Can International Election Monitoring Harm Governance?

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The monitoring of elections by international groups has become widespread. But can it have unintended negative consequences for governance? We argue that high-quality election monitoring, by preventing certain forms of manipulation such as stuffing ballot boxes, can unwittingly induce incumbents to resort to tactics of election manipulation that are more damaging to domestic institutions, governance, and freedoms. These tactics include rigging courts and administrative bodies and repressing the media. We use an original-panel dataset of 144 countries in 1990–2007 to test our argument. We find that, on average, high-quality election monitoring has a measurably negative effect on the rule of law, administrative performance, and media freedom. We employ various strategies to guard against endogeneity, including instrumenting for election monitoring.

Monitoring regimes in areas as diverse as nuclear power, armament, and the environment play a crucial role in promoting compliance with international norms and commitments. By providing information about state behavior, monitoring can also facilitate international cooperation by alleviating fears that noncompliance will go undetected and unpunished. But can there ever be a downside to monitoring? We ask this question in the context of international election monitoring. Most countries today hold regular multiparty elections to fill political offices, and most such elections are monitored by international groups. Studies have shown that election monitoring missions can play a positive role by deterring fraud, increasing confidence in the electoral process, and serving as third-party mediators (Bjornlund 2004; Carothers 1997; Hyde 2007; Pastor 1998). Without denying these positive effects, we ask whether international election monitoring can also have unintended negative consequences.[1]

Our inquiry is motivated by an intriguing, yet underexplored, trend. As election monitoring has increased, governments intent on cheating have learned to strategically adapt, relying less on election-day fraud, and instead increasing their use of pre-election manipulation that is less likely to be criticized and punished. Analysts have documented this strategic adaptation (Hyde and O'Mahony 2010) and explored how it creates new challenges for international election monitoring groups (Bjornlund 2004) and alters incentives for opposition parties (Beaulieu and Hyde 2009). But the consequences of strategic adaptation for institutional quality and governance in the country being monitored have not been explored.

We argue that when election monitoring missions encourage an increase in pre-election manipulation, they can unwittingly have negative effects on institutional quality and governance. While the effects of ballot fraud are generally limited to influencing electoral outcomes, many pre-election tools of manipulation—such as restricting media freedom and undermining judicial independence—have additional and much deeper consequences for the rule of law, bureaucratic quality, and governmental accountability. Because these are areas of governance that extend beyond the electoral realm, we refer to such unintended consequences as the *spillover effects* of monitoring.[2]

[1]An online appendix for this article is available at http://journals.cambridge.org/jop containing supplemental analyses. Data and supporting materials necessary to reproduce the numerical results in the paper are available upon request, except data from Political Risk Services.

[2]For a related argument see Simpser (2008).

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We put our proposition to the test using an original dataset of 944 elections in 144 countries around the world, from 1990 to 2007. The dataset features comprehensive information on the presence of election monitoring missions from 12 reputable international organizations and NGOs. In a series of quantitative analyses, we find evidence that high-quality election monitoring missions are associated with a decrease in the rule of law, bureaucratic quality, and media freedom. This finding is robust to a number of specifications, including an instrumental-variables approach that corrects for the possibility that monitoring could be endogenous to changes in governance.

Our results clearly indicate that election monitoring does have unintended negative consequences for governance. While this is a sobering finding, it is important to bear in mind that our analysis focuses on governance and does not evaluate the full range of costs and benefits associated with monitoring. Election monitoring has certainly helped promote democratic transitions on many occasions, and in any given case its positive effects may exist alongside the negative consequences that we highlight here. This study therefore joins others that have noted the potential for restrictions on behavior to produce both intended (positive) and unintended (negative) consequences (Kerr 1975; Peltzman 1975; Schaffer 2008). In this same spirit, our goal is not to discredit election monitoring, but simply to raise the issue of unintended consequences in the minds of scholars and practitioners, to explain how and when such consequences may arise, and to provide evidence about the plausibility and prevalence of the mechanisms we identify.

The article proceeds as follows. We first describe the phenomenon of strategic adaptation to election monitoring and introduce our core hypothesis. We illustrate our argument with evidence from a number of countries located in different regions of the world, including Armenia, Mozambique, Peru, and Zimbabwe. The goal of such evidence is to illuminate the causal mechanisms of our theory. We then present a series of quantitative tests that assess the effect of election monitoring on various governance indicators. To conclude, we discuss the implications of our findings.

