

Foreign Aid Delivery and Democratic Consolidation in Africa

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Abstract

Over the past two decades, donors increasingly link foreign aid to democracy objectives in sub-Saharan Africa. Yet systematic research on this topic typically focuses on how aid influences democratic transitions. This chapter investigates whether and how foreign aid affects the process of democratic consolidation in Sub-Saharan Africa by examining two potential mechanisms: (1) the use of aid as leverage to buy political reform and (2) investment in the opposition. We test these mechanisms using three dependent variables that capture different aspects of democratic consolidation. Using survival analysis for the period from 1991 to 2008, we find that democracy and governance aid has a positive effect on democratic consolidation. Economic aid, on the other hand, has little effect on democratic consolidation.

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Introduction

In the wake of the Cold War many countries in Sub-Saharan Africa adopted multiparty politics. However, while politics has become less personalized and more institutionalized in the past two decades, the shift to multiparty politics has not led to a wave of consolidated democracies (Posner and Young, 2007; Cheeseman, 2011). In the 18 years from 1991-2008, incumbent leaders have left power only eight times after losing elections under established multiparty regimes.¹ For many countries in the region, therefore, multiparty politics still means that the incumbent remains in office, thus falling short of progress toward democratic deepening. Throughout this time, wealthy countries have contributed billions of aid dollars to the region. While the character of international assistance was primarily economic in nature throughout the Cold War, the onset of the third wave of democratization appears to have triggered a shift in the character of donor portfolios: over the past two decades, donors have increased the share of aid earmarked for democracy promotion vis-a-vis economic assistance. In light of these trends we ask: To what extent does foreign aid help us account for variation at different stages of democratic development in Africa?

This paper sheds light on our knowledge about foreign aid and democracy by accounting for important distinctions both in (1) foreign aid flows, (2) different measures of democratic development, and (3) mechanisms of aid delivery. We approach the extant literature with a fair bit of skepticism in light of its tendency to treat foreign aid flows as homogenous and uni-directional in its influence on democratic development. Our decision to disaggregate foreign aid is consistent with an emerging strand of research that disaggregates aid flows to uncover the causal mechanisms that link aid sector purposes to specific outcomes. Like Finkel and Seligson (2007); Scott and Steele (2011), we identify democracy and governance aid² as a distinct category and explore its influence on democracy outcomes, alongside its much larger counterpart economic aid.

Since a country's democratic development might go through stages that vary in degree of consolidation, potentially ranging from transitions to a multiparty democracy to actual incumbent turnover, we believe that there may be differences in how specific sector aid may affect these qualita-

¹These include Benin 2001, Cape Verde 2001, Ghana 2000, Guinea-Bissau 2000, Kenya 2002, Madagascar 1996, Mali 2002, and Senegal 2000. See footnote 11.

²The latter category of aid comprises assistance to strengthen public institutions and the civil society sector. See section 3 for detailed description of the data categories.

tively different outcomes. Unlike previous work that typically uses broad measures of democracy or regime stability (Goldsmith, 2001; Knack, 2004; Dunning, 2004; Finkel and Seligson, 2007; Djankov and Reynal-Querol, 2008; Wright, 2009; Bueno de Mesquita and Smith, 2010; Bermeo, 2011) we employ several measures of democratic consolidation that isolate what may be qualitatively distinct types of political change, such as the transition to multiparty regimes, the survival of multiparty politics, and electoral fairness. As we discuss below, aggregate measures of democracy frequently cannot distinguish between these types of political change even though they entail different degrees of threat to the incumbent regime.

Further, we explore the mechanisms through which democracy aid affects democracy outcomes by distinguishing among channels of delivery. This step is important because it provides us with important information about how donors attempt to push for democratic development (Dietrich 2011). For instance, democracy aid may be earmarked to strengthen state institutions with specific purposes including anti-corruption activities, decentralization aid, and projects to strengthen the bureaucratic apparatus. Such governance aid almost always involves the incumbent government in the implementation.

Governance efforts may therefore strengthen the incumbent government by improving state institutions and, simultaneously increasing its legitimacy- but they are unlikely to strengthen bottom-up democratization movements. In contrast, democracy aid channeled through the opposition or civil society should help level the playing field between incumbents and the opposition since this type of aid bypasses the incumbent government. Over the past two decades the majority of democracy aid to Africa goes to strengthening governance. Figure 1 shows the breakdown of democracy and governance aid. The left panel of Figure 1 displays the breakdown share of democracy aid earmarked to strengthen public institutions, while the right panel shows the share of democracy assistance directed at civil society building. While both democracy and governance aid channels demonstrate volatility in flows over time, a clear pattern emerges: the vast majority of democracy aid is directed at strengthening public institutions, reaching over 90 percent in the 1990s and never falling below 80 percent. Civil society aid, on the other hand, never reaches more than 20 percent.

A more fine-grained breakdown of the democracy and governance categories on the basis of data from OECD CRS for a relatively short time-frame (2006-2010), illustrates the mechanisms through

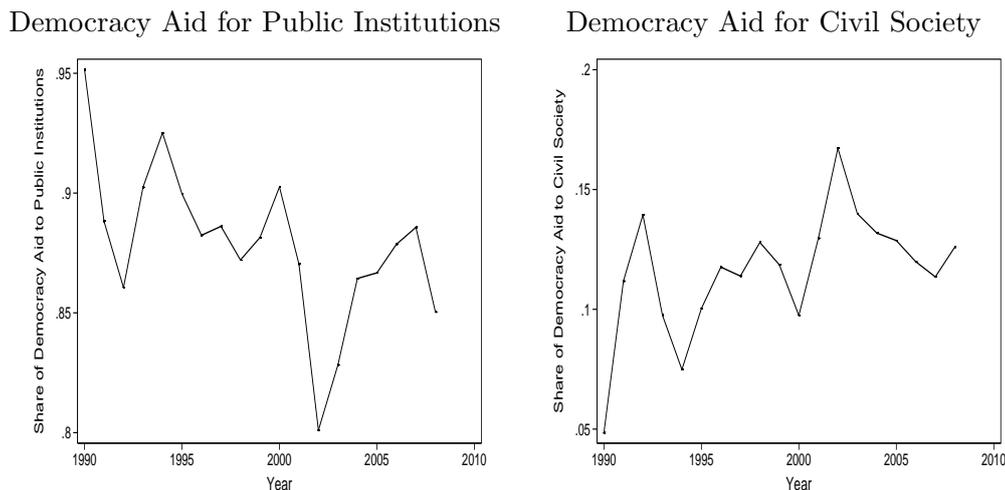


Figure 1: **Democracy aid channels to sub-Saharan Africa.** Left panel is share of democracy aid directed at public institutions; right panel is share of democracy aid directed at civil society. Shares are two-year ($t, t-1$) moving averages of yearly shares in constant dollars: $\frac{GovtDemocracyAid}{AllDemocracyAid}$ and $\frac{CivilSocietyAid}{AllDemocracyAid}$. Sources: AidData.org, WDI (2010), and authors' calculation.

which democracy and governance aid are delivered. Perhaps somewhat unexpectedly, we find that bottom-up democracy assistance, which already constitutes a small fraction of the overall category of democracy and governance aid, does *not* exclusively go to opposition groups or civil society institutions. Rather, a substantial amount of “bottom-up” democracy aid also involves the incumbent regime. For instance, approximately 35 percent of the aid earmarked for democratic participation and civil society and nearly 40 percent of the aid directed at strengthening opposition parties and legislatures involves the recipient-government in the implementation.³ Canada’s \$17 million investment in Mali’s Justice Development Project in 2010, for example, implemented in cooperation with the government, aims to “strengthen the credibility, effectiveness and accessibility of justice to citizens, especially women and youth.” Similarly, the United States committed 473,000 Dollars to develop “viable political parties and political entities that are effective and accountable, that represent and respond to citizens’ interests, and that govern responsibly and effectively” -delivered

³Conversations with statisticians at the OECD secretariat suggest that the predominance of the government-to-government channel in governance aid was constant throughout our time period. The delivery of bottom-up democracy aid has always incorporated the government in implementation but it is unclear to what extent the share of government involvement has remained constant over time. The authors are currently exploring project-level information that may be used to get a more accurate assessment of the delivery of bottom up aid activities.

in cooperation with the recipient government (OECD CRS 2012). Only bottom-up democracy aid directed towards women's and human rights issues is primarily channeled through civil society organizations with roughly three-quarters bypassing the government. This suggests that donors place strong emphasis on involving incumbent governments in the implementation of all types of democracy assistance. This fact, coupled with evidence by Jamal (2007) which suggests that civil society organizations may not necessarily promote democratic norms and behavior, suggests that bottom-up democracy promotion is unlikely to be the mechanism through which democracy aid works. Although we acknowledge the possibility of democratic deepening to occur from below, spearheaded by opposition or activist groups, the small amounts of aid actually reaching opposition groups or civil society make us skeptical of its effectiveness. Rather our argument frames democratic development in Africa as a government-led process, which, we argue is conditional on the countries' institutional legacies.

While such a large share of government involvement in civil society aid might be surprising on its face, it is consistent with the idea that, as a country becomes more democratic and incumbent governments become formally accountable, they demand more ownership in organizing elections from donors. In other words, donors appear to prefer a less invasive form of bottom-up democracy support that respects the legitimate role of a democratically elected incumbent regime. With the exception of aid provided to establish independent media, the proportion of government-to-government aid for civil-society led democratization increases as the sample of countries becomes more democratic.

Table 1: Delivery Channels of DG aid

	Govt share of DG aid	
	All (48) States	(33) Democracies
Public Sector Policy and Admin Mgmt.	0.64	0.72
Public Finance Management	0.80	0.87
Decentralization	0.65	0.68
Anti Corruption	0.85	0.89
Legal and Judicial Development	0.63	0.65
<i>Democratic Participation and Civ Society</i>	0.34	0.40
<i>Elections</i>	0.38	0.41
<i>Legislatures and Political Parties</i>	0.54	0.55
<i>Media and Free Flow of Information</i>	0.36	0.28
<i>Human Rights</i>	0.26	0.30
<i>Women's Equality</i>	0.19	0.22

Source: OECD CRS 2012. The data cover the years from 2006-2010

Sectors that are conventionally labeled “bottom-up” sectors are in italics.

