gathered by Kelley (2010) is 28.9 observers per mission; Ghana’s first round presidential election was observed by more than 70 observers, including observers in each electoral district in the country (Commission, 2009).

Furthermore, the monitoring mission for the 2012 election, which was scheduled to be deployed in November 2012, was cancelled last-minute in a press release from the European Union saying that as an act of faith in Ghana’s democratic institutions, the mission would not be deployed. As a result, the 2012 election was not monitored by a major international organization, which is a rarity for elections in developing democracies. For these reasons, Ghana is analyzed as the positive case. In addition to this comparative potential, the selection of a single case to compare over time controls for a host of variables that may otherwise affect outcomes, since those remain mostly constant over time. In some ways, the selection of a single case with a monitored and unmonitored election is like a natural experiment—the obvious variation is in the presence of an international mission to observe domestic democratic processes.

In the case of international lending, a “most-likely” case is one where the lending program is large and enduring enough that the loan is distributed in tranches, and where the structural reforms mandated by the program are extensive. In addition to these criteria, again, the theoretical interest of the case can play a part in case selection. Here, the most obvious and likely case to fit these criteria is Greece, despite the fact that the situation is as of yet unresolved. However, the lending program there has been massive by historical international lending standards, the structural and other reforms mandated by the program have been extensive, and the program

has endured for more than five years. For these reasons, Greece is the case most likely to exhibit the relationships and processes hypothesized in Chapter 2.

Beyond being an attractive case for this particular research strategy, the selection of Greece has other notable benefits. One difficulty in studying these micro-level effects is isolating the causal factor of interest (in this case, the governing intervention) from other possible causal factors related to changes in individual level attitudes. In the case of international lending, for example, the empirical expectation is that when lending programs are employed in countries, they will negatively affect perceptions of democracy because of the particular institutional features of the programs and how they affect participation and influence at the individual level. However, as has been well established in previous research, perceptions of democracy are also dependent on economic conditions—when individuals perceive economic conditions to be bad, they lose confidence in government and democracy, and vice versa (Kayser and Peress, 2012). Exacerbating the problem is that it is precisely in these economically difficult times that lending programs are utilized. How can these separate effects be sorted out?

Greece, like other members of the European Union, experienced a deep and prolonged economic recession beginning in 2008 and, in some places, continuing to the present day. The economic recession did hit Greece somewhat harder in some senses (unemployment, for example) but overall the magnitude of the recession was monumental, especially for those members of the EU whose financial conditions were weak to begin with (Greece, Spain, and Italy, for example). However, Greece was the only EU member state that required substantive and prolonged IMF intervention, and as a result, can be compared to other EU states to try to isolate the effect of IMF lending programs from economic recession. This strategy is imperfect, of course, because the economic conditions in Greece were necessarily worse than in other EU states.

However, for gaining analytical leverage on this particular question, the strategy is the most appropriate.

Electoral Monitoring in Ghana: A comparison of the 2008 and 2012 Presidential Elections

Background

Ghana is a West African state that is considered to be one of Africa's democratic successes (Gyimah-Boadi, 2009). After a series of power struggles between civilian and military governments, in January 1993, the ruling military government of Ghana ceded power to the Fourth Republic of Ghana and the leaders elected in late 1992. Since then, Ghana has had frequent and timely elections and has peacefully transitioned between ruling and opposition parties twice, signaling a commitment to democratic governance. At the presidential level, Ghana has a two-round voting system where candidates must receive an absolute majority to avoid a run-off election. For parliamentary elections, Ghana has a first-past-the-post system.

The Fourth Republic of Ghana was organized as a constitutional democracy with an elected President that is both head of state and head of government. In addition to the president of the republic, there is a 275-member parliament. Both the president and members of parliament are elected to 4-year terms. Ghana is governed by two major political parties, the New Patriotic Party (NPP), the major center-right party, and the National Democratic Congress (NDC), a social democratic party. The NDC has enjoyed more electoral success since the inaugural 1992 elections, winning four of six national elections. However, the 1996 election led to a transition of power between the NDC and the NPP in 1997 (the first successful instance of transitioning between

major parties), and the NPP would remain in power until early 2009 after being voted out in late 2008.

2008 Election

In the 2008 general election, the two major candidates were Nana Akufo-Addo for the NPP and John Atta Mills for the NDC. In addition to these major candidates, there were various other minor-party candidates that received relatively low levels of support. However, one candidate Paa Kwesi Nduom of the Convention People's Party received enough support to potentially force a run-off election between the two major candidates.

Like past elections in the state, the 2008 general election was monitored by the European Union after being invited by the Ghana Electoral Commission. As with other developing democracies, inviting electoral monitors sends a signal to citizens and the international community that the election will be a legitimate expression of political preferences in the state, and will result in the election of leaders through a fair and transparent process (Kelley, 2008). In an independent report detailing the 2008 elections, consulting firm Friedrich-Ebert-Stiftung wrote "...elections observation was no doubt a major confidence boosting mechanism used by the Electoral Commission..." (Friedrich-Ebert-Stiftung, 2010, 22).

Though there were several electoral monitoring missions, both international and domestic, for the 2008 election, the largest of these missions was that of the European Union. The EU mission arrived in Ghana on November 1, 2008 and stayed through January 24, 2009—a duration of nearly 90 days when the mean duration for all major electoral monitoring missions is 24.2 days (Kelley, 2010). This is in part due to the two-stage electoral process when one presidential candidate does not achieve an absolute majority in the first round, but it also represents the effort by the EU and

Ghana to operate a high-quality election at a time when other African elections were troubled (Commission, 2009; Friedrich-Ebert-Stiftung, 2010).

In addition to an extended duration in the country, the EU mission was also quite large in terms of the number of observers. The mean number, according to election monitoring data gathered by Kelley (2010) is 28.9 observers per mission; Ghana's first round presidential election was observed by more than 70 observers, including observers in each electoral district in the country (Commission, 2009). The presidential runoff had more than 50 observers. Thus, in terms of both duration and size, the electoral observation mission to Ghana was among the largest.

Moreover, the mission was not only providing physical monitoring of voting and counting processes, but also provided various forms of technical assistance before and during the election to promote citizen participation and procedural efficiency. For example, the monitoring mission was involved in promoting voting as a civic duty in an attempt to encourage high voter turnout. This assistance took the form of advertising campaigns in both print and electronic media that told voters about the election and the steps to go through to become registered to participate (Friedrich-Ebert-Stiftung, 2010). Additionally, the monitoring mission shared responsibility with the Ghanaian Electoral Commission for ensuring easy access to voter registration documents, and ensuring that electoral officials were properly trained to assist citizens in this regard (Friedrich-Ebert-Stiftung, 2010).

EU mission officials also attended meetings between the electoral commission and major party officials to help resolve disputes related to voter rolls. The NDC made accusations that the NPP was bloating the voter rolls by illegally registering individuals who were not eligible to participate in the election (Friedrich-Ebert-Stiftung, 2010). The Electoral Commission, with the assistance of EU officials, successfully resolved

this disagreement between the two parties by making revisions to the list of eligible voters, helping to prevent either party from boycotting the election as fraudulent.

In addition to direct observation of polling places and the ballot counting procedures, and these major technical assistance tasks noted previously, the electoral mission also helped ensure that the candidate nomination processes were fair, that disabled and incapacitated voters had access to polls, assisted in recruiting and training poll workers, and assisted with coordinating the delivery of official election materials (Friedrich-Ebert-Stiftung, 2010, 41-44). The mission, therefore, was important to the logistical and procedural integrity of the election.