Strategic Adaptation

Scholars and practitioners have documented how the rise of international election monitoring has led many cheating incumbents to shift away from election-day fraud and toward measures generally taken in the pre-election period that tilt the playing field in their favor (Carothers 1997, 22; Hartlyn and McCoy 2006; Hyde 2011; Hyde and O'Mahony 2010). The motive for doing so is simple: when election monitors are present to document and publicize electoral misconduct, leaders are more likely to be punished for employing ballot fraud than they are for pre-election manipulation. As Bjornlund explains: "where effective monitoring is permitted, rulers willing to cheat have learned to focus on other parts of the process, particularly in the pre-election period, that can be more easily manipulated *and for which domestic and international monitors have yet to develop effective deterrents*" (2004, 282–83). Beaulieu and Hyde term this "strategic manipulation," noting that many of these forms of misconduct are "visible but unlikely to be labeled by international observers as fraud" (2009, 400).

Electoral politics in Armenia illustrate this dynamic. Elections in 2003 were marked by widespread ballot box stuffing and serious manipulation of the counting and tabulation of votes. Observers from the Organization for Security and Cooperation in Europe (OSCE) concluded that the contest "fell short of international standards for democratic elections" (ODIHR 2003). As a result of this criticism, incumbent president Robert Kocharian felt pressure to obtain better verdicts from monitors in the future, to avoid reductions in foreign aid (Halpin 2007), and to thwart the risk of an electoral revolution (Beissinger 2007, 261). Accordingly, in the next round of elections, the government reduced its use of ballot fraud and manipulation of the vote count,[3] focusing instead on creating an imbalanced campaign environment and increasing pressure on local officials and state employees to campaign for the ruling party. In the words of a spokeswoman for the opposition People's Party, compared with previous contests, in the 2007 legislative election "the authorities tried their best to commit all violations outside polling stations" (BBC 2007). These efforts paid off, as the 2007 election was deemed "largely in accordance with OSCE commitments," and the 2008 presidential contest was deemed "mostly in line with OSCE and Council of Europe commitments and standards" (ODIHR 2007, 2008). In particular, observers noted that "[v]oting was conducted largely in line with established procedures" (ibid).

[3]According to the ODIHR reports, the count process was deemed "bad" or "very bad" in 20 and 33% of polling stations in the 2003 elections. This figure declined to 7% in 2007 and 16% in 2008. Observers also noted a qualitative shift in the types of problems present in polling stations, from rampant ballot fraud and falsification in 2003, to overcrowding and failure to ensure conditions for secret voting in 2007.

As this example suggests, destroying or fabricating votes or rigging the vote count are practices likely to trigger an international response, whether through criticism, calls for repeat elections, reductions in foreign aid, or suspension of membership in international organizations (Hyde and Marinov 2008). In some cases, ballot fraud has also sparked domestic protests that can be costly and difficult for governments to withstand (Tucker 2007). In contrast, most forms of pre-election misconduct—such as the appointment of partisan members to the electoral commission or to the judiciary, the tightening of government controls over the media, and selective application of laws against opposition supporters—are more ambiguous in their causes and effects, and therefore, less likely to spark international punishment or domestic protests, *even if they are documented by international monitors*.

One source of ambiguity is that the *motive* behind pre-election misconduct is often unclear. As Hartlyn and McCoy point out, when incumbents manipulate a law or administrative body to gain an electoral advantage, it is often difficult to tell whether this action was taken "primarily to ensure greater control and oversight or to implement targeted disenfranchisement" (2006, 46) Moreover, even if an observer could presume that a specific action was electorally motivated, there may exist legitimate alternative justifications, making it difficult to unambiguously label the action as cheating. For example, in 1997, Fujimori's government in Peru stripped the owner of the television station Canal 2, an Israeli citizen who had been naturalized Peruvian, of his Peruvian citizenship. Because the law barred foreign nationals from owning media outlets in Peru, the loss of nationality essentially entailed a loss of ownership of the station. The Peruvian government justified its action on the grounds that the naturalization records were missing, among other technicalities. While an onlooker might have presumed that the true motive behind the government's action was electoral, it was not possible to unambiguously prove that the government's behavior was an instance of electoral malfeasance (Rivadeneyra 2007). A second type of ambiguity inherent in many forms of pre-election misconduct stems from a lack of clarity about *culpability*. Is the ruling party responsible for problems in election administration? It is often difficult to establish a direct link. For example, inaccurate voter registration lists represent a common form of pre-election manipulation that is difficult to label as cheating, since it is often unclear whether it is intentionally perpetrated by the ruling party, or simply the result of administrative incompetence.