Table 1 provides a detailed account of the increasing amount of government-to-government aid shares as countries become more democratic, across the full range of democracy and governance sub-sectors. The values are averages of observed shares for the period from 2006 to 2010. The first column represents all Sub-Saharan countries, while the second describes total shares of government-to-government aid given to multiparty democracies that are classified as electorally fair.⁴ In Figure 2, we show prima facie evidence of donor selection, as there is a strong relationship between delivery decisions related to overall democracy and governance aid and the more specific category of bottom-up democracy assistance: larger shares of government-involvement in total democracy and governance aid corresponds to larger shares of government-involvement in bottom-up democracy assistance. We use this evidence to support the microfoundations of our argument which focuses on the mechanism of government-led democratic development. While a relatively small amount of aid does bypass the incumbent government, we believe that it is unlikely to exert enough influence to have a significant impact on whether African multiparty regimes survive or fail.

⁴For a detailed description of the measure see below.

Government-to-Government Channel for Types of Democracy Aid

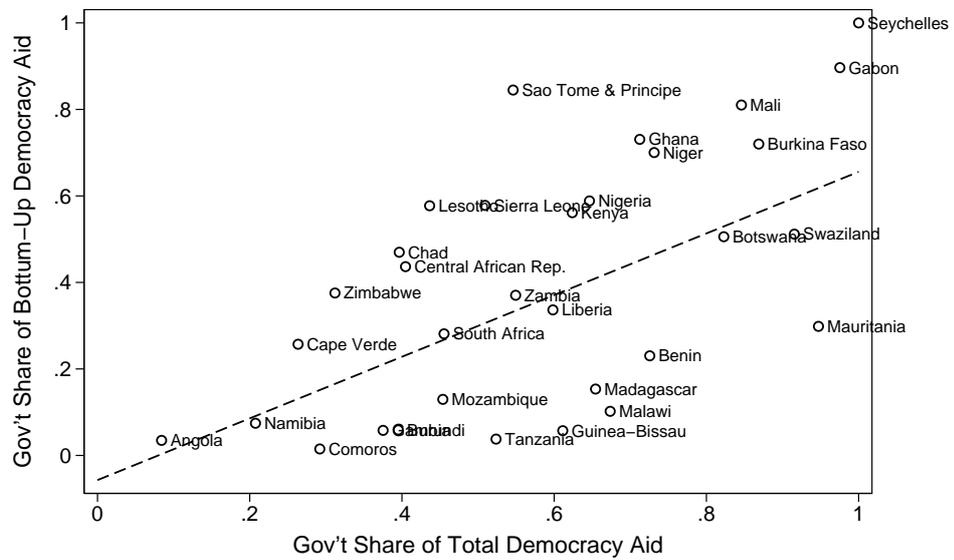


Figure 2: *Association between Delivery Mechanisms of Total Democracy aid and Bottom-Up Democracy aid.* *x-axis captures the share of total democracy aid channeled through government; y-axis plots share of bottom-up democracy aid channeled through government.* Source: OECD CRS 2012, and authors' calculation.

Aid Trends and Extant Literature

Before we turn to our argument, we describe general patterns of aid flows, both for total aid and democracy and governance aid, and briefly survey existing literature on the topic. Figure 3 shows the flow of foreign aid to the region from 1990-2008. The total aid sum is the combined aid flows to all 48 sub-Saharan African countries from Western donors in the Organization for Economic Cooperation and Development (OECD).⁵ The per capita figure is the average per capita across all 48 countries. As the left panel indicates, foreign assistance to the region declined in the early 1990s, in part because major Western aid donors decreased support for client states after the end of the Cold War. However, by the end of the decade this trend had reversed. Average aid per capita jumped from less than \$70 per person in 1997 to over \$115 by 2008. The U-shaped aid trend in the region can, in part, be explained by the shift in donor goals amidst a changing global order (Dunning, 2004; Bermeo, 2009; Bearce and Tirone, 2010). When Western donor countries were no longer threatened by Soviet influence, we observe a substantial reduction in aid volumes to the region immediately after the Cold War. Yet, as donor countries grew increasingly alarmed by the prospects of failed states in the region, foreign assistance increased.

The purpose of democracy and governance aid as a separate category in development assistance has also changed over time. While the Marshall Plan explicitly championed democracy promotion in Europe during the early years of the Cold War, the United States increasingly framed and utilized foreign aid efforts as strategies to counter Soviet influence.(Ake, 1996; Crawford, 1997; Dunning, 2004). With the demise of the Soviet Union, however, Western donor governments have increasingly attached goals of democracy promotion to their foreign aid and have notably increased democracy aid flows throughout the world and particularly in sub-Saharan Africa.

The right panel of Figure 3 shows that total democracy assistance, both bilateral and multilateral, has nearly quadrupled – albeit from a low base – from 1990 to 2008. The rise of democracy and governance aid can be explained, in part, by a shift in policy thinking about the role of democracy in implementing economic reforms. First made explicit in a 1989 United Nations report on sustainable economic reform in Africa, policy-makers started to focus on the political and institutional

⁵There are only totals for 47 countries prior to 1993, when Eritrea becomes an independent state. We note that the foreign aid we examine comes from Western donors.

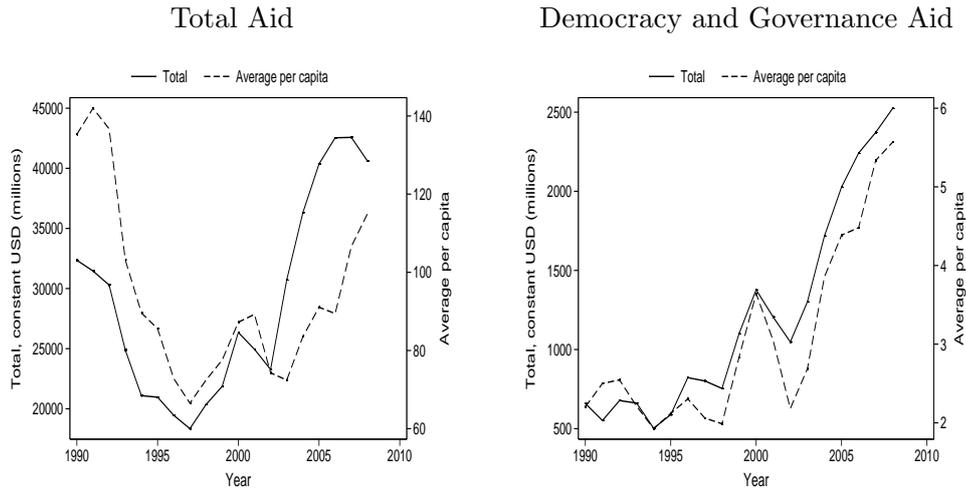


Figure 3: *Aid commitments to sub-Saharan Africa*. Left panel is aid from all categories; right panel democracy and governance aid. Total is constant US\$ in millions. Per capita is constant US\$ averaged across 48 countries. Two year moving average ($t, t-1$). Sources: AidData.org, WDI (2010), and authors' calculation.

factors that underpin growth (Lancaster, 1993; Crawford, 2001). To quote Crawford (2001, p. 13):

In a shift from previous prevailing wisdom – that authoritarian governments were better placed to implement harsh economic adjustment measures – the view of a positive interrelationship between democracy and economic liberalization became widespread.

The left panel of Figure 4 illustrates changes in the proportion of democracy and governance aid across time, ranging between one and nearly fifteen percent of total aid flows to the region. Since 1993 onwards, the overall trend in democracy and governance aid is increasing, suggesting increasing donor preferences for democracy and governance aid.

Research has since incorporated the fact that aid may be linked to political reform in the aid-receiving countries through the channel of conditionality and has produced considerable evidence thereof, indicating that aid may be positively linked with transitions to democracy in the post-Cold War period⁶.(Dunning, 2004; Wright, 2009; Heckelman, 2010).

Moving beyond evidence that foreign aid supports transitions to democracy through the channel

⁶Some case study evidence supports this possibility as well. For example, Handley (2008, p. 3-4) notes in her study of aid in Ghana that “consistent pressure from the international financial institutions (IFIs) and associated donors motivated Rawlings to consider liberalization of the political regime and a return to constitutionalism.”

Total Democracy and Governance Aid Share U.S. Democracy and Governance Aid Share

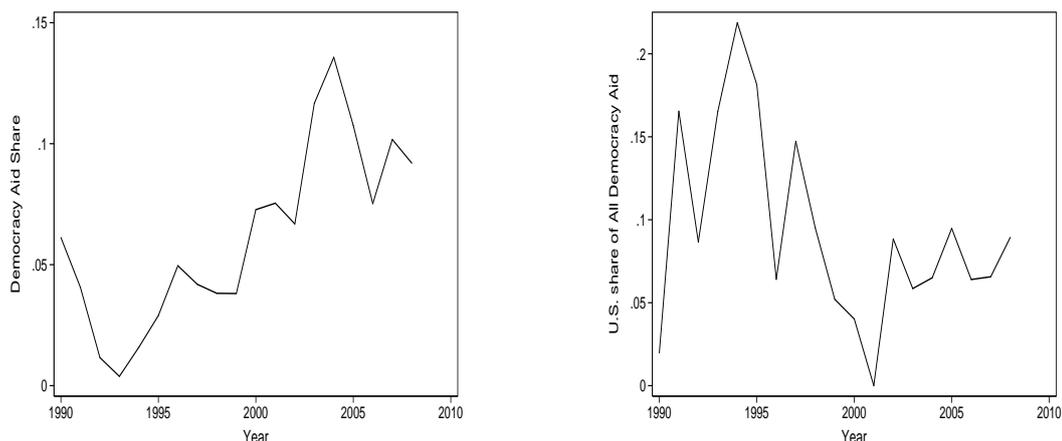


Figure 4: *Total democracy and governance aid and U.S. democracy and governance aid to sub-Saharan Africa, shares.* Shares are two-year ($t, t-1$) moving averages of yearly shares in constant dollars: $\frac{DemocracyAid}{AllAid}$ and $\frac{USDemocracyAid}{AllDemocracyAid}$. Sources: AidData.org, WDI (2010), and authors' calculation.

of conditionality, numerous studies show that foreign aid hinders democratic deepening by fostering ‘bad’ institutions (Bauer, 1971; Harford and Klein, 2005; Moss, Pettersson and van de Walle, 2006; Djankov and Reynal-Querol, 2008). This view frequently groups foreign aid together with other types of “unearned income”, such as natural resource wealth, to argue that non-tax revenue enables leaders to forgo taxing the citizenry, resulting in a decreased demand for representative democracy and good governance (Levi, 1988; North and Weingast, 1989; Tilly, 1990; Moore, 1998). Evidence also exists that suggests that foreign aid may undermine the ability of governments to budget appropriately (Brautigam and Knack (2004); McGillivray and Morrissey (2001) and that foreign aid is used to pay out rents (Remmer, 2004; Djankov and Reynal-Querol, 2008). In addition to hurting state capacity and supporting rent-seeking, foreign aid dependency may also have a direct detrimental effect on democratic development (Brautigam, 2000; van de Walle, 2005).