The first round election in the presidential race did not produce a candidate with a majority, and therefore a runoff election was necessary between the top two candidates to produce a winner. The runoff election was conducted on December 28, 2008 and was executed according to plan with one exception. In one district, the Tain district, logistical problems prevented the runoff election from being conducted. Exacerbating this problem was the fact that the two candidates were separated by only 23,000 votes while the Tain district had 54,000 registered voters (Friedrich-Ebert-Stiftung, 2010, 45). Thus, the Electoral Commission and EU observation mission coordinated to ensure that the runoff election would occur in the Tain district.

Ultimately, efforts from the Electoral Commission, the two major political parties, and the EU electoral observation mission resulted in the runoff election being held in the Tain district. After the results of the runoff election were included in the nationwide totals, John Atta Mills of the NDC was declared the winner by a margin of less than one percentage point. Atta Mills received approximately 4,521,000 total votes, or 50.23 percent of the electorate, while Akufo-Addo received 4,480,000, 49.77 percent. It was the lowest margin of victory in Fourth Republic history, yet was predominantly accepted as a legitimate and fair election by both the winning party,

NDC, and the losing NPP, despite the fact that losing the election meant a transition of power between the two (Commission, 2009; Friedrich-Ebert-Stiftung, 2010). With the inauguration of President Atta Mills in early 2009, Ghana marked its second successful transition of power in the Fourth Republic.

2012 Election

There was no incumbent in the 2012 election, as sitting president Atta Mills, elected in 2008, died in office in July 2012. His vice president, John Mahama was the presidential candidate for the NDC and ran against Akufo-Addo of the NPP, who previously ran unsuccessfully in 2008. Originally, the Electoral Commission had invited several monitors to observe the electoral process as they had in 2008, including the European Union. Close to the time of the election, however, the European Union canceled the mission, writing in a press release that “...the EU would not monitor the general election scheduled for December 7, 2012, as a mark of confidence in Ghana’s electoral system...the EU had observed that Ghana had developed internal structures and had the capacity to organize free, fair, transparent, and credible elections without the monitoring of the international community,” (EU Press Release, 2012).

Thus, the 2012 was the first in Fourth Republic that was not monitored by a major international organization. There were still domestic monitors present, but their roles were more restricted in that they were strictly observers and did not provide the same types of technical assistance that the 2008 EU electoral monitoring mission provided. Furthermore, domestic observers face problems of credibility, funding, and inexperience which makes their assessments less credible in the eyes of national and international audiences (Nevitte and Canton, 1997). Especially in developing democracies where resources are limited and the network of NGOs is relatively small, domestic observation missions tend to make decisions on a more ad hoc basis and are

less capable at fully monitoring and assessing electoral integrity (ibid). Without the experience and resources of an international electoral monitoring mission, the 2012 election was in uncharted territory for the Fourth Republic of Ghana.

The 2012 election experienced many of the same pre-election issues that the EU observation mission helped to alleviate in 2008. For example, there were complaints against media organizations that their coverage was favoring incumbent party NDC, as the sitting president had died in July of 2012 and the media coverage focused on who would be running for the party to succeed him (The Daily Telegraph 2012). Additionally, there was again controversy over the voting rolls and the use of biometric voting machines in the election that NPP party officials would not accurately count votes (ibid). However, without the technical assistance of the EU electoral monitors to broker compromises on these issues, they remained salient until the election and were cited as issues when votes were tallied and the incumbent party's candidate Vice President John Mahama, won a majority in the first round of voting with 50.7 percent of the vote, beating NPP's candidate Afuko-Addo by nearly three full percentage points and more than six times the margin of victory in the 2008 election.

The electoral process and the results of the election were considered to be free and fair by domestic observers, but were rejected immediately by the major opposition party NPP. NPP party officials claimed there were major voting irregularities, particular with regard to the use of the biometric voting machines, and made accusations against the electoral commission of favoring the NDC. For example, in a press release after the election, the NPP wrote, "The ruling NDC conspired with certain EC staff in constituencies across the country to falsify the election results and thereby abuse the mandate of the people of Ghana," (Party, 2012). The party considered options for challenging the election results, including lodging complaints with the national Supreme Court, but officially ruled out violent opposition (BBC, 2012). Despite this

rejection of violence from NPP leadership, however, there were still major opposition protests in the capital where police used tear gas to control and disperse the crowds. Additionally, tanks guarded the Electoral Commission for fear that opposition protesters would attempt to vandalize or otherwise damage the building or any of the Electoral Commission Members (BBC, 2012).

Comparing Ghana's 2008 and 2012 Elections

In addition to the methodological advantages of choosing Ghana for the case study, there are practical advantages as well. Public opinion surveys were conducted asking about attitudes towards various democratic institutions, including the ones of interest here—namely, government, parliament, and political parties. While the surveys did not consistently ask about feeling of electoral fairness, which would be of particular interest here, the surveys do consistently ask about the dependent variables of interest to this study, which are related to levels of confidence in democracy.

One challenge of linking electoral monitoring with individual attitudes is that much of the technical and professional assistance that electoral monitoring missions provide to states is behind the scenes. The only visible aspects of the monitoring mission are the invitation form the Electoral Commission, which is announced publicly, and the physical presence of observers at polling locations on election day. However, the technical and professional assistance does impact individual perceptions of electoral fairness through party leaders. Many of the pre-election complaints were resolved with the assistance of the EU and the Electoral Commission, and the solutions were mutually agreeable to party leaders and candidates. Thus, this professional and technical assistance created conditions where the losing candidate and party (in 2008, the NPP) were willing to accept the results of the election because they perceived the process to be free and fair. In the absence of this technical and professional assistance,

as in 2012, it is more difficult to solve these types of issues in ways that both parties agree to, and thus, makes it more likely that party officials and candidates denounce or even boycott the election as a result. This is precisely what happened in the 2012 election, and thus supporters of the NPP heard public renunciations of the electoral process and the results as being rigged by the NDC, which created conditions where individuals lost confidence in the electoral process.

All of these mechanisms are impossible to empirically isolate with the available data. However, consistent with the purpose of this chapter, it is possible to determine whether these causal processes are plausible, and whether they merit further investigation. In addition to the cross-national statistical evidence provided in previous chapters, significant differences between individual attitudes toward democratic institutions in the 2008 and 2012 Ghanaian elections would further support the plausibility of the theory. More specifically, I expect the following empirical relationships:

- Individual levels of satisfaction with democracy and perceptions of electoral fairness will be significantly higher after the 2008 election than after the 2012 election, without regard to party affiliation.
- The difference in levels of confidence between 2008 and 2012 will be greater for individuals that identify with the NPP than those that identify with the NDC. This is because leaders from both parties, including the NPP despite having lost, accepted the electoral results in 2008 in the presence of international monitors. The NPP also lost the election in 2012, but made claims of widespread electoral fraud. Thus, I expect that the 2012 election results would have stronger effects on individuals that identify with the NPP than those that identify with the NDC.

- Some of the strongest evidence more directly related to the effect of the presence of electoral monitors would be if there were no significant differences between levels of confidence in democratic institutions for individuals identifying with the NDC compared to those identifying with the NPP in 2008, and a significant difference between the two groups in the 2012 survey. Assuming that technical and observational assistance during elections can lead to greater acceptance of the results regardless of the outcome, a credible electoral monitoring mission could have potentially helped to broker solutions between the two major parties when complaints about the electoral process were made. In this way, the presence of monitors may have helped to alleviate the conditions that led to the NPP's rejection of the 2012 electoral results.