In sum, the ambiguity inherent in forms of pre-election manipulation means that different actors may hold different views about the extent and seriousness of the transgression, hindering the ability of international or domestic actors to cooperate in punishing the government. Evidence from countries with a history of problematic elections supports the idea that governments are less likely to be punished for pre-election manipulation than for election-day fraud, even when both are well-documented by international monitors. Prior to Peru's 2000 presidential election, monitors from the Organization of American States (OAS) and Carter Center criticized the severe media bias and use of state resources for campaigning (Agence France Presse 2000); but it was only when the monitors uncovered evidence of flaws in the vote-tabulation software that outside actors began imposing sustained pressure on the government.[4] Similarly, despite campaign restrictions and violence prior to Ukraine's 2004 presidential election, the European Union and the United States only threatened to delegitimize the regime once monitors presented clear evidence that the second-round vote count had been falsified.

Spillover Effects

While analysts have noted that strategic adaptation makes the task of international election monitoring and democracy promotion more difficult, this is the first study to systematically explore the consequences of strategic adaptation for the quality of domestic institutions and governance beyond the electoral sphere. We argue that when the expectation of high-quality election monitoring induces governments to increase their use of pre-election manipulation, it can have unintended negative effects on governance.[5] Irrespective of the timing or form that it takes, electoral manipulation distorts election outcomes and contributes to a biased electoral playing field. But the extraelectoral consequences of pre-election and election-day manipulation differ considerably: the manipulation of judicial and electoral institutions, the arbitrary rewriting of laws for electoral purposes, and the consolidation of government control over the media for electoral advantage carry deeper social, governmental, and economic consequences than the stuffing of ballot boxes on election day.

[4]See FDCH (2000); Associated Press (2000).

[5]To be clear, our claim is not that pre-election misconduct only occurs in response to election monitoring, but rather that monitoring can lead to an increase in pre-election misconduct.

Peru's 2000 election, discussed earlier as a case of extensive electoral misconduct, illustrates many of the potential spillover effects of pre-election manipulation. Expecting intense international scrutiny in the 2000 election, incumbent president Alberto Fujimori expended considerable effort and resources to bribe legislators and Supreme Court judges, and to secure control over the media, in the years preceding that election. McMillan and Zoido-Lobatón (2004), on the basis of a leaked series of incriminating videos, estimate that Fujimori and his close aides spent over $3 million per month on bribes to TV stations. The losses to society associated with such actions are extensive. First, governance, the rule of law, and freedom of the media were clearly undermined in a general sense, even if their primary motivation was to guarantee Fujimori a third term of rule. Second, managing the entire system of corruption—obtaining resources for bribing, giving out the bribes, and supervising the media to keep it all under wraps—undoubtedly diverted the attention of top government officials from the tasks of governing. As Shleifer and Vishny (1993) argue, covert corruption is especially damaging to societal well-being, because it provides incentives for government to allocate resources to those sectors where it can most easily pursue corruption, not those with the greatest potential for social and economic development.

As this example illustrates, the expectation that effective international monitors will be present can cause the government to bias the electoral playing field well in advance of the election. International monitoring missions are typically invited three to six months prior to an election. Moreover, monitoring is now such a strong norm, as Hyde (2011) has shown, that most governments know they will host monitors long before they even issue these official invitations. In Peru's case, the 1995 presidential election had been monitored by the OAS, and it was taken for granted by domestic and international actors that the 2000 election would also host a mission. This foreknowledge—the *expectation* of monitoring—can therefore induce governments to engage in pre-election manipulation months and even years prior to the election.[6]

Table 1 lists some of the most common forms of pre-election manipulation and the area of governance in which they are likely to produce spillover effects. We focus on three areas of governance. First, when incumbents tamper with laws or institutions to produce an electoral advantage, this undermines the *rule of law*, understood as a state of affairs in which the law is applied equally and impartially to all. Many institutions—including courts, the legislature, and the bureaucracy—that play a role in election management also perform important functions outside of the electoral arena. Tampering with these institutions for electoral purposes therefore affects their impartiality and performance in other areas beyond the election, by promoting individuals that are more partisan, corrupt, and open to political influence, or by corrupting those individuals already in power, as in the example of Peru discussed above. Institutional tampering also sets a precedent for political interference that can leave rules open to further manipulation in the future. For example, prior to Mozambique's 2009 election, which was monitored by a host of international groups, including the European Union, the ruling party (Frelimo) replaced three independently minded members of the Constitutional Council with party sympathizers, thereby ensuring that the Council would uphold a decision by the elections commission to disqualify 10 opposition parties from appearing on the ballot. Yet, the consequences of this move extended well beyond the election, for it undermined the standing of the country's highest constitutional court, which had previously enjoyed a reputation for judicial independence (Manning 2010, 157).