At the same time, a separate line of inquiry analyzes targeted investment in democracy (Finkel and Seligson, 2007; Scott and Steele, 2011). This research disaggregates foreign aid flows and directly tests the link between democracy and governance aid and democratic development. These studies posit that democracy aid influences democracy differently than economic aid. For instance, Finkel and Seligson (2007) show that U.S. democracy aid has a moderate, albeit consistently posi-

tive effect on aid-recipient countries' movement towards higher levels of democracy, measured across Polity and Freedom House scores. Finkel et al emphasize two primary mechanisms: U.S. investment in democracy directly empowers civil society agents (e.g. political organizations and social movements) and it strengthens state institutions through governance programs. On its face, these two mechanisms should both improve the prospects of democratic consolidation. Yet, governance aid may also strengthen the incumbent regime since this involves implementation through the incumbent regime, while civil society aid should strengthen opposition who might mount a credible challenge in the next election cycle. Because of its direct support to opposition/civil society forces, bottom-up democracy aid should help level the playing-field between the incumbent government and competing political forces. Whether or not democracy aid presents a true challenge to the incumbent regime, or, alternatively, contributes to strengthening its position therefore depends on the mechanism at work.

While previous research efforts examine global patterns, our focus is on Sub-Saharan Africa. Scholars of African political economy frequently focus on the subversive effects of neopatrimonialism on the survival of democracy in the region (Bratton and van de Walle, 1997) Although a series of contested elections in the 1990s provided reason for optimism in the region, many multiparty elections “encouraged a scramble for high positions in which an expanded array of contenders used proven tactics of future material benefits to loyal votes” (Bratton and van de Walle, 1997, 121). Thus, democratic change in the 1990s may have been more of a face-lift than a fundamental change in the nature of politics. In 1997 nearly half of the autocratic leaders in Africa who ruled prior to 1990 remained in power despite elections (Baker, 1998). As Lindberg (2006, 13) argues: “[t]hese incumbents, even though elected, are not necessarily interested in transforming old structures, since their rule - even as leaders of democratically elected governments - is dependent on old and often clientelistic structures of governance.” We highlight the possibility that a legacy of neopatrimonialism may influence how foreign aid affects democracy in the region.

Foreign Aid, Donor Leverage, and Government-led Democratic Development

To what extent does foreign aid affect democratic development in Africa? We advance an argument that explains transitions to and the survival of democracy in Africa through mechanisms of donor leverage and investment in government-led democratization, respectively. We suggest that donors push for multiparty elections by attaching political reform conditions to economic aid flows, which constitute the large majority of aid flows to the region. Once countries have held multiparty elections, donors directly invest in democratic development, as is documented by the dramatic increase in democracy and governance aid in the 1990s, but they do so primarily by pushing government-led democratization efforts, as opposed to investing in bottom-up democracy aid. That is, they provide democracy and governance aid that primarily strengthens institutions (and may include aid to NGOs for the completion of government-related services) and increases the legitimacy of the incumbent's multiparty regime. For both types of democracy outcomes, i.e. transition and survival, we expect the effectiveness of leverage or investment in government-led democratization to be conditional on the institutional settings in the aid receiving country.

When explaining transitions to multiparty democracy, we argue, consistent with Wright (2009), that foreign aid can buy transitions to democracy when the costs of these political concessions to the incumbent are relatively low. That is, transitions to multiparty politics should be less costly to incumbents who are more likely to survive reform with some claim on political power. This latter condition is more likely, we argue, when the country has civilian rather than a military leader because non-military incumbents typically have a broader and deeper support coalitions than their military counter-parts. The depth and breadth of the incumbent coalition means that these rulers are more likely to retain some political power despite liberalizing political reform that might lead to a multiparty regime. The exchange of aid for political reform is therefore less costly and more likely when the reform simply entails the introduction of multiparty politics and the incumbents are non-military rulers. We expect this logic to hold for total aid flows.

Once states have transitioned to a democratic regime, direct investment in democratic development can be pursued on the basis of two mechanisms: government-led democratization or bottom-up assistance that directly targets opposition and/or civil society forces. We focus on the former mech-

anism since the vast majority of democracy and governance aid to Africa is channeled through the incumbent regime, largely for the purpose of strengthening governance. Through government-to-government democracy and governance support activities donors aim to strengthen the institutional framework of multiparty democracies in Africa. Unlike direct investments in opposition and civil society actors, government-to-government democracy and governance aid is within reach of the incumbent regime; thus rendering aid activities essentially government-led (as opposed to bottom-up led). The degree to which donor investments in government-led democratic development affect democracy positively depends on the the democracies exposure to formal institutionalization. Put differently, we claim that African democracies' legacy of neopatrimonial institutions affects the incumbent-government's calculus to implement democracy and governance aid, and ultimately determines whether government-led democratic development is able to strengthen the democratic process. For decades scholars have identified informal institutions such as clientelism, prebendalism, and the rentier state as obstacles to economic and democratic development (Lemarchand, 1972; Bates, 1981; Joseph, 1987). Given the pervasiveness of neopatrimonialism in the region, however, there is reason to believe that these informal practices may condition the effect of investments in democracy on democratic development. Specifically, we examine variation in political institutionalization across African democracies. We conceptualize institutionalization of politics as a departure from neopatrimonialism and personalist politics.

In multiparty regimes where neopatrimonial practices are rampant and the historical exposure to institutionalized politics is low, donor investments in government-led democratic development are less likely to bear fruit. In such environments leaders are entrenched in systems of patronage. Aid activities that aim to strengthen the state by reducing corruption, decentralizing the state, and establishing an independent judiciary pose a threat to the multiparty regime's spoil system and ability to manipulate the electoral system to ensure re-election in a multiparty regime. Therefore, incumbent governments that lack a legacy of institutionalization have real incentives to divert democracy and governance investments from their intended purposes or block full-scale implementation. Here, we expect donors' investments in democracy and governance to produce minimal progress in democratic development, raising the specter of system failure.

Further, regimes with low levels of prior institutionalization have less experience dealing with

dissent through formal political institutions such as political parties and legislatures thus raising uncertainty associated with government-led democratization efforts. Insofar as democracy and governance assistance bypasses the incumbent-government and directly targets political opposition actors, incumbent regimes with no experience in dealing with political competition are likely feel more threatened by the persistence of multiparty politics. Yet it is precisely in countries with poorly institutionalized regimes where groups/parties lack the resources and infrastructure to develop independent organizations and collective action capacity. In such environments, incumbent governments are often able to infiltrate into NGOs and easily coopt political dissent before it even gets articulated; and ultimately, such actors do not pose credible threats. From the perspective of donors, we expect them to be primarily concerned with investments in government-led democratic development. If this is true, democracy aid is likely to perpetuate a multiparty system in which strong incumbents remain in power; indeed aid might legitimize and pay for an electoral process they can win.

In contrast, incumbents of multiparty democracies with a legacy of high prior institutionalization are more likely to implement democracy and governance aid activities in line with donor goals. In environments where institutionalized politics is the norm, e.g. where parties are elected in the legislature, incumbent governments have hands-on experience in dealing with institutional constraints and political challengers. Because they have developed skills that can keep institutional and political challenges at bay they are more likely to pursue government-led democracy and governance aid to strengthen state institutions and gain legitimacy. Further, losing power in an institutionalized regime may not entail giving up full access to political power now or in the future. If institutionalization breeds “more robustly competitive” elections (Posner and Young, 2007, p. 121), current contestation could bode well for winning power back after having lost it peacefully. Before we proceed to testing our argument it is important to define the phenomenon that we seek to explain: democratic development.

Conceptualizing and Measuring Democratic consolidation

Democratic consolidation can be a difficult concept to measure (Munck and Verkuilen, 2002). Much of the study of democracy entails examining the correlates of democratic transitions (Przeworski

et al., 2000; Boix and Stokes, 2003), and we will follow this tradition by examining how aid relates to transitions to multiparty regimes. However, the determinants of transition to multiparty politics may differ from the factors that help democracies consolidate and endure.

For instance, the introduction and persistence of multiparty politics may not be threatening to some incumbents. In some countries with long-ruling dominant parties, such as Botswana and Tanzania, the introduction of multiparty politics has not led to sufficiently competitive opposition parties that can credibly threaten incumbent rule. In other countries, such as Malawi, the advent of multiparty elections coincided with the transfer of power from a long-ruling leader (Banda 1993). Other forms of democratic deepening, such as incumbent turnover in a multiparty regime, are inherently threatening to the ruling leader and party. We thus investigate different forms of democratic consolidation that characterize the continuation of the democratic regime, conceptualizing consolidation as “preventing democratic breakdown” (Schedler, 2001, p. 67).⁷

The following analysis does not focus on elections *per se* and thus the data is not organized according to ‘founding and ‘second’ elections (Bratton, 1998; Lindberg, 2006). That said, our measures capture aspects of electoral activity. For example, we examine the persistence of multiparty regimes, which incorporates elected legislatures into the definition. We also attempt to measure the fairness of the electoral process. Further, we take up the question of incumbent turnover, which is defined as a candidate from an opposition party winning an executive election. When analyzing each of the various measures of consolidation, we account for time dependence which is conceptually akin to grouping election events by whether they were the first, second, or third to occur without interruption.