Analysis and Results

To determine the extent of the differences in public opinion both between groups of individuals in the same election, specifically those identifying with the two major parties, and between elections, I rely on the BEST test developed by Kruschke (2013). The BEST test is a Bayesian alternative to the traditional t-test that improves the ability to estimate the statistical power of effect sizes and is better at handling outlying observations (Kruschke, 2013). Additionally, because the estimation procedure using a large number of simulations to provide complete distributions for credible effect sizes, the magnitude of the differences is more precise than in standard t-test results.

The data come from waves 5 and 6 of the Afrobarometer, which specifically ask about attitudes toward the 2008 and 2012 elections, respectively. There are some questions directly related to the election, like whether an individual participated in the election, and their assessment of how free and fair the elections were. In addition to these questions, the survey also asks about levels of confidence in various

democratic institutions, which are the focus of this analysis. Empirically, however, I expect that 2008 elections had higher voter turnout, and that individuals will feel that the election was significantly more free and fair than the 2012 election.

The limitations of this type of analysis should be noted. Though the estimation procedure may produce credible differences between groups, the reasons for that credible difference are not identified. This chapter has worked to provide a description of how the conditions created by the presence and absence of large and professional electoral monitoring missions in 2008 and 2012, respectively, may have contributed to individual perceptions of the electoral process. However, more work will remain to identify exactly how strong these causal relationships are, if possible, and to determine when these effects are most likely to be present in electoral contexts. The work here is still valuable, however, in that it comprehensively theorizes the connections between supranational forces and individual political involvement.

The first hypothesis above suggested that individual levels of satisfaction with democracy and perceptions of electoral fairness would be higher after the 2008 election than after the 2012 election, without accounting for party affiliation. Satisfaction with democracy is measured on a four-point scale from “not at all satisfied” to “very satisfied.” After 20,000 simulations, the average difference in means is 0.33 (mean satisfaction after 2008 election 2.90, mean satisfaction after 2012 election 2.57). The effect is credibly different from zero, with the 95 percent highest density interval ranging from 0.03 to 0.61 points. The results for all tests are presented in Table 1.

When broken down by those that identify with either of the two major parties, an interesting pattern emerges; despite their party winning both the 2008 and 2012 elections, individuals that identify with the NDC still experienced a credible difference in their levels of satisfaction with democracy from after the monitored 2008 election to after the 2012 election. NDC supporters lost, on average 0.24 points, with the

95 percent highest density interval ranging between 0.13 and 0.34 points. However, individuals that identify with the losing party, NPP, lost on average 0.47 points, with the 95 percent highest density interval ranging between 0.37 and 0.57 points. Thus, the evidence is clear that despite having a much higher margin of victory in 2012, *both* NDC and NPP supporters were less satisfied with democracy, though for those identifying with the losing NPP party, the effect was more than twice as large than for those who identified with the victorious NDC.

Regarding perceptions of electoral fairness, the results show similar trends. Perceptions of electoral fairness are also measured on a four-point scale from “not free and fair” to “completely free and fair.” Without regard to party affiliation, individuals lost on average 0.51 points on the four point scale when comparing perceptions of fairness between the 2008 and 2012 elections, with the 95 percent highest density interval 0.21 to 0.79 points. When taking party affiliation into account, NDC supporters lost on average 0.19 points between the 2008 and 2012 elections, with the 95 percent highest density interval -0.01 and 0.49 points. For NPP supporters, this effect was five times stronger, losing an average of 1.28 points (on a four point scale) between the 2008 and 2012 elections, with the 95 percent highest density interval ranging from 1.03 to 1.54 points.

When comparing supporters of the two major parties in 2008 and 2012, the results are also supportive of the hypothesis proposed above. In 2008, the average score for individuals who identify with the winning party NDC on the when asked about perceptions of electoral fairness was 3.42 on a four point scale, meaning the average fell between perceiving the election as “mostly free and fair” and “completely free and fair.” For those that identified with the losing NPP, the average score was 3.15 points, also falling between “mostly free and fair” and “completely free and fair.”

The difference between these two groups in 2008 was 0.27 points, with the 95 percent highest density interval ranging from .09 to .45 points.

When comparing these two groups after the 2012 election, the difference between them grows to 1.42 points, with the 95 percent highest density interval ranging from 1.13 to 1.69 points. In 2012, individuals who identified with the NDC reported an average of 3.2 points when asked about perceptions of electoral fairness, credibly lower than the average response for NDC identifiers in 2008. For those that identified with the NPP, the average response was just 1.83 points on a four point scale, a significant departure both from their perceptions of the monitored 2008 election and from the average individual that identifies with the NDC in 2012.

What the evidence shows supports the theory and empirical expectations posited earlier. Individuals were far more satisfied with both the freeness and fairness of the 2008 election, and with democracy overall after the 2008 election than after the 2012 election. These results are especially surprising given the historically narrow margin of victory in 2008 (less than one percent difference between the candidates) and the electoral irregularities in the runoff election. These results help to show that electoral monitoring may positively affect individual perceptions of electoral fairness and levels of satisfaction with democracy.

Table 5.1: Satisfaction with Democracy and Perceptions of Electoral Fairness in Ghana

Group 1 (mean)	Group 2 (mean)	Difference (95% HDI)	Credible?
Satisfaction with Democracy			
All respondents, post-2008 (2.90)	All respondents, post-2012 (2.57)	-0.33 (-.61 – -.03)	Yes
NDC identifying respondents, post-2008 (3.16)	NDC identifying respondents, post-2012 (2.92)	-0.24 (-.34 – -.13)	Yes
NPP identifying respondents, post-2008 (2.93)	NPP identifying respondents, post-2012 (2.46)	-0.47 (-.57 – -.37)	Yes
Perceptions of Electoral Fairness			
All respondents, post-2008 (3.26)	All respondents, post-2012 (2.76)	-0.51 (-.79 – -.21)	Yes
NDC identifying respondents, post-2008 (3.51)	NDC identifying respondents, post-2012 (3.31)	-0.19 (-.49 – .01)	Yes
NPP identifying respondents, post-2008 (3.11)	NPP identifying respondents, post-2012 (1.83)	-1.28 (-1.54 – -1.03)	Yes
NDC identifying respondents, post-2008 (3.42)	NPP identifying respondents, post-2008 (3.15)	-0.27 (-.45 – -.09)	Yes
NDC identifying respondents, post-2012 (3.20)	NPP identifying respondents, post-2012 (1.83)	-1.42 (-1.69 – -1.13)	Yes

International Lending in Greece

Background and Timeline

Although the International Monetary Fund (IMF) and European Central Bank (ECB) did not intervene with a financial bailout in Greece until early 2010, the origins of the financial crisis were much earlier. At the latest, major problems began in 2004 when Greece spent a record 7 billion euros on the 2004 Summer Olympics (BBC, 2004). Even before 2004, however, the Greek government routinely incurred budget deficits as a result of spending on defense, social programs, and public pensions (Dempsey, 2013). Before the 2007-08 financial crisis, the Greek government was able to service this debt through a relatively strong bond market and lending from other European Union member banks, though their debt levels were higher than EU average (Eurostat, 2015).