Second, *administrative effectiveness* refers to the ability of the state to govern and implement policy effectively. If a government deliberately encourages incompetence and bias in state institutions—including, as listed in Table 1, voter registration lists or the civil service—this can hinder policy implementation in other areas. For example, the consequences of flaws in voter registration lists can extend beyond elections because they may be related to civil registries and census data that are used by the state for distributing welfare benefits and allocating resources to different localities. The use of party loyalty as a litmus test for hiring decisions in parastatals and government ministries helped ensure the Mozambican incumbent's overwhelming electoral victory in 2009 and is but one example of that country's move toward more "subtle" forms of electoral manipulation that undermined the quality of the bureaucracy (Manning 2010, 153–54). The case of Zimbabwe before the 2002 presidential election illustrates particularly tragic extraelectoral spillovers that can ensue when the bureaucracy is manipulated by the government for electoral gain. Expecting

[6]The quality of a monitoring mission determines the degree to which it is able to catch and criticize election-day fraud. Such fraud is unlikely to be deterred by a small mission that visits few polling stations, or by a mission from a low-credibility organization with no track record of criticizing misconduct. While we focus on international election monitors in the article, the logic of our argument should extend to domestic monitoring missions.

Table 1 Spillover Effects of Preelectoral Manipulation

Targets	Actions	Potential Extraelectoral Negative Spillovers
State institutions	Biasing judicial bodies with competence over issues affecting the election	Rule of law
State institutions	Failing to remedy and/or creating inaccuracies in voter registration lists	Administrative effectiveness
State institutions	Using state resources, bureaucracy, and/or civil service for campaigning on behalf of ruling party/ incumbent	Rule of law; administrative effectiveness
Legislation	Implementing laws that restrict opposition access to public finances, disqualify opposition candidates or disenfranchise certain groups of voters on arbitrary grounds	Rule of law; administrative effectiveness
Media	Engineering a progovernment media bias; restricting opposition access to media; shutting down media outlets	Media freedom

the election to be scrutinized by domestic and international monitors, Mugabe's government resorted to pre-electoral tactics which, while electorally motivated, had grave consequences for the well-being of many citizens in areas unrelated to elections. For example, despite severe food shortages, the government manipulated food distribution for partisan electoral ends. The International Crisis Group documents that "during the campaign, in some Grain Marketing Board outlets, buyers had to have a ZANU-PF party card," and that "maize imports were . . . directed first to areas of greatest support for the ruling party" (2002, 1–4). Citizens had little opportunity for recourse, since the entire state apparatus was mobilized to ensure Mugabe's electoral victory: " . . . the police force itself was openly partial, dismissing crimes as political matters and providing support to ZANU-PF's paramilitary forces" (1–4).

Third, when a government inhibits *media freedom* or engages in intimidation of journalists for electoral purposes, this limits the general ability of the press to fulfill its crucial role of "watchdog" over all aspects of government activity. A free media is one of the pillars of accountability and good governance (Besley and Burgess 2002; Ferraz and Finan 2005). Djankov et al. (2003), for example, find that government ownership of the media is responsible for lowering political and economic freedom. Moreover, actions taken against media freedom during electoral campaigns can have enduring consequences long after votes have been counted. Media outlets may remain closed, and even if they reopen, journalists may engage in self-censorship and reporters may continue to work under laws that afford them little protection. In 2002, for example, the Armenian government revoked the broadcasting license of a popular independent television channel, "A1 Plus," which regularly presented stories critical of the president. The closure was widely perceived to be electorally motivated (ODIHR 2003, 11–12), but A1 Plus remains off the air to this day, and the government has continually failed to provide an explanation for the withdrawal of the station's license (U.S. Dept. of State 2009). Electorally motivated incidents such as these have contributed to an environment of self-censorship in Armenia, in which journalists fear reprisal for any reporting that is critical of the government.