We begin by assessing how foreign aid influences transitions to *multipartyism*. We define multipartyism as the existence of an opposition party (not part of the regime front) in an elected legislature. Minimally, this entails universal suffrage,⁸ an elected legislature, legal opposition parties, and at least one party outside the regime front with seats in the legislature.⁹ This definition of multipartyism excludes regimes that allowed opposition parties but never had an election to

⁷This definition has been in used in previous comparative research on democratic consolidation (Svolik, 2008; Wright, 2008), and is at the heart of the transitions literature, appearing in empirical models which examine transitions from democracy to dictatorship (Przeworski et al., 2000; Boix and Stokes, 2003; Epstein and O’Halloran, 2006).

⁸We added the suffrage rule to allow the start of multiparty politics in South Africa (1994) and Zimbabwe (1980) after the end of restricted suffrage rule.

⁹These latter three features are coded from Cheibub and Vreeland (2010) and double checked by the authors.

place them in a legislature (e.g. former Zaire from 1992-1997). It also says nothing about electoral fairness or civil liberties, and thus groups together countries with relatively non-violent and fair elections (Botswana) with countries which sometime have unfair and often violent multiparty elections (Kenya after 1992 and even Equatorial Guinea after 1993). Note that there can be more than one transition to multipartyism for a particular country within the sample period if an initial multiparty period ended (Congo-Brazzaville 1992-1997) and the country restarted multipartyism at a later date (e.g. Congo-Brazzaville 2002).

For some scholars, multipartyism is a minimal condition for democratization (Cheibub and Vreeland, 2010). Here we note two features of transitions to multipartyism that are particularly relevant for assessing the influence of foreign aid. First, these transitions are easily observable. Donors can relatively cheaply and objectively identify whether multiple parties compete for and hold positions in an elected legislative body. Second, the introduction of multipartyism need not pose a direct threat to the incumbent regime. As Posner and Young (2007) note, despite recent advances in the institutionalization of politics, incumbents still rarely lose power in sub-Saharan Africa. Below, we examine how democracy and governance aid and economic assistance influence the advent of 48 multiparty transitions between 1989 and 2008, beginning with Benin's National Conference in 1990.

Our second measure of consolidation is the breakdown of a multiparty system, or *multiparty failure*. After a country has transitioned to a multiparty regime, it then becomes at risk of reversal.

We define *multipartyism failure* as any one of the following occurring:

- (a) Government change via a coup or replacement of the leader/party during a violent civil conflict;
- (b) institutional change that excludes the opposition, such that opposition parties are illegal or no party outside the regime front is seated in the legislature;
- (c) opposition withdraw so that there is no party outside the regime front seated in the legislature

Assassination of a leader does not end multipartyism unless this results in an opposition executive taking power or the closing of the legislature.

The March 2003 coup in the Central African Republic, in which the former Army Chief of Staff – François Bozizé – ousted Félix Patassé, is an example of (a). After the coup, Bozizé suspended

the constitution and abolished the legislature. The Central African Republic had been a multiparty state since the first multiparty election in September 1993. Charles Taylor's government in Liberia banned all opposition parties in April 2002, marking the end of multipartyism (b). He had won the prior election (1997) by a large margin, though the opposition UP (Johnson-Sirleaf's party) secured seven seats, marking the start of multipartyism. The next scheduled election (2003) never took place. Finally, all the main opposition parties in Comoros, including the Movement for Democratic Progress (MDP-NGDC) and the former authoritarian party UDZIMA, boycotted the December 1996 legislative elections. The only other party to win legislative seats was allied with the ruling National Rally for Development. The election boycott ended multipartyism (c). Table A-1 lists the multiparty sample.

This is an expansive group of countries defined by observable indicators of multiparty representation in the legislature. It assumes a transition to multipartyism has already occurred and does not define the group of countries that can consolidate by how long multipartyism has been in place. We therefore include observations from multiparty systems that failed to reach a second multiparty election.

The third measure addresses the fairness of the electoral political system as measured by the Freedom House political rights (PR) scale. We begin with the sample of multiparty observations and exclude all observation years for which PR is greater than 4 on a scale of 1 (most political rights) to 7 (least). Therefore the sample of countries at risk of failure are multiparty regimes with a 4 or less on the PR scale. Failure events are coded as either a multiparty failure (see above) or a change in PR from 4 or below to 5, 6, or 7. We call this variable *fairness failure*.

This coding procedure excludes regimes that hold multiparty elections that are unambiguously unfair – such as those in Equatorial Guinea – from the sample of fair multiparty regimes. It marks failure when the political system under a previously fair multiparty regime turns unfair, even if it does not end the multiparty regime. For example, prior to the 2006 presidential election the Gambia, President Jammeh's government arrested three leading opposition members and passed new legislation that made libel against the government an offense punishable with imprisonment for six months. When multipartyism ends and the multiparty regime was also coded as fair, then a *fairness failure* occurs (e.g. 1996 coup in Niger). Table A-2 lists the fairness failure sample.

The last two measures of consolidation (multipartyism and electoral fairness) are closely related concepts. Many of the events coded as multiparty failure are also coded as fairness failure. The main difference between these two measures is in how the sample is defined and not the key failure event that we model empirically. While the events that typically mark the end of these regimes are threatening to incumbent (e.g. a military coup or rebels chasing the incumbent from power), the persistence of either of these states is not. We point this out because measuring consolidation as the survival of multipartyism (or electoral fairness) is often not threatening to incumbents – particularly incumbents who are well placed to win multiparty elections.

Research Design, Data, and Measures

We test the effect of aid on democratic development in Africa at two stages of democratization. The first analysis explains transitions to multiparty regimes on a sample of 41 countries. The second analysis tests the effect of aid on democratic consolidation using four different operationalizations of democratic consolidation with sample sizes that vary depending on the definition of democratic consolidation. These include *multipartyism failure* (42 countries), and *fairness failure* (31 countries). The temporal domain for the analysis is 1989 to 2008 for the first measure and 1991 to 2008 for the latter four.

Foreign aid

For data on aid flows we consult the AidData project, which covers both bilateral and multilateral donor activities.¹⁰ AidData provides information about aid transactions at the project-level.¹¹ We use commitment amounts for our analysis.¹²

Second, we aggregate the project information to obtain data on sector aid flows where one row

¹⁰The AidData project draws on information provided through the OECD’s Creditor Reporting System (CRS). It augments the conventional OECD data by incorporating aid transfers from non-traditional, non-DAC donors, which include e.g. Czech Republic, Slovenia, and Saudi Arabia).

¹¹The project-level character of the data implies that one row of the data set corresponds to a donor entity committing a certain amount of assistance, measured in constant 2000 US Dollars, to a recipient country in a given year for a specific project. For the purpose of this study we aggregate the project-level data at the recipient-year level in two ways: First, we aggregate the project level information at the highest level to obtain data on total aid flows where one row of the data corresponds to the total amount of assistance committed by all donor entities to a recipient country in a given year.

¹²Information on disbursements is much less complete than data on commitments. In PLAID 1.9.2 the commitment field is populated 99.2 percent of the time, while the disbursement field is populated only 48.6 percent of the time.

of the data corresponds to the total amount of assistance committed by all donors to a specific sector of an aid-receiving country a given year. The sector coding scheme assigns one dominant purpose code to the project.¹³ Democracy assistance has different purposes and different delivery modalities. For instance, we code as democracy assistance projects that directly target economic and development policy/planning such as e.g. fiscal and monetary policy and planning, institutional capacity building, as well as development planning for structural reforms. Democracy and governance aid also finances tax assessment procedures, legal and judicial development, constitutional development, and crime prevention. Donors use democracy aid to support government administration by helping finance civil service reform or government infrastructure. Finally, democracy and governance aid is also directed at strengthening civil society by supporting community participation and development, cooperatives, grass-roots organizations, human rights groups and women’s equality institutions, only to name the most prominent civil society groups.¹⁴

As is evident in the different purposes of this aid sector, democracy and governance aid is expected to affect democratization through two different channels: to the extent that democratic consolidation depends on state capacity, donors directly invest in state institutions. In contrast, aid for civil society directly goes to non-state actors, thus pressing for bottom-up democratic consolidation processes.

In the subsequent empirical analysis of the effect of economic aid and democracy and governance aid on democratic development, we operationalize the aid data using logged per capita lagged four-year moving average.¹⁵ The time series for smaller categories of aid, such as democracy and governance aid, show large variation from year to year. The purpose of using a four-year moving average is to smooth these trends and better captures aid inflows over the prior period. We lag this variable to ensure the direction of causation runs from aid to consolidation. Finally, the log helps ensure that large outliers are not responsible for the main findings.

¹³We identify the following eleven sector categories, including aid for the social sector, democracy, economic infrastructure and services, domestic production, environment, commodity aid, debt relief, budget support, emergency relief and reconstruction, donor administrative costs, and refugee assistance in donor countries.

¹⁴Table A-5 in the Appendix lists the distinct purposes for democracy and governance aid as coded by AidData (2010).

¹⁵Precisely, aid is operationalized as $\ln((A_{t-1} + A_{t-2} + A_{t-3} + A_{t-4})/4)$ where A is aid per capita in constant dollars. We obtain similar results with 2-year and 3-year lagged moving averages.

Institutional legacy

Earlier we discussed how the institutional legacy of neo-patrimonialism may influence the relationship between foreign assistance and democratic consolidation. To measure this concept, we propose two related variables. First, we calculate the share of years from independence through 1989 in which the country had an elected party in the legislature. This measure of party institutionalization picks up variation in the longevity of a dominant party. Countries with dominant (and single-party) regimes through 1989 have a 100% share, for example Botswana, Gabon, Kenya, Senegal, and Tanzania. Countries that score low on this measure did not have institutionalized parties for long periods of time, for example Burundi, Equatorial Guinea, Nigeria, and Uganda. Figure A-1 in the Appendix shows the values for this measure for all countries.¹⁶

Party legacy captures the extent to which incumbents have historically used political parties to deal with political dissent and project formal political authority. The validity of this measure rests on the assumption that rulers who were not sufficiently institutionalized to form a support party and house it in an elected legislature, were less able to project formal political authority over their territory. Note that this variable is not a measure of multipartyism (which was rare prior to 1990) or the absence of rubber-stamp institutions.