Even before the major global recession, the Greek government recognized the precarious nature of their economic situation. After the resignation of Greek Prime Minister and socialist party PASOK's leader, Kostas Simitis, elections were scheduled for early 2004. Though PASOK has been in power for nearly a decade, the dramatically spending for the upcoming Olympic Games coupled with criticism from the conservative New Democracy party undermined the popularity of PASOK leadership, leading to electoral defeat in March 2004. The New Democracy party ran on a platform of fiscal responsibility, with promises to reduce spending, pare down wages and benefits for government workers, and minimize the high debt burden the country had faced for over a decade.

Even before the recession and Greek financial crisis, New Democracy's economic agenda was wildly unpopular with public workers. In December 2005, transportation workers and others employed by the government went on strike to oppose parliamen-

tary changes to the public tenure system (BBC, 2015). In March 2006, public workers went on strike again to protest privatization of some government enterprises and further changes to job security laws in the country (ibid). Thus, even before the major global recession, Greek citizens were already dealing with economic hardship, particularly those employed in the public sector, and popularity of the new conservative government eroded shortly after its election in 2004. Further, when the recession hit in early 2008, these fiscal and political pressures only worsened, and public confidence in the ruling New Democracy government fell to an all-time low, when 66 percent of respondents reported that they “tend not to trust” their government (Eurostat, 2008). In the midst of these protests and social disruption, New Democracy’s leader, and Greek Prime Minister Kostas Karamanlis called snap elections for October 2009. The socialist PASOK party was elected to lead and George Papandrea took over as Prime Minister.

One negative side effect of the global recession was that capital markets became inaccessible to the Greek government because of its precarious financial situation and because of the major losses already sustained by lending institutions. Until this point, the Greek government had relied on bond financing to sustain its deficit spending, but bond markets were weak during the recession and the Greek government could no longer use them as an easy access to capital. As a result, Greece had excessive debt and was still engaging in deficit spending, but there were no mechanisms to ensure the Greek economy would remain economically viable. Thus, shortly after taking power, the ruling PASOK party was faced with a downgrade in Greece’s credit rating, further straining their already constrained resources and ability to raise capital to service the national debt (BBC, 2015).

The New Democracy party lost power in the 2009 elections primarily because of their economic reform agenda (BBC, 2015). There were mass protests and strikes

against reforms pursued by the party, and these reforms were unpopular with citizens. Thus, many citizens had high hopes for electing the socialist PASOK party back into power, believing that their economic agenda would focus less on privatization and spending cuts, and more on enforcing tax laws on wealthy citizens and looking for new sources of revenue. However, shortly after election, recognizing the disaster on the horizon, PASOK leadership and Prime Minister Papandreou announced two more rounds of austerity measures which were met immediately with widespread protests and strikes (BBC, 2015).

Greece was not the only European Union country facing economic hardship at this time. Though Greece was the most likely candidate for debt default due to the magnitude of its debt level and its inability to access capital markets, Spain, Ireland, Portugal and Italy were in dangerous situations as well and experts feared that a default by any one of these countries would lead to a domino-effect default and threaten the integrity of the currency union (ECB, 2010). Importantly for the purposes of this chapter, the recessions in each of these countries (and in most countries in the world) were more serious than any since the Great Depression; in other words, differences in changes in attitudes towards government and other institutions in these states is puzzling—if something other than poor economic performance and harsh austerity cuts is causing changes in attitudes, which happened to similar degrees in each county in the EU, what is it? I now turn an investigation of my primary argument by looking at the IMF intervention in Greece to explain why changes in attitudes toward government, parliament, and political parties were much more severe in Greece than in other EU countries.

Multilateral Lending in Greece

Shortly after the election of the socialist PASOK party and their announcement of two additional austerity programs, the IMF and European Union expressed concern about the ability for Greece to handle its debt problem without assistance. As a result, in May 2010, the Eurozone countries and the IMF collectively agreed to partner to provide financial assistance to Greece, on the condition that the austerity programs Greece was considering be considerably expanded to achieve specific fiscal targets in under three years (IMF, 2013a). The original agreement was co-funded by the IMF and the European Central Bank and, like most IMF programs, came with a set of structural reform benchmarks that would need to be implemented in order for the Greek government to continue receiving loan funds.

The structural benchmarks were primarily focused on public spending and included reforms like reducing public wages and pensions, privatizing government-owned industries with the goal to raise a billion euros annually, increasing the value-added tax to 23 percent, reorganizing and consolidating local government units to reduce the number of public employees, passing legislation to reform the collective bargaining rights of public employees, and committing to only replace 20 percent of public employees who left or retired (IMF, 2013a). These reforms were particularly ambitious in scope, but the socialist party had no viable alternative, because in the midst of the recession, Greek banks were being threatened with liquidity issues and had no reserved funds to cover debt obligations in the short term (IMF, 2013a).

In response to the original bailout package, trade unions and other public sector unions protested en masse, calling on the socialist government to reject the deal and instead focus on debt forgiveness agreements. However, the government went forward with the terms of the lending agreement, though the IMF reports that the

administration was not fully buying into their vision and, as a result, were only minimally effective in implementing the required reforms (IMF, 2013a). However, with each additional round of austerity (implemented in rounds because the funding is disbursed according to progress in achieving performance benchmarks), protests and dissent against the Greek government and the IMF grew. In June 2011, for example, public workers launched a 24-hour strike and tens of thousands of protesters marched on parliament to oppose further IMF reforms (BBC (2015)).

Even amidst the protests and strong opposition, PASOK leaders with New Democracy support were doing their best to adhere to the terms of the lending arrangement. Each party recognized that there were no viable alternatives to IMF lending, because credit markets were still inaccessible, Greece's credit ratings had been downgraded to reflect their significant risk of default, and systemic internal pressures were evermore increasing. For example, deposits in the Greek banking system had declined over 20 percent from January 2010 to the end of 2011, falling from nearly 238 billion euros to less than 189 billion (ECB, 2014). Citizens were afraid that the government would resort to mandatory levies on bank deposits, or were afraid that a debt default would make their deposits inaccessible, and thus were taking money out of the system for safekeeping in their homes (Der Spiegel, 2011).

However, the economic problems in Greece were much more severe than originally anticipated, in part because austerity policies directed at reducing public debt and because of the extent of the global financial crisis that affected other EU members in addition to Greece. Thus, Greece required another bailout. In addition to continuing austerity packages six separate parliamentary acts from 2010 to 2012 the EU and IMF agreed to a new bailout package to finance short-term loan payments for Greece. Total assistance would not be 246 billion euros by 2016. The continued austerity and the government's willingness to continue to pursue these policies in spite of widespread

and intense public opposition created tense conditions in the country. For example, in early 2012, a retired pharmacist committed suicide near Greece's parliament to protest further austerity measures that had been approved.

Politically, the period after the first bailout saw several different governments trying to manage the relationship with the EU-IMF lending partners while simultaneously attempting to placate public opinion about the lending program and the required austerity measures. For example, in 2011 Prime Minister Papandreou called a vote of confidence and a referendum to approve the newly negotiated summit deal where the lending partners made concessions to Greece to accept write-offs on outstanding debt for their continued participation in austerity programs. However, the referendum idea was opposed by EU leadership and was criticized by Papandreou's own minister of finance. As a result of pressure from these areas, Papandreou called off the referendum. Though Papandreou won the vote of confidence in parliament, he resigned two days later when opposition parties refused to join a governing coalition if Papandreou insisted on remaining Prime Minister. For this reason, he resigned and the new coalition government between New Democracy and PASOK was headed by Lucas Papademos.