Analysis

We have argued that the expectation of election monitoring, by inducing incumbents to increase their use of pre-electoral manipulation, can have negative effects on governance beyond the electoral realm. In what follows, we test this hypothesis using an original panel dataset covering all countries with a population of at least one million, from 1990 to 2007. The data include information on 342 executive and 602 legislative elections in 144 countries. The unit of analysis is the country-year. For each observation, we collected information on the presence and identity of international election monitors and the type of political system (presidential, parliamentary or mixed). An election is coded as hosting a "high-quality" monitoring mission if monitors from one or more of the following organizations was present: Asian Network for Free Elections (ANFREL), The Carter Center, Commonwealth,

Council of Europe (COE), EISA, European Network of Election Monitoring Organizations (ENEMO), European Union Commission, International Republican Institute (IRI), National Democratic Institute (NDI), Organization of American States (OAS), Organization for Security and Cooperation in Europe (OSCE), and the United Nations (UN). Missions sent by these organizations—though not immune to criticism—are generally considered to be credible and professional, and importantly, they have proved willing to criticize electoral misconduct in at least some cases.[7] This means that when incumbents host monitors from these organizations, they expect the possibility of criticism if flaws are detected. Of all the country-years in which an election was held in our data, 49% hosted at least one high-quality monitoring mission, and 65% hosted at least one monitoring mission of any quality.

We employ four outcome variables. Two variables from Political Risk Services' International Country Risk Guide (ICRG) capture different aspects of the rule of law (PRS Group). The first, "investment profile" (IP), measures the quality of contract enforcement, the risk of expropriation, and the stability of transactions. The second, "law and order" (LO), captures the impartiality of the legal system and the degree to which the law is obeyed. To study administrative effectiveness, we use the ICRG's index of "bureaucratic quality" (BQ), which measures the strength and expertise of the bureaucracy and its autonomy from political pressure. ICRG data are collected for the purpose of forecasting political risks to international business operations, and we have no reason to suspect that the coding criteria are related to the conduct or outcome of elections. This is an advantage for our purposes, since we are interested in capturing negative spillovers outside the electoral arena. Like other widely used data sources on governance, the ICRG data are coded based on expert assessments.[8] Finally, to measure media freedom, we employ the Freedom House data on *Freedom of the Press* (available at freedomhouse.org). All dependent variables are scored such that higher values indicate better performance. Descriptive statistics are provided in the online appendix.

Method

The simplest way to test our hypothesis is to regress changes in the outcome variables on the presence of high-quality monitors. Because monitors must be invited, incumbents know well in advance whether they will be present and from which organizations. This foreknowledge, we have argued, can affect incumbent pre-election behavior, and the impact on governance should therefore occur in approximately the 12-month period prior to the election. Consider an election to take place in period t. We denote the pre-electoral change in the outcome variable y in country i as $\Delta y_{i,t} \equiv y_{i,t} - y_{i,t-1}$. To capture the expectation at $t-1$ that high-quality monitors might be present, we simply use the actual presence of high-quality monitors at t, denoted by $m_{i,t}$.[9] Our base model is:

$$\Delta y_{i,t} = \beta m_{i,t} + \gamma x_{i,t} + \delta y_{i,t-1} + \mu_t + u_{i,t} \quad (1)$$

where $m_{i,t}$ is a dummy variable indicating the presence of a high-quality monitoring mission, $x_{i,t}$ is a vector of regressors, γ is a vector of parameters, δ is the coefficient on the lagged outcome variable, μ_t is a year effect, $u_{i,t}$ is an error term, and the parameter of interest is β. In some specifications we add region or country fixed effects.

The main challenges to causal inference are the possibilities that monitoring could follow, rather than cause, a decline in governance, or that monitoring might be driven by some omitted factor correlated with such a decline. For example, if monitors were more likely to observe elections when governance was diminishing, this could potentially drive or inflate any finding of a negative association between monitoring and changes in governance. Yet, the data furnish no evidence in support of this possibility: changes in the outcome variables are weak predictors of the subsequent presence of monitors. Second, it is possible that creeping authoritarianism could simultaneously harm governance and increase the likelihood that monitors would be present. However, our

[7]Information on the quality of monitoring groups and their record of criticizing flawed elections is taken from Bjornlund (2004), Carothers (1997), and from documents released by the monitoring groups.

[8]The ICRG measures correlate highly with alternative measures. For example, Rauch and Evans' (2000) data on structural aspects of bureaucracies are associated with the relevant ICRG variable (their data are not usable here because they only cover a cross-section of 35 countries).