The second measure is the share of years from independence through 1989 in which a personalist dictator ruled, as coded by Geddes, Wright and Frantz (2012). This variable is intended to capture concepts such as whether the leader has control over military appointments and whether the ruling party preceded the leader or was created by the ruler. There is a fair amount of overlap in these measures because many countries' dominant parties did not suffer from personalist rule, at least as coded in this data set. However there are a handful of countries with long-lived and established parties, such as Gabon and Malawi, which score high on the prior personalism index. Figure A-2 in the Appendix shows the value for this measure.¹⁷

¹⁶We assign Eritrea the same value as Ethiopia.

¹⁷Both of these measures only include information prior to 1990 and thus predate the temporal domain of the subsequent analysis. Because prior institutionalization is measured using historical data, we treat this variable as exogenous – or causally prior – to the process of democratic consolidation in the two decades following the end of the Cold War. Geddes, Wright and Frantz (2012) do not code small population countries, such as Comoros and São Tomé or those that were not internationally recognized independent states, such as Namibia prior to 1990. These countries have missing values for this variable.

Estimation

To model the dependent variables, we adopt a survival approach that accounts for time dependence in the data (Carter and Signorino, 2010). This method models the probability that a particular event – such as multiparty failure or incumbent turnover – occurs in a given year while accounting for the fact that the time since the event previously occurred varies by year. For example, the risk of multiparty failure may be lower if multipartyism has survived for 15 years as opposed to having survived only 3 years for a particular country-year observation. That is, the failure risk may be greater for Malawi in 1997 than in 2007 simply because multipartyism is ‘younger’ in 1997 than a decade later.

We employ a random-effects probit model to help address unit heterogeneity (Wilson and Butler, 2007). This method helps account for factors that we cannot measure but that are different for each country. The main control variables that we include in the analysis are: GDP per capita (log), population (log), level of urbanization, an indicator variable for civil war in the past three years, a variable measuring participation in an IMF adjustment program in the past two years and a linear time trend.¹⁸ To model transitions to multipartyism, we also include control variables for economic growth (lagged two-year moving average) and neighbor democracy.¹⁹ For the analysis of multipartyism and fairness, we also include a control for election year. The sample for incumbent turnover is defined by election year. The models for turnover and term limits includes controls for: duration of multiparty regime and opposition strength in the legislature.²⁰

¹⁸We experimented with other control variables including change in urbanization, higher order polynomials for the time trend and duration dependence and economic growth. None of these controls changed the substantive results and did not improve model fit. In the spirit of parsimony, we dropped them from the reported results. Economic and population data are from the Penn World Tables (version 7.0); data for urbanization comes from the World Development Indicators (2010); and data for civil war is from Gleditsch and Strand (2002). IMF data from Dreher (2006). The IMF variable is a lagged two-year moving average for the sum of two binary indicators of IMF program participation (Structural Adjustment Facility Arrangement and Poverty Reduction and Growth Facility Arrangement) for at least 5 months in a given year.

¹⁹Neighbor democracy is the share of countries with capital cities within 4000 km of the target country capital city that are democracies. Binary democracy indicator is from Cheibub and Vreeland (2010).

²⁰Opposition strength is measured as the ratio of seats for the largest opposition party relative to the seats for the incumbent party. Data from the Thorsten Beck and Walsh (2001), with missing values filled in with information on São Tomé and Príncipe and Seychelles from African Elections Database (2011).

Results

We report the results in table format throughout, but concentrate on the interpretation of the main substantive findings in graphs.

Transitions to multiparty regimes

First we examine the relationship between foreign aid and transitions to multipartyism. If foreign aid can buy liberalizing political reform, the exchange of aid for reform should be more likely when conditionality is enforceable and where the political costs of that reform are relatively low. Aid conditionality is more likely to be enforceable during the post-Cold War period when the Soviet influence no longer served as a rival to Western donor influence (Crawford, 1997; Dunning, 2004; Wright, 2009; Bermeo, 2011). Thus the sample begins in 1989. The political cost of liberalizing reforms is also likely to vary by size and depth of the support coalition backing the incumbent regimes. When this coalition is broad and deep, political reform is less costly to the incumbent because he and his elite supporters are more likely to retain some claim on power even after liberalization. Following the logic that military regimes typically have smaller and more shallow support coalitions than party-based regimes, we examine whether the effect of aid varies by type of incumbent regime, using a dummy variable for military ruler as a proxy for high political costs of liberalizing reform (Wright, 2009).²¹

Table 2 reports the results. The first model includes all the variables but no interaction terms. Next we include an interaction between military ruler and democracy aid, while the third column includes an interaction between military ruler and economic aid. In all specifications, economic aid is correlated with an increased risk of transition to multipartyism, but democracy aid is not.²² This suggests that countries with higher levels of economic aid are more likely to transition to multipartyism – a finding consistent with previous literature (Goldsmith, 2001; Dunning, 2004; Wright, 2009; Bermeo, 2011). Further, military rulers are also more likely to transition, again a finding consistent with earlier research (Geddes, 2003).²³

²¹All observations in the sample are coded as non-democracy by Cheibub, Gandhi, & Vreeland (2010) on January 1 of the observation year.

²²While we find little evidence that democracy aid influences multiparty transitions, these countries attract very little democracy assistance relative to economic aid. The median level of democracy aid in this sample is less than \$2 per capita while this figure stands at \$67 per capita for economic aid.

²³To assess whether this empirical finding is simply the result of more aid being given to countries that transition,

Table 2: Transitions to multiparty regimes

	(1)	(2)	(3)
Democracy aid	-0.299 (0.21)	-0.105 (0.34)	-0.250 (0.22)
Economic aid	0.278* (0.17)	0.286 (0.17)	0.659** (0.25)
Military*Democracy aid		-0.328 (0.43)	
Military*Economic aid			-0.616** (0.27)
Log GDP per capita	-0.124 (0.17)	-0.150 (0.19)	-0.337 (0.21)
Urban	0.001 (0.01)	0.001 (0.01)	0.001 (0.01)
Civil war	-0.345 (0.23)	-0.363 (0.24)	-0.393 (0.24)
Economic growth	-0.002 (0.02)	-0.001 (0.02)	-0.002 (0.02)
IMF agreement	0.069 (0.25)	0.059 (0.26)	0.094 (0.26)
Neighbor democracy	3.041** (1.24)	3.336** (1.42)	3.240** (1.38)
Military rule	0.167 (0.22)	0.395 (0.38)	2.716** (1.13)
Log likelihood	-126.3	-126.0	-123.0

* $p < 0.10$; ** $p < 0.05$. Dependent variable is a binary indicator of transition to multipartyism. Random effects probit with standard errors in parentheses. Regime duration, calendar time, and constant included but not reported. 313 observations in 41 countries from 1989-2008.

Finally, the interaction between economic aid and military rule is negative, while the coefficient for economic aid remains positive and statistically significant. This suggests that the positive correlation between economic aid and the likelihood of transition is due to non-military leaders. If military rule is a good proxy for (high) political costs of transition to multipartyism, then this finding is consistent with Wright’s (2009) evidence that (total) aid increases the likelihood of transitions to democracy in the post-Cold War period – but only in authoritarian regimes with lower political costs associated with political reform. That is, aid can be persuasive in buying political reform when the costs of that reform are relatively low.

In this analysis, we control for factors associated with economic crisis, such as participation in an IMF stabilization program and economic growth, to account for the possibility that the costs of not reforming may be particularly high during these periods. In unreported results, we find that IMF participation strengthens the main empirical relationship between economic aid and multiparty transitions in non-military regimes, though the finding still exists during periods of relative economic health.

Figure 5 shows the substantive effect of the main result for economic aid.²⁴ In military regimes, economic aid and the risk of transition to multipartyism are not correlated. In non-military regimes, however, there is a strong positive association. At low aid levels, the likelihood of transition is less than two percent, rising to over ten percent at high aid levels.

In short, we find that economic aid – but not democracy aid – is associated with an increased probability of multiparty transition, but only in non-military regimes. If military rule is a useful proxy for the (higher) costs of political reform, we can interpret these results to suggest that the exchange of aid for political reform may be more attractive when the costs of losing power are relatively low, for two reasons. First, for many incumbents the transition to multipartyism does not necessarily threaten their hold on power. Second, this transition is typically less costly for non-military incumbents who have strong support coalitions than for military rulers who lack them.

we conduct a difference of means test for the level of (log) economic aid, by whether country ever transitioned. Only 4 of 41 countries in the sample do not transition at some point. While the transition countries have a higher mean, this difference is not statistically different from zero. Similarly, when we regress mean level of economic aid on the mean value for transition and the mean levels of GDP per capita and population (both logs), there is no statistically significant relationship between aid and the transition variable. The lack of association between mean aid and the transition variable persists for the sub-sample of 20 countries with little time spent under military rule.

²⁴Substantive effects estimated using 1000 simulations of the model in Table 1.3, with all explanatory variables set at their respective mean or median. Calendar year set to 2000.