The government was short-lived, however, because the coalition fell apart and elections were held in May 2012. New Democracy again won the election, but with a narrower margin of victory than in past elections and with fewer seats in parliament. Additionally, the fringe-left party Syriza continued to gain support for their popular anti-austerity platform. With the narrow margin of victory, New Democracy was unable to form a government. A temporary government was established under the leadership of Panagiotis Pikrammenos. Elections were held again in June 2012 where the New Democracy led with nearly 30 percent of the popular vote, and this time were

able to form a coalition government with PASOK and the Democratic Left DIMAR. Antonis Samaras, the president of New Democracy, became the new Prime Minister.

Samaras' tenure as Prime Minister was tenuous for the same reasons that drove Papandreou to resign. There was increasing pressure from IMF and EU officials to continue implementing tough austerity measures that were extremely unpopular with the electorate. For example, in October 2012, the Samaras government supported and passed an austerity package that included laying off 15,000 additional public sector employees, a 22 percent reduction in the national minimum wage, a pension and wage freeze for five years, and deep cuts to public sector services including the Ministry of Health which primarily affected the services they were able to provide to the poorest Greeks (IMF, 2013a).

Ultimately, public disaffection with the continued engagement with IMF-EU officials at the expense of the Greek electorate and Samaras lost a vote in parliament to approve the New Democracy candidate for President, largely a ceremonial position. Thus, constitutionally mandated snap elections were held in January 2015 where the fringe and anti-austerity party Syriza won the election and was charged with forming a government. Reflecting the sentiment of the electorate, the coalition agreement for the Syriza government, headed by Alexis Tsipras, noted that the government would respect Greece's status as a Eurozone member and would thus fulfill its obligations to other EU members, but would have the ability to determine how those obligations would be met. Importantly, the coalition agreement specifically ruled out further austerity measures as tools that would be used (The Irish Times, 2015).

Despite these electoral promises from the Syriza coalition, the Tsipras government has given into the demands of the IMF and other European creditors, and has passed further austerity measures in order to continue receiving emergency loan funding. This reversal has led to resentment and anger among Greek voters who specifically

supported the Syriza party for their strong stance against further austerity measures, even if it meant leaving the European Union. For example, a recent news article quotes a young voter who says “[Prime Minister] Alexis [Tsipras] betrayed us. Syriza has done everything it said it wouldn’t.” (Lee, 2015).

Analysis and Results

The cross-national results presented in Chapter 4 suggested that individuals in states more dependent on international lending programs were less confident in government, parliament, and political parties, after controlling for economic conditions and a host of other variables related to these outcome variables. In the case of Greece specifically, these outcomes are difficult to measure because there is no pre- and post-lending program data to be compared to try to determine the magnitude of an effect. Also complicating matters is the fact that an economic recession should also cause changes to levels of confidence in democratic institutions, because individuals are less satisfied with the outputs of their government (Inglehart, 2000).

However, Greece was not the only country that experienced a deep and prolonged recession from late 2007 to present day, nor the only country to face pressure to rely on international lending programs for relief. All countries in the European Union experienced recession to a significant degree both in scope and time, and thus help to serve as a good benchmark for evaluating the effects of economic recession from the effects of economic recession *and* the institutions of international lending programs. In other words, if economic recession were the reason for declining levels of trust in various democratic institutions, many EU economies experienced economic contraction at a rate similar to Greece, though the precariousness of their short-term debt problems were less severe. However, to individuals in the countries, recession meant high unemployment, cuts to wages and government benefits, and reductions in

services provided by the states—and these affected Greece and other states to similar degrees before the international lending program was put in place.

Thus, one empirical expectation is that Greece should diverge from the rest of the EU with regard to their levels of trust in democratic institutions. This is for two reasons: First, these institutions, particularly parliament, are responsible for implementing the policies that led to changes in quality of life for individuals; second, and perhaps more importantly, even when individuals expressed their political preferences *against* the activities of the government, making clear that they were opposed to the austerity measures that were being put in place and voted to reflect these preferences, there was no substantive change in the way that government worked, because the government was accountable to IMF officials rather than their voting constituency.

There are at least two major democratic events that, under normal circumstances, should have changed the course of government policy, but did not. The first was the 2009 snap elections that led to the removal of New Democracy party from power, which had been implementing a strong economic reform agenda to try to avoid emergency lending measures. There was widespread opposition to the economic platform of the New Democracy party, and the socialist PASOK party ran on a platform against these economic reforms, instead promising to improve economic conditions by enforcing tax laws on the wealthy. However, shortly after being elected, PASOK, led by Prime Minister Papandreou was responsible for negotiating the first several rounds of austerity, which were also the most severe, during the height of the recession.

The second major democratic event that should have changed the course of government policy was the election of the left-wing Syriza party and Prime Minister Alexis Tsipras in January 2015. Syriza ran specifically on an agenda against further austerity measures, even if it meant leaving the EU altogether. However, as with the

first event, there was no credible alternative to accepting the demands of the IMF and EU lenders. While it is too early to have data on the 2015 event, the empirical expectation would be a short-term boost in levels of trust after the election of Syriza, followed by a sharp rise in distrust when no meaningful changes occurred under the new government.

The data come from the EuroBarometer Trend Questions, which is a survey that asks a series of questions to track trends over time. The EuroBarometer Trend questions are asked in each EU country on annually and measure attitudes towards various common socio-cultural and socio-political orientations such that changes can be tracked more or less over time, and can be tracked more frequently than possible if relying on the full Eurobarometer survey. The data is available only at the country level, but is useful here for seeing the trends over time which correspond to the empirical expectations of the theory. Looking at levels of trust in government, parliament, and political parties, the data shows that while Grecians were always more distrustful of democratic institutions than their EU counterparts, the gap in levels of trust has exaggerated over time. For example, Figure 1 shows levels of trust in government, and plots the percentage of individuals answering "Tend not to trust." In October 2007, more Greeks trusted their government than in other EU counties, with approximately 55 percent of Greeks tending not to trust their government compared to nearly 60 percent in the EU more generally. However, by late 2014, nearly 90 percent of Greeks answered that they tend not to trust government, with just over 60 percent answering the same way in the EU more generally (See Figure 5.1). The only exception to this trend is when attitudes were measured in November 2009, just after the ouster of New Democracy, where there was a temporary regaining of trust followed by a very sharp increase in levels of distrust once PASOK and Prime

Minister Papandreou implemented the same times of austerity and economic reform that voters voted against in the 2009 elections.

Levels of trust in parliament exhibit a similar trend. In October 2007, there was less than a 10 percent difference between Greeks and individuals in other EU states expressing distrust with their national parliament, with 56 percent of Greeks and 48 percent of individuals in other EU states answering that they tend not to trust their national parliament. By late 2014, this gap had increased to 22 percentage points, with 83 percent of Greeks tending not to trust their national parliament compared with 61 percent of individuals in other EU states. Again there is a brief period of increased trust in November 2009 after the ouster of New Democracy, which quickly erodes in subsequent periods (See Figure 5.2). Trust in political parties exhibits a similar relationship, with the difference between Greeks and other EU states going from four percentage points in October 2007 to more nearly 15 percentage points in late 2014 (See Figure 5.3).