[9]To study the possibility that the anticipatory effect of high-quality election monitoring could lead to negative changes in governance earlier than a year prior to the election, we respecify the dependent variable as changes in governance from year $t-2$ to t (this respecification also ensures that even for elections that take place early in the year, the variable captures a sufficiently long period of time before the election). The results are very similar to those from the main specification, suggesting that negative spillovers are most discernible in the year prior to the election (online appendix, Table A3).

data suggest that authoritarianism renders monitors *less*, rather than more likely to be present.[10]

Nevertheless, to more rigorously address potential endogeneity, we instrument for election monitoring by identifying sources of variation in the likelihood of monitoring that are not driven by fluctuations in the outcomes we study. We employ the lagged regional rate of high-quality election monitoring as our instrument for $m_{i,t}$.[11] Our identification strategy is based on the idea that m_i—the presence of monitors—is a function of two sets of factors: those specific to the region and those specific to the country in question. Formally, $m_i = r_j + r_i$, where j denotes the region in which country i is located, r_j is the average rate of monitoring in region j, and r_i denotes all country-specific factors that could be driving the presence of monitors (time subscripts omitted for simplicity).

There is reason to believe that r_j, the regional rate of monitoring, is a function of the characteristics of monitoring organizations and other influences that are exogenous to country-specific processes. Changes in the operation of monitoring organizations, for instance—their funding, institutional design, leadership or method of monitoring, among other things—are likely to affect the probability of monitoring in the region where the organization specializes, but unlikely to affect governance directly or via other channels. For example, within the EU, the European Initiative for Democracy and Human Rights (EIDHR) was established in 1994, leading to increased funding for democracy promotion. And in 1999–2000, the EU streamlined its procedure for electoral observation, increasing its capacity to monitor elections outside its own region, particularly in Africa, the Middle East, South and Southeast Asia, and Latin America (Commission of the European Communities 2000). Similarly, Resolution 1080, passed by OAS member states in 1991, as well as the establishment of a Unit for the Promotion of Democracy the previous year, led to an increase in the rate of monitoring in Latin America in the early 1990s. Another source of exogenous variation in the rate of monitoring is the number of elections held in a given year. For example, the emergence of new independent postcommunist states in the early 1990s increased the demand for monitoring very quickly, and the capacity to monitor only appears to have caught up after 1995 (ODIHR 2005). These region-level factors influence the likelihood that an individual election will be monitored, but are otherwise unrelated to governance trends *within* a given country.

Perhaps the most important potential challenge to the exclusion restriction is the possibility that *regional* trends in governance (or in unobserved region-level factors related to governance), could be driving regional rates of monitoring. For example, one could hypothesize that a general movement toward authoritarianism in post-Soviet states led to an increase in the attention and resources that monitoring organizations placed on elections in that region. To insure against this possibility, we check that our instrument can clear the following hurdles. First, we inspect regional trends in indicators of democracy and authoritarianism (Freedom House, as well as in our outcome variables) and juxtapose these to trends in regional rates of monitoring. We do not find evidence that trends in democracy or in the outcomes are driving monitoring. Second, to more systematically investigate whether the presence of monitors is predicted by regional trends in other variables, we regress the instrument—the regional rate of monitoring—on changes and on lagged changes in region-level governance and regime type, in a variety of specifications. In virtually no case are region-level changes in governance or in regime type predictive of regional rates of monitoring (online appendix, Table B1; Figure B1). We take this evidence as consistent with the exclusion restriction. As additional checks on the validity of the instrument, we test for weakness (Stock and Yogo 2005). The instrument passes the test in every specification. We also verify that the instrument is a good predictor of the outcome variables in a reduced-form regression (online appendix, Table B2). Finally, we investigate whether our

[10]For both results see online appendix, Table A2. Movement from middling levels of democracy towards authoritarianism is associated with a decline in the probability of monitoring. For example, within the range of Freedom House scores of 1 to 4 (where we have inverted the FH scale so that 1 is most authoritarian and 7 is most democratic), a one-point movement in the lagged FH level toward the authoritarian end of the spectrum is associated with an 11.6% decrease, on average, in the probability of high-quality election monitoring (based on the FH level variables in regression 10; note that the coefficient on the linear term swamps that on the quadratic term in this part of the democracy/authoritarianism spectrum). The coefficient on the FH change variable tells a similar story: a one-point move in the FH score towards the authoritarian end of the spectrum is associated with a 13.2% decrease in the probability of high-quality monitoring.

[11]The regional rate of monitoring is the ratio of the number of elections with high-quality monitors to the total number of elections in the previous two years. Countries are categorized into seven groups: high-income industrial, Middle East and North Africa, Sub-Saharan Africa, Latin America/Caribbean, Asia, Central/Eastern Europe, and former Soviet Republics.

outcome variables are good predictors of the instrument, and we find that they are not.[12]

Operationalization and Model Specification

The independent variable of interest is the indicator variable for high-quality international election monitoring. Our main independent variable is an indicator that takes the value of "1" if high-quality international election monitors are present in country *i* at time *t*, and "0" otherwise. We also include a dummy variable that takes the value of "1" on nonelection country-years and "0" on election country-years. Hence, the reference category is election-years without high-quality election monitors. The coefficient estimate on our main independent variable can therefore be interpreted as *the effect on governance of the expectation that high-quality international election monitors will be present, in comparison with a scenario where high-quality monitors are not expected to be present*.