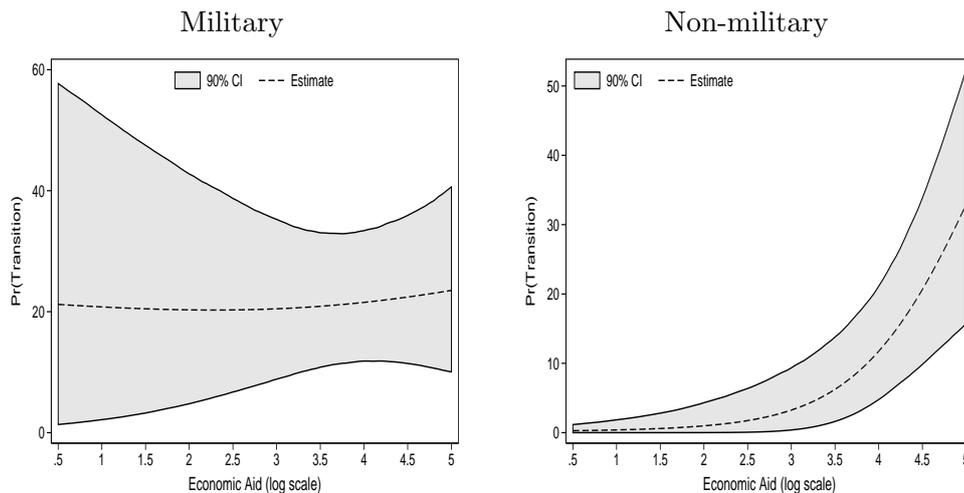


Figure 5: *Economic aid and transitions to multipartyism. Years: 1989-2008. Risk of transition to multiparty regime on the vertical axis. Left panel depicts failure risk for a regime headed by a military leader. Right panel depicts failure risk for regime with a non-military leader. Simulations based on column 3, Table 1.*

Multipartyism and electoral fairness

The second dependent variable we examine is multiparty failure, reported in Table 3. The average effect of democracy aid is negative and statistically different from zero, while the coefficient for economic aid is positive but close to zero (columns 1-3).²⁵ This suggests that on average democracy aid is associated with a lower likelihood of multiparty failure, while economic aid has little effect. Next, we show how this average effect varies by level of prior institutionalization, reported in columns 4-7.

Figure 6 depicts the predicted probability of multiparty failure at high and low levels of democracy aid. The left panel assesses the aid effect by prior party institutionalization, where high party institutionalization is set at 100 percent (e.g. Senegal) and low party institutionalization is set at 40 percent (e.g. Nigeria). At low party institutionalization, a two standard deviation increase in democracy aid is correlated with an increase in the failure risk, from 1.2 percent to 1.7 percent. However, this increase is not statistically different from zero. In multiparty regimes with a high level of prior party institutionalization, democracy aid is associated with a statistically significant

²⁵To ensure that the result for democracy aid is not due to the fact that failing countries receive less democracy aid, on average, we conduct a difference of means test. The results show that countries which failure (less democratic) actually receive more aid on average than those which do not, though this difference is not statistically different from zero. Controlling for GDP per capita and population, those that fail still receive slightly more democracy aid.

Table 3: Multiparty failure

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Democracy aid	-0.749** (0.36)		-0.705* (0.39)	0.989 (0.84)	-0.634 (0.39)	-1.405** (0.66)	-0.395 (0.37)
Economic aid		-0.386 (0.27)	-0.096 (0.35)	-0.041 (0.34)	0.349 (0.66)	-0.012 (0.37)	0.009 (0.55)
Dem aid*Party legacy				-2.232** (1.08)			
Econ aid*Party legacy					-0.593 (0.73)		
Dem aid*Personalist legacy						1.781** (0.84)	
Econ aid*Personalist legacy							0.133 (0.60)
Party legacy				2.357* (1.32)	2.548 (3.07)		
Personalist legacy						-1.918* (0.99)	-0.538 (2.55)
Log GDP per capita	-0.645** (0.30)	-0.367 (0.24)	-0.605* (0.33)	-0.659** (0.28)	-0.545* (0.30)	-0.658** (0.32)	-0.528* (0.30)
Population	-0.451** (0.19)	-0.378** (0.16)	-0.468** (0.20)	-0.455** (0.16)	-0.448** (0.19)	-0.621** (0.21)	-0.615** (0.20)
Election year	-0.153 (0.33)	-0.109 (0.31)	-0.152 (0.33)	-0.157 (0.33)	-0.136 (0.33)	-0.227 (0.37)	-0.238 (0.36)
Civil war	0.617 (0.39)	0.569* (0.33)	0.601 (0.39)	0.720** (0.35)	0.684* (0.38)	0.858** (0.36)	0.798** (0.35)
Urban	0.007 (0.02)	0.006 (0.01)	0.007 (0.02)	0.007 (0.02)	0.005 (0.02)	0.006 (0.02)	0.005 (0.02)
IMF agreement	0.630* (0.38)	0.619* (0.37)	0.673 (0.41)	0.566 (0.39)	0.650 (0.41)	0.591 (0.42)	0.527 (0.40)
Log likelihood	-51.5	-53.5	-51.5	-49.1	-51.1	-42.7	-45.3
Observations	569	569	569	569	569	483	483

* $p < 0.10$; ** $p < 0.05$. Random effects probit with standard errors in parentheses. Time trend, duration time, and constant included but not reported. 42 (36 in columns 6-7) countries from 1991-2008.

decrease in the failure risk, which falls from 2.3 percent to 0.1 percent as aid increases two standard deviations.

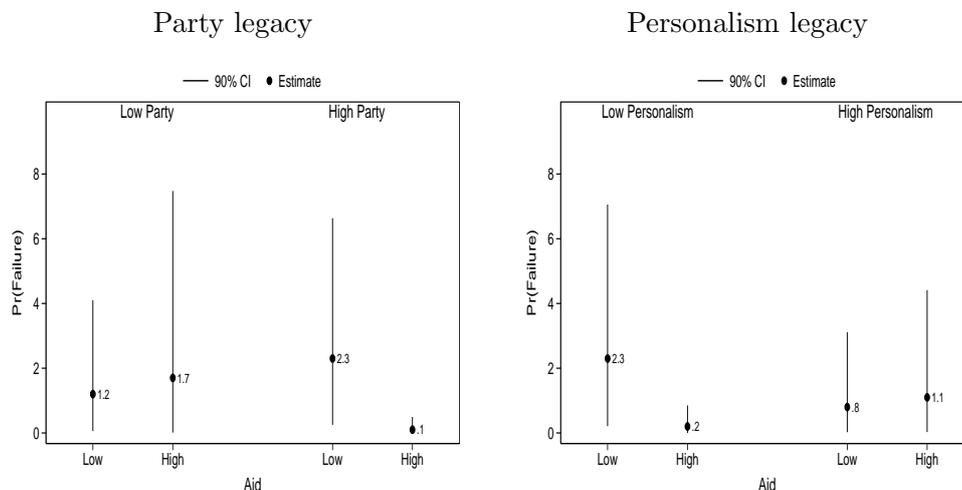


Figure 6: *Democracy aid and multi-partyism failure, by institutional legacies. Years: 1991-2008. Risk of multiparty failure on the vertical axis. High (Low) aid is one standard-deviation above (below) the in-sample mean. Left panel depicts failure risk by pre-1990 share of years with at least one party in an elected legislature: 40% (e.g. Nigeria) and 100% (e.g. Senegal). Right panel depicts failure risk by pre-1990 share of years under personalist rule: 0% (e.g. Botswana) and 90% (e.g. Burkina Faso). Results based on models in columns 4 and 6, Table 2.*

We find a similar pattern for prior personalism in the right panel of Figure 6.²⁶ Where the country has never been ruled by a personalist dictator, democracy aid is associated with a drop in multiparty failure risk (2.3 percent to 0.2 percent), while the level of democracy aid is correlated with a small increase in failure risk in countries with a high score on the personalism index (90 percent).

Figure 7 depicts the relationship between economic aid and the risk of multiparty failure. For countries with a strong party legacy, the results suggest that economic assistance is associated with a lower risk of failure, though this difference (0.9 to 0.5) is not statistically different from zero. For personalist legacies, there appears to be little difference in the relationship between aid and multiparty failure between countries with strong and weak personalist legacies.

The results for democracy aid suggest that the institutional legacy of the country matters.

²⁶These results exclude small population countries and those that were not independent states prior to 1990: Cape Verde, Comoros, Djibouti, Equatorial Guinea, Eritrea, Namibia, São Tomé and Príncipe, and Seychelles. Small states are not coded in the Geddes, Wright and Frantz (2012) data set.

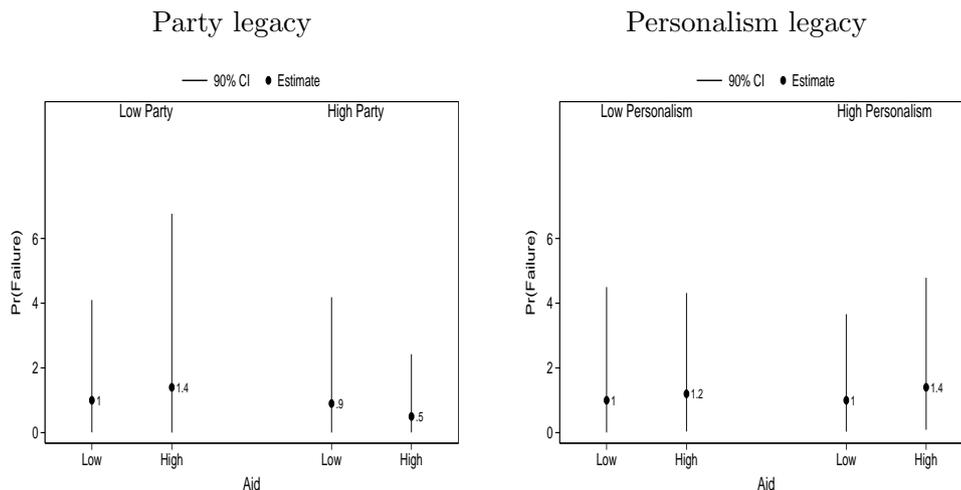


Figure 7: *Economic aid and multipartyism failure, by institutional legacies. Years: 1990-2008. Risk of multiparty failure on the vertical axis. High (Low) aid is one standard-deviation above (below) the in-sample mean. Left panel depicts failure risk by pre-1990 share of years with at least one party in an elected legislature: 40% (e.g. Nigeria) and 100% (e.g. Senegal). Right panel depicts failure risk by pre-1990 share of years under personalist rule: 0% (e.g. Botswana) and 90% (e.g. Burkina Faso). Results based on models in columns 5 and 7, Table 2.*

Whether we measure this legacy as personalism or party institutionalization, the results are consistent: democracy aid is associated with a lower risk of multiparty failure in countries with a low prior personalism and strong party institutionalization. This should not be surprising given the large overlap in the grouping of countries along these dimensions. There is, however, little evidence that economic aid is associated with multiparty failure, regardless of institutional legacy.