Figure 5.1: Trust in Government: Greece vs. EU

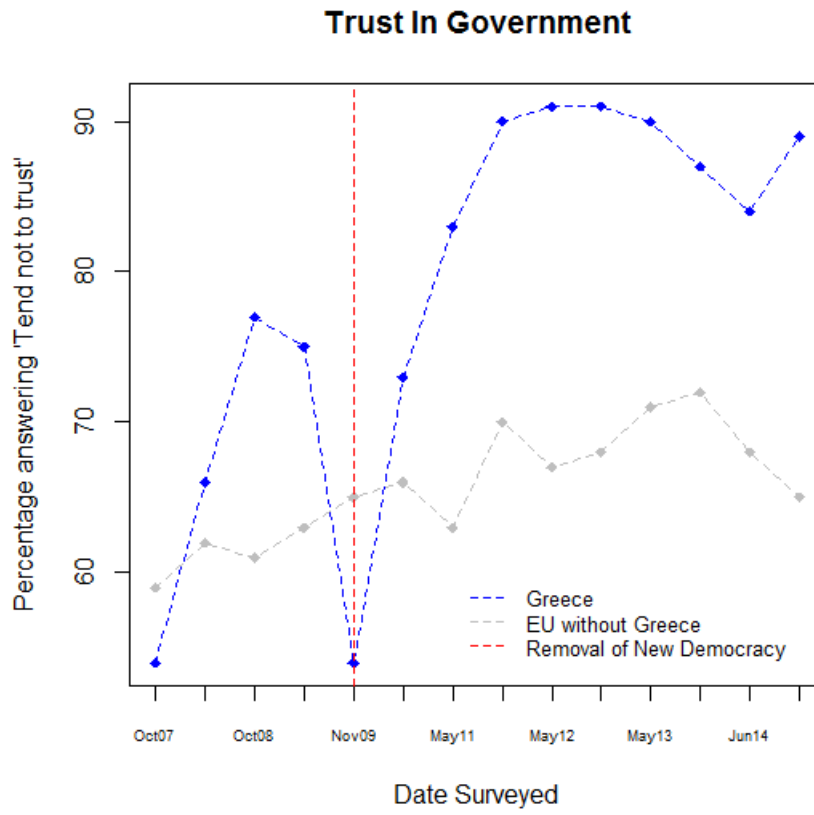


Figure 5.2: Trust in Parliament: Greece vs. EU

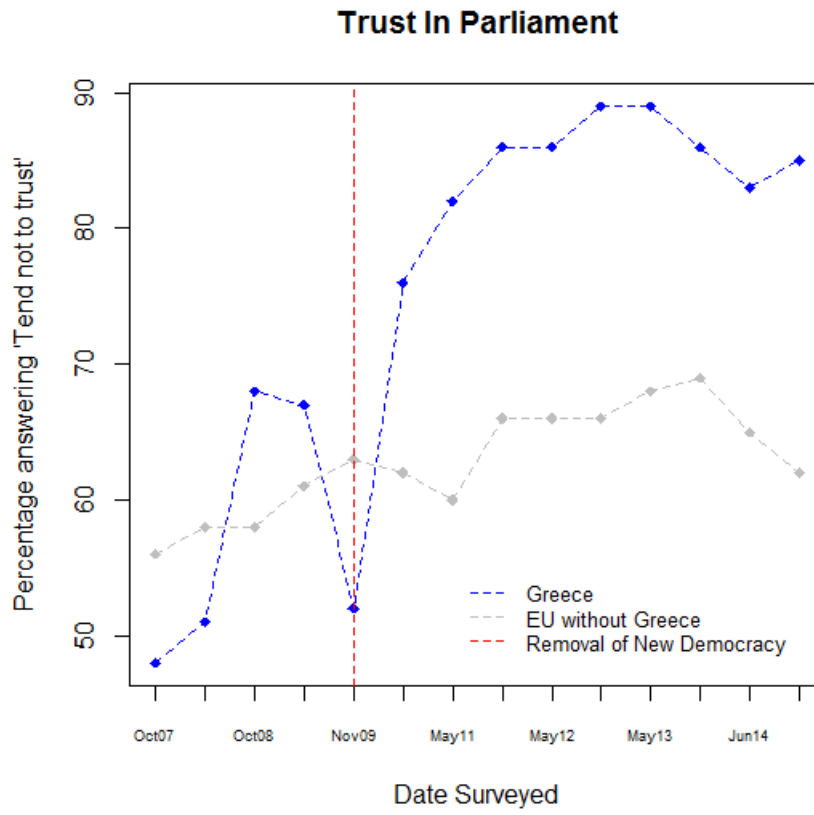
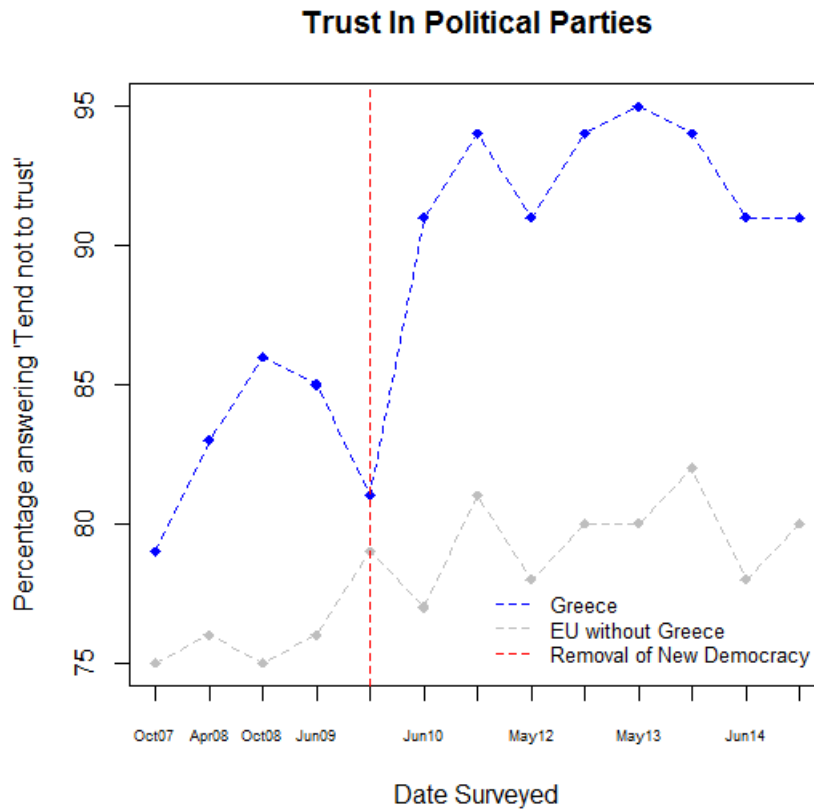


Figure 5.3: Trust in Political Parties: Greece vs. EU



Discussion and Conclusion

This chapter has used the cases of electoral monitoring in Ghana and international lending in Greece to show that the theory proposed in Chapter 2 linking macro-level institutions with changes in micro-level attitudes have sufficient foundation. In other words, this chapter was an exploratory investigation to see whether changes in individual level attitudes could be convincingly linked to the institutions associated with international governing assistance programs. While this investigation did not provide direct causal evidence in this regard, it did test various empirical expectations to show that changes in micro-level attitudes are consistent with the predictions of

the theory proposed in Chapter 2, and that these changes in attitudes are not fully accounted for by other explanations for changes in individual political attitudes.