We control for a series of factors that may impact both monitoring and the outcomes. On the economic side, we control for GDP per capita (logged), as well as growth in GDP per capita.[13] On the political side, an ongoing process of political liberalization might cause improvements in governance, or, conversely, movement toward authoritarianism could be associated with worsening rule of law, bureaucratic quality, and media freedom. We operationalize changes in democracy as the year-on-year change in the composite Freedom House (FH) score, lagged one year.[14] Second, the strength of democratic political institutions could influence the likelihood of high-quality monitoring. With this in mind, we control for democracy using the composite FH score (lagged one year).[15]

We include year fixed effects to control for any time-related factors that might impact both the likelihood of monitoring and the outcome variables across the board. In all models, lags of the outcome variable (in levels) are included to eliminate serial autocorrelation in the disturbances.[16] Lagged dependent variables could also conceivably proxy for unobserved, country-specific, time-varying factors, and they could drive the presence of monitors.

Results

Table 2 presents our main results, including an OLS and a 2SLS model for each of the dependent variables. Recall that the coefficient on high-quality monitoring should be interpreted in relation to the reference category, which is election-years without the expectation of high-quality monitoring.

The results support our core claim that international election monitoring can harm governance. The coefficient on high-quality monitoring exhibits a consistently negative effect. That this result holds across all four dependent variables—each of which captures a different aspect of governance—greatly increases our confidence in the robustness of this finding. Substantively, the magnitude of the marginal effect of high-quality monitoring on the outcome variables is large enough to warrant attention. While the governance indicators are coded on arbitrary scales, it is possible to get a sense for the size of the effect of monitoring by comparing it to differences in governance between countries or regions. For example, the expectation of high-quality international election monitoring can account for 29% of the difference in Law and Order between Sub-Saharan Africa and the group of wealthy nations (based on the 2SLS model in Table 2). Figure 1 displays the equivalent estimates for all the outcome variables.

In Table 2, the magnitude of the effects in the OLS specifications is substantively smaller than the instrumental-variables estimates, but still not negligible for at least some of the governance measures. As a percentage of the distance between Sub-Saharan Africa and the wealthy nations, the effect of high-quality election monitoring according to the OLS specification (Table 2) is –10.5% for Investor Profile, –1.8% for Bureaucratic Quality, –2.3% for Law and Order, and –2.3% for media freedom. The greater

[12]Changes in bureaucratic quality, law and order, and media freedom are not significant predictors of the instrument. Changes in investor profile are a statistically significant predictor of the instrument ($p=0.07$), but the coefficient is very small—a one standard deviation decrease in investor profile is associated with an increase in the regional rate of monitoring of 0.03, less than a tenth of a standard deviation (online appendix, Table B3).

[13]GDP data from the Penn World Tables 6.3. The full set of controls also includes once-lagged values of growth.

[14]Freedom House (2008). The scale is inverted so that higher scores represent greater freedom.

[15]To accommodate potential nonlinearity, we include both linear and quadratic terms. In robustness tests, we also include a variable for civil war (Doyle and Sambanis 2006). Results provided in the online appendix, Table A4.

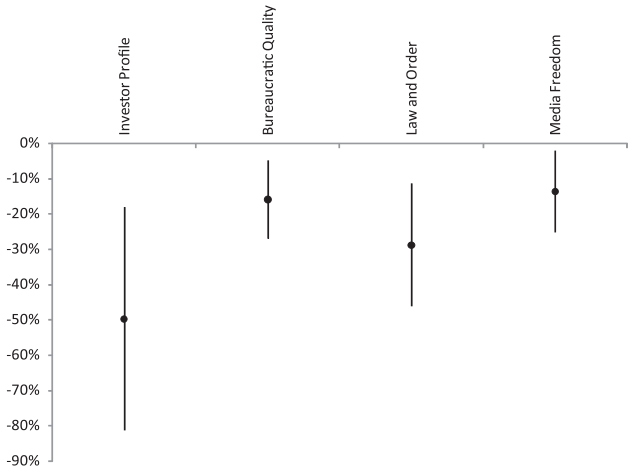
[16]We choose the number of lags as the minimum number that passes the Arellano-Bond (1991) test for serial autocorrelation in a set of system-GMM regressions.