One concern that arises in the analysis of multiparty failure is the inclusion of nominally multiparty electoral regimes where political competition and participation is severely circumscribed, as is the case with Guinea under Conte’s rule and Uganda during Museveni’s time in power. We thus examine the failure of multipartyism and political fairness, as measured by the combined Freedom House scores. Many of the same events that are coded as failure in the previous analysis are again coded as failure here, such as military coups. In addition, failure in this analysis can comprise a marked decrease in electoral fairness, short of ending multiparty politics. For example, Zambia 1996 is coded as fairness failure, but multipartyism continues so it is not coded as failure in the analysis of multiparty regime survival.

Table 4 presents the main results for aid and electoral fairness. The patterns suggested by these

Table 4: Electoral fairness failure

	(1)	(2)	(3)	(4)	(5)	(6)
Democracy aid	-0.768** (0.36)	0.971 (1.28)	-0.756** (0.37)	-0.613 (0.41)	-0.901* (0.53)	-0.596 (0.41)
Economic aid	0.396 (0.34)	0.530 (0.42)	0.529 (0.76)	0.513 (0.36)	0.482 (0.36)	0.728 (0.53)
Dem aid*Party legacy		-2.328 (1.72)				
Econ aid*Party legacy			-0.168 (0.85)			
Dem aid*Personalist legacy					0.637 (0.71)	
Econ aid*Personalist legacy						-0.417 (0.69)
Party legacy	-0.073 (0.67)	2.260 (1.86)	0.584 (3.38)			
Personalist legacy				-0.018 (0.42)	-0.875 (1.03)	1.816 (3.08)
GDP per capita	-0.501* (0.26)	-0.691* (0.37)	-0.497* (0.25)	-0.319 (0.28)	-0.348 (0.28)	-0.205 (0.34)
Population	0.012 (0.12)	0.050 (0.15)	0.013 (0.13)	-0.122 (0.16)	-0.134 (0.16)	-0.106 (0.16)
Election year	0.119 (0.31)	0.175 (0.34)	0.124 (0.31)	0.024 (0.35)	0.057 (0.35)	0.016 (0.35)
Civil war	0.330 (0.60)	0.236 (0.68)	0.346 (0.61)	0.506 (0.61)	0.393 (0.63)	0.617 (0.65)
Urban	0.024* (0.01)	0.035* (0.02)	0.025* (0.01)	0.022 (0.01)	0.022 (0.01)	0.021 (0.01)
IMF agreement	0.054 (0.35)	-0.100 (0.40)	0.039 (0.36)	-0.108 (0.36)	-0.059 (0.36)	-0.116 (0.36)
Log likelihood	-51.2	-49.8	-51.2	-45.2	-44.1	-45.0
Observations	337	337	337	266	266	266

* p<0.10; ** p<0.05. Random effects probit with standard errors in parentheses. Time trend, duration time, and constant included but not reported. 30 (25 in columns 4-6) countries from 1991-2008.

results are consistent with the findings for multiparty failure: democracy aid is associated with a lower risk of fairness failure, while economic aid is not. Further, the institutional legacy of the countries again conditions the finding for democracy aid. In countries with low personalism and high party institutionalization, the democracy aid result is considerably stronger.

Two patterns have emerged from the analysis of multipartyism and electoral fairness failure. First, the risk of these anti-democratic events occurring is lower in countries with higher levels of democracy aid, suggesting a possible positive effect of democracy assistance on consolidation. This finding is strongest for countries with ‘good’ institutional legacies: high party legacy and low prior personalism. Second, economic aid appears to work in the opposite direction: countries with high levels of this type of assistance are more likely to experience multiparty failure. Though none of

the results for economic aid achieve conventional statistical significance, they nonetheless indicate a very different pattern of correlations with failure events than democracy aid.

Discussion

The results from our empirical analysis have produced several insights into the relationship between foreign aid and democratic transition and democratic survival in Africa. While economic aid leads to democratic transitions in non-military regimes, democracy and governance aid is associated with the survival of democratic regimes in Africa. At present, we think of these results as preliminary (and suggest caution in interpreting them conclusively) since we have yet to address the problem of endogeneity: i.e. our findings about the effect of democracy and governance aid on the survival of democracy could be due to the fact that more democratic countries receive more democracy aid; a result which would be consistent with Nielson and Nielsen's (2010) study about donor selection effects in democracy and governance aid. The next step of this project will be to use a 2-stage instrumental variable approach. For now, we include a simple difference of means test for our two samples of democratic survival presented in Table 5. It shows that the countries that do not experience a failure in multipartyism (but are at risk of failing) do not receive substantially more democracy and governance aid than the countries where a failure of multipartyism occurs. The same is true for the second variable capturing democratic survival, electoral fairness, as well as our initial measure for transitions to democracy.

Table 5: Difference of means tests

	Aid Type	T-statistic	N
Transition to multipartyism	Economic	0.83	41
Multiparty failure	Democracy	0.74	42
Incumbent turnover	Democracy	1.02	30
Term limit violation	Democracy	1.68*	28

Difference of means test for country-mean level of aid, grouped by whether the dependent variable is every positive (i.e. whether failure occurs at some point). Aid means calculated from 1991-2008 when under a multiparty regime, except for *transition to multipartyism*, where the mean is for the years 1986-2008 when not under a multiparty regime. Observations are the number of countries in the respective samples.

We do want to emphasize however, that the primary mechanism linking aid for democracy promotion and the survival of democracy in Africa should operate through the government-to-government channel of delivery. While donors also directly engage in bottom-up democracy promotion by channeling aid through opposition and civil society actors, the share of it is rather small which makes us skeptical of its ability to meaningfully contribute to the survival of democracy from below. Further, there appears to be a systematic relationship between democracy and the share of democracy aid provided through the public channel: as countries become more democratic, we observe an increase in the share of democracy aid channeled through the recipient government. This seems to hold for both government-led and bottom-up democracy promotion activities.

In light of this evidence for donor selectivity in aid delivery channels, we argue that donors pursue democracy promotion in Africa cautiously, favoring government-led governance initiatives over bottom-up support once the country has transitioned to a multiparty regime. Since the aid is within reach of the incumbent regime it is more likely to strengthen than challenge it. The extent to which democracy and governance aid affects the survival of democracy depends, in part, on a country's legacy of prior institutionalization. Government-led democracy promotion is more likely to bear fruit in countries that have greater experience in dealing with institutional constraint and political dissent, as their regimes can go further in implementing donor demands than regimes that have no such experience. Ultimately, however, our theory of government-led democracy promotion imply that donors may be able to strengthen democracies in terms of reducing failure risk. This mechanism of democracy promotion is unlikely, however, to lead to more democratic deepening

however. Rather it might help perpetuate a multiparty system in which strong, institutionalized incumbents remain in power; indeed aid might legitimize and pay for an electoral process they can win. An observable implication of our argument, which we plan to test in the subsequent version of this paper, is that democracy promotion in Africa is unlikely lead to qualitatively different democracy outcomes, such as incumbent turnover or the respect of term limits, precisely because they would threaten the incumbent's survival.

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A: Data Appendix

Table A-1: Multipartyism

Country	Begin	End	Country	Begin	End
Angola	1993	censored	Lesotho	1999	censored
Benin	1992	censored	Liberia [†]	1986	1990
Botswana [†]	1967	censored	Liberia	1998	2002
Burkina Faso	1993	censored	Liberia	2006	censored
Burundi	1994	1994	Madagascar	1994	censored
Burundi	2006	censored	Malawi	1995	censored
Cameroon	1993	censored	Mali	1993	censored
Cape Verde	1992	censored	Mauritania	1993	2005
Central African Republic	1994	2003	Mauritania	2007	2008
Central African Republic	2006	censored	Mauritius [†]	1969	censored
Chad	1998	censored	Mozambique	1995	censored
Comoros	1993	1996	Namibia	1995	censored
Comoros	2005	censored	Niger	1994	1996
Congo Br.	1993	1997	Niger	1997	1999
Congo Br.	2003	censored	Niger	2000	censored
Côte d'Ivoire	1991	1999	Nigeria	2000	censored
Côte d'Ivoire	2001	censored	Rwanda	2004	censored
DRC	2007	censored	São Tome	1992	censored
Equatorial Guinea	1994	censored	Senegal	1990 [†]	censored
Ethiopia	1996	censored	Seychelles	1994	censored
Gabon	1991	censored	Sierra Leone	1997	1997
Gambia [†]	1967	1994	Sierra Leone	2003	censored
Gambia	1998	censored	South Africa*	1994	censored
Ghana	1997	censored	Tanzania	1996	censored
Guinea	1996	censored	Togo	1995	censored
Guinea-Bissau	1995	2003	Uganda	2007	censored
Guinea-Bissau	2005	censored	Zambia	1992	censored
Kenya	1993	censored	Zimbabwe* [†]	1981	censored

* indicates start coded from universal suffrage; [†] indicates left-censored at 1990; censored \equiv right-censored in 2008. Start year coded for first year (Jan1) when multipartyism is observed; this is typically the year *after* the first multiparty election.

Table A-2: Fairness failure

Country	Begin	End	Country	Begin	End
Benin	1992	Censor	Madagascar	1994	Censor
Botswana	1990	Censor	Malawi	1995	Censor
Burkina Faso	2000	2004	Mali	1993	Censor
Burundi	2006	Censor	Mauritania	2008	2008
Cape Verde	1992	Censor	Mauritius	1990	Censor
Central African Republic	1994	2001	Mozambique	1995	Censor
Comoros	1993	1996	Namibia	1995	Censor
Comoros	2005	Censor	Niger	1994	1996
Gabon	1991	1993	Niger	2001	Censor
Gambia	1990	1994	Nigeria	2000	2008
Gambia	2003	2005	São Tomé	1992	Censor
Ghana	1997	Censor	Senegal	1990	Censor
Guinea-Bissau	1995	2003	Seychelles	1994	Censor
Guinea-Bissau	2005	Censor	Sierra Leone	1997	1997
Kenya	1993	1993	Sierra Leone	2003	Censor
Kenya	2003	Censor	South Africa	1995	Censor
Lesotho	1999	Censor	Tanzania	2000	Censor
Liberia	1998	2000	Zambia	1992	1996
Liberia	2006	Censor	Zambia	2003	Censor

* indicates start coded from universal suffrage; † indicates left-censored at 1990; censored ≡ right-censored in 2008. Start year coded for first year (Jan1) when multipartyism is observed; this is typically the year *after* the first multiparty election.