In the case of Ghana, all individuals were less satisfied with democracy and perceived the unmonitored election as less free and fair than the monitored one, even those individuals that identified with the winning party in both cases. Moreover, the margin of victory in the unmonitored 2012 election was more than 5 times larger than the margin of victory in the monitored 2008 election, and the 2008 election came down to a runoff in a single district that experienced electoral irregularities. I argue that the presence of the EU electoral monitoring mission provided assistance that helped broker solutions to pre-election disagreements between the two major parties, and in doing so helped to ensure that party leadership would accept the outcome of the election, even if their party lost. Additionally, the presence of electoral monitors at polling stations served as a visible signal to individuals that there were mechanisms to detect and sanction fraud. Finally, the symbolism of inviting a monitor to oversee the electoral process sends signals to citizens that the government is committed to a free and fair electoral process. In the absence of these institutions that support existing democratic institutions in the state, the electoral process was less credible and perceived less favorably by all individuals, even when the election results favored their preferred candidate.

In the case of international lending in Greece, this chapter showed that over time, individuals became less trustworthy of democratic institutions, in particular government, parliament, and political parties, and that these changes in attitudes corresponded with a long and invasive lending program. Some anecdotal evidence suggested voter apathy, particularly with the political process, and this trend was evident in the opinion data over time which showed brief periods of increased levels of trust after a major shift in party control, but this increased trust quickly dissipated

after no substantive change to governing took place. While it is too early to have data on the January 2015 election, I would expect again a brief period of increased trust following the election of the left-wing Syriza party, followed by a sharp increase in levels of distrust when Syriza broke its campaign promises and implemented the economic reforms demanded by the IMF. In short, there is no alternative in Greece, and the institutions of the international lending program have rendered the democratic institutions in Greece totally ineffective for individuals trying to articulate their political demands.

These cases are only two examples of the ways in which international lending programs can affect individual political attitudes. However, they have major implications for the prospects of democratic consolidation in these countries, particularly in cases where international governing assistance creates conditions where democracy is ineffective for citizens in a particular state. This chapter and the previous two chapters have shown evidence that governing assistance programs can affect individual attitudes toward democracy, and having individuals vested in the idea that democracy is a good form of government is essential for its long-term success.

Chapter 6

CONCLUSIONS

International organizations have taken on a more active role in domestic governance activities in the last several decades. The two examples considered in this project, international election monitoring and international lending, have become common features of domestic governing systems particularly in developing democratic countries where they are used to supplement existing governing capacity. More than 80 percent of elections in developing democracies are monitored by an international organization and some developing countries have relied heavily on international lending programs, particularly in times of economic hardship. However, these forms of assistance have consequences, both for the target state and for the individuals being governed within it. The central focus of this project has been theorizing and empirically substantiating the connections between international governing assistance and individuals political attitudes.

Understanding the connections between international governing assistance and individuals political attitudes is essential for fully accounting for the causes and conditions necessary for democratic consolidation. Levels of confidence in democratic institutions as well as feeling that institutions are responsive to popular demands is essential for consolidating democratic governance over the long term (Inglehart and Welzel 2006). However, international governing assistance can affect how individuals respond to their domestic democratic landscape and can affect the motivations for choosing to participate in or abstain from political activity through traditional democratic channels. Recall the example of present day Greece, where despite having frequent elections and stark changes in the ideology and political platform of the

governing coalition, there were no substantive difference between the coalition that supported austerity politics demanded by the IMF and the coalition that claimed not to. Both coalitions continued implementing wildly unpopular austerity packages in order to continue receiving emergency loan funds. Traditional democratic channels have been ineffective in changing the course of policy in Greece, and individuals have resorted to contentious political activities to make their demands known.

By exploring these connections theoretically and empirically, this project makes a number of important contributions. First, it provides good evidence that international governing assistance programs can and do affect the ways that individuals feel about their political system. Furthermore, there are good theoretical reasons to expect that these effects will also manifest in an individual's decision about whether and how to participate in political activity. For example, in the cases where international electoral monitoring is robust and effective, individuals may be more likely to vote if they feel that there are strong mechanisms in place to detect and deter fraud—in other words, they may be more likely to participate in the electoral process when they feel like their vote will count. Conversely, as in Greece, when democratic institutions become unresponsive to popular demands, individuals may be less motivated to participate in traditional forms of political activity and resort to contentious politics to affect change. What this means at a more general theoretical level is that understanding how individuals feel about politics and why they make particular decisions about their involvement requires consider not only individual and domestic-level factors, but also the influence of international forces that affect their day-to-day life.

The theory in Chapter 2 argued that determining how international governing assistance will affect individuals primarily depends on whether the institutions associated with the governing intervention *reinforce* or *compete with* existing democratic institutions in the state. In the cases of international electoral monitoring, explored

in Chapters 3 and 5, I showed that the institutions associated with these missions reinforce existing democratic institutions in the state, and as a result, generally have a positive effect on individual political attitudes. For example, electoral monitoring missions provide additional visible signals to citizens (in the form of poll monitors) that the state is committed to a free and fair electoral process, that there are mechanisms in place to ensure the electoral process works effectively, and that there are mechanisms to detect and deter fraud. In this way, electoral monitoring missions help individuals to feel more confident in the electoral process. The empirical results support this expectation.

In cases where international governing assistance competes with existing democratic institutions, the opposite effect should materialize. Chapters 4 and 5 used cases of international lending, both in a cross national context and in present day Greece to show that the institutions associated with international lending programs frequently compete with existing democratic institutions in the states where the lending programs are deployed, which created a system where political leaders in the state face incentives to be accountable to lending program officials rather than the constituents to which they are ostensibly accountable. In these cases, individuals cannot effectively make political demands through traditional channels and lose confidence in the system more generally.

This project also speaks to the debate about the effect of international institutions on democratic governance. Rather than arguing that international institutions are good or bad for domestic democracy in a general sense, this project shows that whether they are positive or negative influences depends. In other words, international interventions in domestic politics is no *ex ante* good or bad for states. Rather, whether the intervention has positive or negative effects of state depends on the de-

sign and implementation of the intervention itself and how it supports or undermines existing institutions in the state.

That leads to a related but more substantive contribution, which is that this work suggests that to help the spread of democracy, it is essential to consider not only whether to assist states with governing problems, but *how* that assistance should be delivered. This work shows that when the international governing program has strong accountability enforcement for states, as with international lending programs, the institutions associated with the program supplant democracy (even if only temporarily) which does long-term damage to democratic prospects in the state in question. When designing international governing assistance programs, it is essential to balance the goals of the international community with the goals of the target state to ensure that governing assistance does not harm the long term prospects for democratic consolidation.

Major Findings

Though the theory here generalizes to many different types of international governing assistance programs, this project looked in particular at electoral monitoring missions and international lending programs as positive and negative cases. In positive cases, the expectation is that because the institutions associated with the governing assistance reinforce existing democratic institutions in the state, those types of governing assistance should yield positive effects on individual perceptions of democratic institutions. In negative cases, the expectation is that programs will negatively impact individual perceptions toward democracy, because the institutions associated with the governing programs change the political landscape in which individuals make political demands. In this project, cross-national and case-study evidence solidly links inter-

national governing assistance programs to changes in individual political attitudes. These changes materialize through both direct and indirect effects.

There are two sets of direct effects that may link international governing assistance programs with individual political attitudes. The first is what I called the direct procedural effect, or the effect that occurs when international governing programs affect the process by which political decisions are made. For example, in cases of international election monitoring, the direct procedural effect would be activated by the pre-election technical assistance missions sometimes provide to states (voter registration, determining the location of polls, etc). In the case of international election monitoring, the direct procedural effect is most visible in the ways that an alternate chain of accountability affects the political calculus of leaders.