Table A-3: Democracy and Governance Aid, purposes defined by AidData (2010)

Economic and development policy and planning

Macro-economic, fiscal and monetary policy and planning

Institutional capacity building, Government

Support to other ministries and government departments when sector cannot be specified

Development planning and preparation of structural reforms

Public sector financial management

Improving financial management systems

Tax assessment procedures

Measures against waste, fraud and corruption

Legal and judicial development

Constitutional development, legal drafting

Institutional strengthening of legal and judicial systems

Legal training and education

Legal advice and services

Crime prevention

Government administration

General government services not elsewhere specified

Systems of government

Civil service reform

Government infrastructure

Strengthening civil society

Strengthening civil society, activity unspecified or does not fit elsewhere in group

Community participation and development

Cooperatives

Grassroots organizations

Other participatory planning and decision making procedures and institutions

Elections

Human rights

Free flow of information

Women's equality organizations and institutions

Conflict prevention and resolution, peace and security

Security system management and reform

Other security assistance

Civilian peace-building, conflict prevention and resolution

Support for civilian peace-building activities

Post-conflict peace-building (UN)

UN post-conflict peace-building activities

Reintegration and small arms, light weapons (SALW) control

Reintegration of demobilised military personnel into the economy

Conversion of production facilities from military to civilian outputs

Assistance to control, prevent and/or reduce the proliferation of SALW

Land mine clearance

Explosive mine removal

Child soldiers (Prevention and demobilisation)

Support to prevent the recruitment of child soldiers

Support to demobilize child soldiers

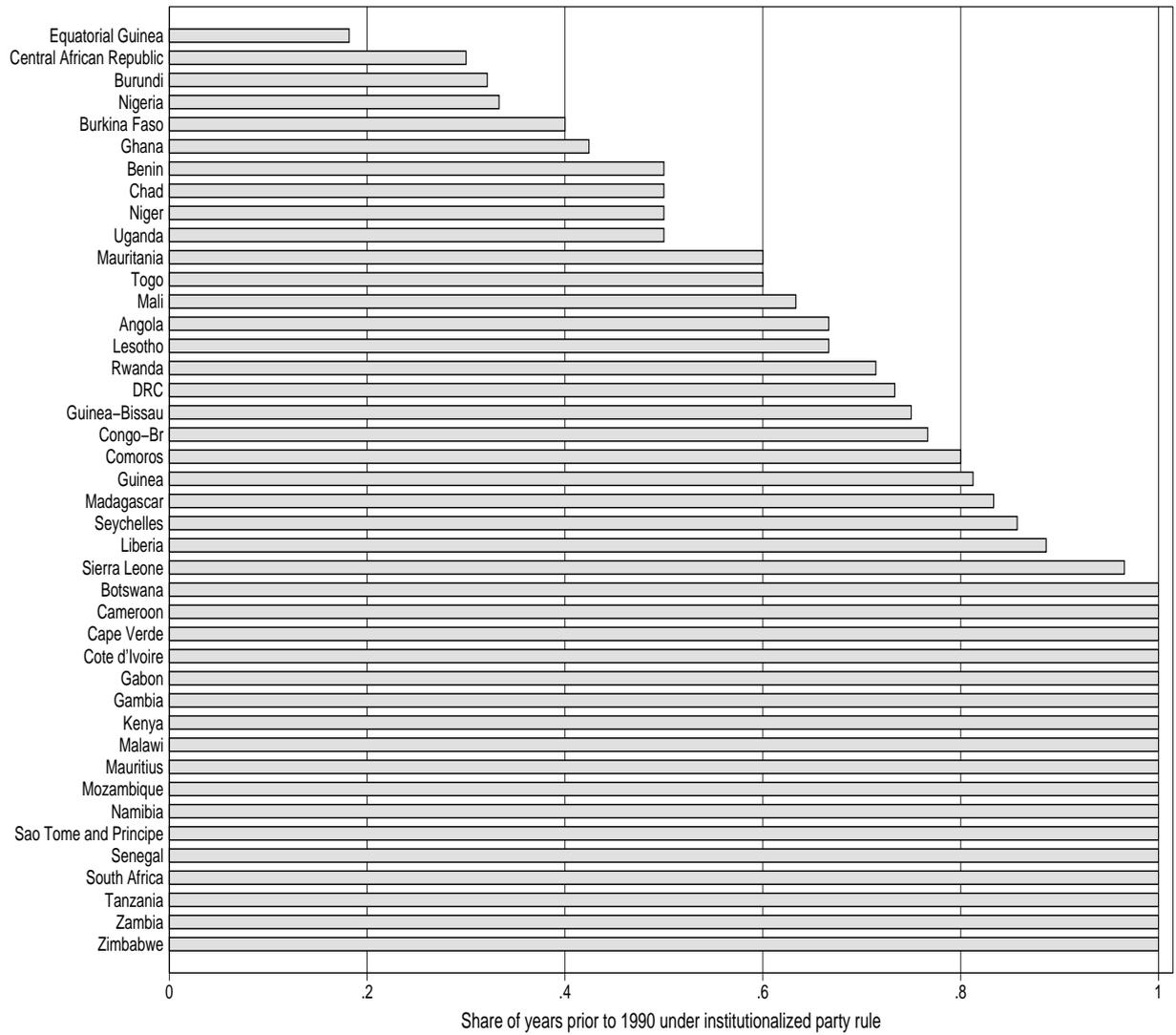


Figure A-1: **Historical party institutions, by country.** Share of years since independence up to 1989 with at least one party represented in an elected legislature. Time invariant for post-1989 period. Source: Cheibub, Gandhi, & Vreeland (2010).

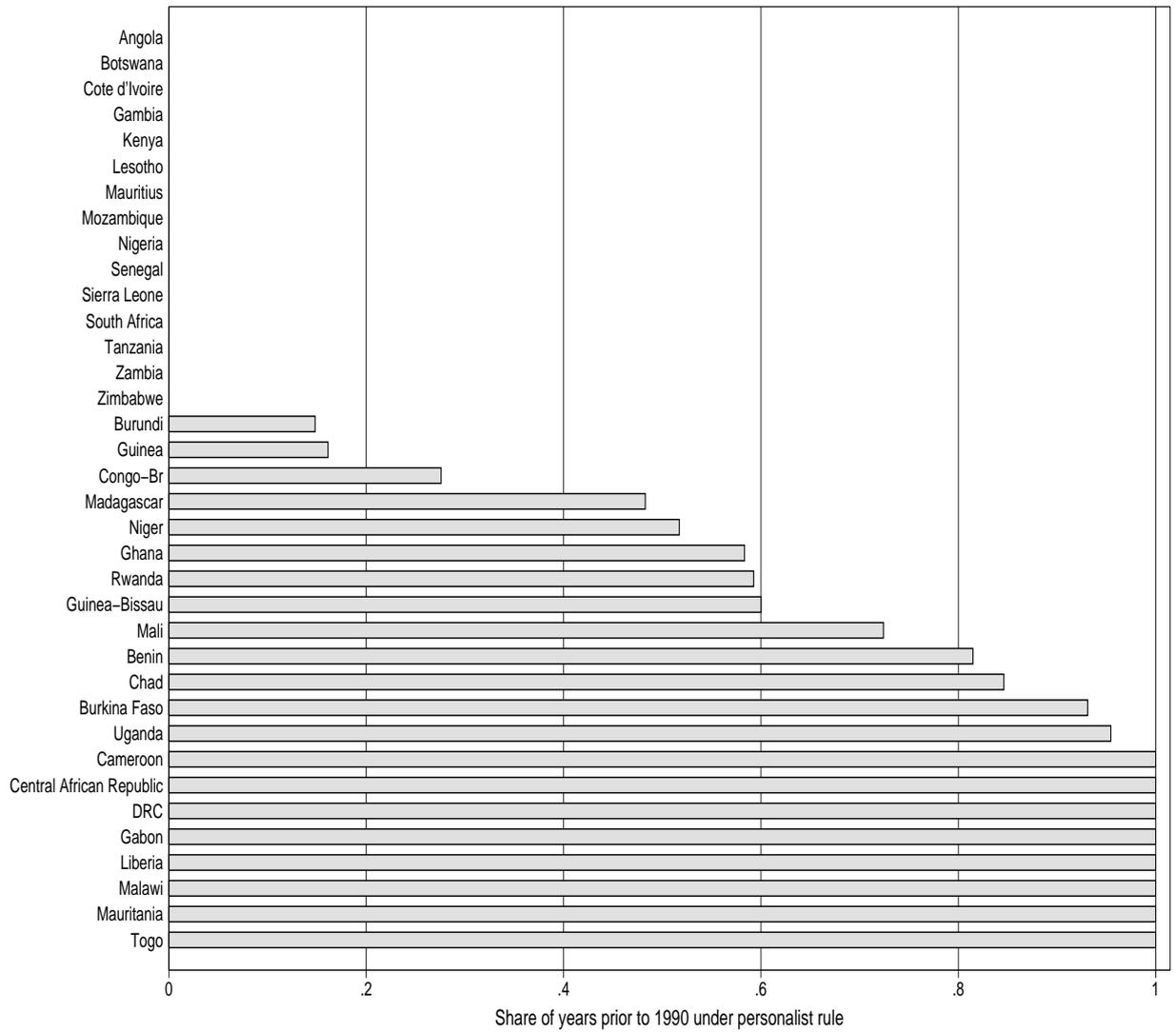


Figure A-2: **Historical personalist rule, by country.** Share of years since independence up to 1989 in which a personalist dictator ruled. Time invariant for post-1989 period. Source: Geddes, Wright & Frantz (2011).