The second type of direct effect is the direct symbolic effect, which is the effect that materializes when states send signals to citizens that trigger emotive responses. For example, as explored in more detail in Chapter 5, Ghana used the invitation of an election monitor as a signal to citizens and the international community that the state was committed to a free and fair electoral process. Conversely, in the case of international lending programs, relying on the resources of an international body conveys messages of inept leadership and thus may create conditions where citizens lose trust in the current administration and government more generally for getting the state into such an economic crisis to begin with.

Finally, the theory posits an indirect effect, which is the effect that materializes through changes in policy and outcomes that would not have occurred in the absence of the international governing assistance. In the case of Ghana's monitored 2008 election, a good example of this indirect effect is the compromises brokered between the two competing parties with the assistance of the election monitoring officials. In the 2012 election, many of the same disagreements between parties occurred, but

there was no intermediary that was successfully able to negotiate solutions that would be accepted by both parties' leadership, and as a result these conflict went unresolved and ultimately resulted in the NPP boycotting the 2012 electoral results.

It is important to note that empirical chapters of this project did not try to isolate any of these effects, in part because of the difficulty in doing so with available data, and in part because each of these effects works simultaneously to shape individual attitudes. This project is a first attempt to theoretically and empirically link international governing assistance programs with individual political attitudes and as such was more focused on substantiating these linkages in a general sense than it was in providing specific estimates of the size and relative influence of each effect.

In the case of electoral monitoring, the cross-national evidence shows that electoral monitoring mission affect individual perceptions of electoral fairness and satisfaction with democracy. Both the size and duration of the monitoring mission significantly impact individual attitudes. This is because the physical presence of electoral are visible reminders that there are mechanisms to detect and deter fraud in the electoral process. Additionally, the presence of electoral monitors sends signals to citizens that the government is committed to a free and fair electoral process, which may inspire confidence in the process more generally. In the case of Ghana's 2008 election, the role of the electoral monitor went beyond observing the electoral process. The mission also provided critical technical assistance and acted as broker between party officials when disagreements occurred. With the help of the electoral monitoring mission, even though the election was decided by a very narrow margin, leaders in both parties accepted the process and the results as fair. In 2012 by contrast, many of the same disagreements occurred between parties, but there was no electoral monitoring mission to negotiate solutions that satisfied both parties. As a result, despite a much wider margin of victory in the 2012 election, the NPP boycotted the

results of the election and conveyed to party members that the process was rigged. By supporting the existing democratic institutions in Ghana, the electoral monitoring mission played an important role in a successful and credible electoral process, and individual perceptions reflected this.

In the case of international lending, however, the picture complicates. International organizations have an incentive to design lending programs such that states may be held accountable and such that they can be reasonably certain that the state will be able to repay the emergency loan funds. However, designing programs in this way also carries significant cost, in that the mechanisms used to hold states accountable are so strong that they undermine the traditional chain of accountability between constituent and elected official—as in the case of Greece, elections become meaningless for changing the course of policy, even when parties that are directly opposed are elected in turn. For example, during the height of the Great Recession and the start of the emergency lending program for Greece, a center-right party was in power and was responsible for implementing much of the painful austerity program that Greeks widely opposed. However, even electing Syriza, the party that ran on an anti-austerity platform, yielded no significant changes in the course of politics, because Syriza leadership was accountable to international lenders. Thus, despite promising no more austerity, Syriza had to renege on its campaign promises and continue implementing austerity demanded by its international lenders.

These findings have important implications. First, they suggest that the design of international lending is an essential and overlooked aspect to implementing successful governing assistance. Whatever the type of assistance being provided, it must account for the existing democratic institutions in a state, and to the extent possible, support these existing institutions rather than trying to replace them. Furthermore, even in cases where it is not possible to always support the existing institutions in a state, it

is essential that the most important ones be supported so that individuals continue being able to express their political demands, and so that officials can respond to them. International lending programs have a dilemma in that there are important reasons for designing them such that international organizations have some leverage in changing the behaviors that contributed to economic instability in the first place. However, they should do more to design them to work in developing democracies.

Conclusion

To this point, much of the research on the governing assistance provided by international organizations has focused narrowly on the relationship between governing assistance programs and how the effect the macro-political contexts in states. For example, much of the work on international lending programs have focused on how they affect aggregate economic growth. However, as this project shows, governing assistance programs affect individuals in meaningful ways. In particular, governing assistance programs have the capacity to affect how individuals feel about their governments and the political institutions in their state by changing the context within which they make decisions about how and why to participate in politics. This project argues that international organizations are equally capable of supporting or hindering democratic governance and theorizes that whether it does one or the other depends on whether the institutions associated with the governing assistance support or compete with the existing democratic institutions in the state.

Confidence in democracy as a form of government is essential to the successful consolidation of democratic governance. This project shows that shaping confidence in democracy and democratic institutions is not only the result of country- and individual-level forces, but that international organizations can significantly alter how individuals feel and respond to their institutions of governance. More work must be

done to understand how these effects manifest with different types of interventions, and the best ways to design interventions such that they can most meaningfully assist developing states with democratic consolidation. When designed with the findings of this project in mind, international assistance can further assist the spread of democracy around the globe.

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APPENDIX A

CHAPTER 4: TABLE 4.1 COUNTRY LEVEL RESULTS

Table A.1: IMF Dependence and Confidence in Democratic Institutions: County Level Results

<i>Country Level</i>	Government			Parliament			Political Parties		
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6			
Continual Democracy	-.005 (.006)	-.004 (.006)	.013 (.007)	.014 (.007)*	.006 (.006)	.008 (.006)			
Polity IV	-.184 (.164)	-.105 (.152)	-.371 (.179)*	-.288 (.164)	-.331 (.156)*	-.233 (.145)			
Literacy Rate	-.022 (.010)*	-.023 (.010)*	-.009 (.011)	-.011 (.011)	.003 (.010)	.000 (.009)			
Population (log)	-.045 (.051)	-.033 (.051)	-.072 (.056)	-.059 (.055)	-.009 (.048)	.004 (.049)			
Proportional Representation	.045 (.227)	.123 (.223)	.072 (.248)	.143 (.240)	-.028 (.216)	.056 (.213)			
Electoral System	-.049 (.140)	-.053 (.145)	-.021 (.153)	-.053 (.157)	-.013 (.133)	-.044 (.139)			
Health Spending	.006 (.009)	.005 (.009)	.019 (.009)*	.020 (.010)*	.015 (.008)	.016 (.009)			
GDP per capita (log)	-.364 (.189)	-.095 (.151)	-.016 (.007)*	-.247 (.162)	-.018 (.006)*	-.267 (.144)			
2005 GDP Growth	.009 (.061)	.010 (.062)	.057 (.067)	.062 (.067)	.052 (.058)	.056 (.059)			
2005 Inflation	-.025 (.050)	-.000 (.047)	-.062 (.055)	-.033 (.051)	-.063 (.048)	-.030 (.045)			
2005 Unemployment	-.019 (.017)	-.015 (.017)	-.003 (.018)	.002 (.018)	-.020 (.016)	-.014 (.016)			
IMF Debt	.010 (.006)	.007 (.006)	.012 (.007)	.009 (.006)	.013 (.006)*	.010 (.006)			
Government Effectiveness	1.149 (.439)*	1.155 (.455)*	1.365 (.479)*	1.283 (.490)*	.888 (.417)*	.834 (.435)			
Corruption	-.074 (.134)	-.093 (.134)	-.148 (.147)	-.158 (.145)	-.106 (.128)	-.122 (.129)			
n = individuals	32615	32615	32465	32465	32547	32465			
N = Countries	33	33	33	33	33	33			