Table 2 Average Effect of High-Quality Election Monitoring

Dependent Variable:	ICRG Investor Profile		ICRG Law and Order		ICRG Bureaucratic Quality		Freedom House Media Freedom	
Independent Variable:	**OLS 1**	**2SLS 2**	**OLS 3**	**2SLS 4**	**OLS 5**	**2SLS 6**	**OLS 7**	**2SLS 8**
High-quality Monitoring Mission	−0.281***	−1.332***	−0.082**	−0.779***	−0.045***	−0.389***	−0.946*	−5.706**
	(.00)	(.00)	(.02)	(.00)	(.01)	(.00)	(.07)	(.02)
Nonelection year	−0.085+	−0.537***	−0.018	−0.319***	−0.026**	−0.173***	−0.547*	−2.875**
	(.10)	(.00)	(.37)	(.00)	(.01)	(.00)	(0.9)	(0.2)
Log of GDP per capita	0.099***	0.069**	0.035**	0.019	0.043***	0.039***	−0.281+	−0.432***
	(.00)	(.02)	(.02)	(.17)	.00	.00	(.13)	(.01)
Growth	0.018***	0.018***	0.004**	0.005**	0	0	−0.001	0
	(.00)	.00	(.03)	(.02)	(.98)	(.93)	(.98)	(1.00)
Growth (lagged)	0.010+	0.009*	0	0	0.001+	0.001	0.011	0.013
	(.12)	(.09)	(.85)	(.78)	(.13)	(.27)	(.73)	(.64)
Freedom House (lagged)	0.140*	0.269***	−0.034	0.042	0.003	0.041+	1.456***	2.212***
	(.09)	(.01)	(.31)	(.31)	(.89)	(.12)	(.00)	(.00)
Freedom House ^ 2 (lagged)	−0.007	−0.023**	0.005	−0.004	0.001	−0.003	0.127**	0.046
	(.42)	(.05)	(.24)	(.35)	(.50)	(.32)	(.05)	(.50)
Freedom House Change	0.192***	0.291***	−0.02	0.044	0.031**	0.062***	2.025***	2.451***
	(.00)	.00	(.40)	(.18)	(.03)	(.00)	.00	.00
Constant	−0.378	0.734*	0.032	0.399**	−0.186*	−0.097	3.126*	5.731***
	(.25)	(.07)	(.81)	(.05)	(.07)	(.33)	(.09)	(.01)
Lagged Dependent Variable	yes	yes	yes	yes	yes	yes	yes	yes
Year Effects	yes	yes	yes	yes	yes	yes	yes	yes
Number of Observations:	1710	1710	1713	1713	1713	1713	1486	1486
R^2:	0.36		0.28		0.18		0.17	

Note: *P*-values in parentheses; *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$, + $p < .15$. Specifications for investor profile use two lags of the dependent variable, those for law and order three, those for bureaucratic quality three and those for media freedom one. Coefficients for lagged dependent variable and time dummies not displayed. Errors are heteroskedasticity robust. See text for further details.

FIGURE 1 Marginal Effect of High-Quality Election Monitoring on Governance Indicators



Note: Figure shows estimates from instrumental variables regression on full sample, as a percentage of the difference in the average value of the outcome variable in question between Sub-Saharan Africa and the group of wealthy countries. The lines represent 95% confidence intervals.

size of the instrumented estimates can be interpreted as evidence that omitted factors biased the OLS estimates in a direction that stacked the cards against our findings, as would be the case if elections in countries with *improving* governance, rule of law, and media freedom—and not those with declines—were more likely to host high-quality monitors. Overall, the results indicate that the expectation of election monitoring is one of several factors influencing governance, but a potentially important one. It is important to keep in mind that the estimates capture average effects—the spillover effects of monitoring in specific countries and time periods could be even greater.

Table 2 also shows that nonelection years are associated with negative changes in governance in relation to election years without high-quality monitors. However, this association is both less robust and smaller in magnitude than the effect of high-quality monitoring on governance (the OLS estimate of the nonelection year dummy is statistically significant only for bureaucratic quality, and the 2SLS estimates are appreciably smaller than those on high-quality monitoring).

The results also indicate that countries at high, and rising, levels of economic development, and countries undergoing political liberalization, are likely to see improvements in governance: GDP per capita and GDP growth are positively associated with improvements in the rule of law and bureaucratic quality.[17] Changes in the Freedom House score are positively associated with changes in all our indicators of governance except for "law and order." However, the extant level of democratic institutions and freedoms, as captured by the Freedom House score, does not exhibit a consistent relationship with changes in our dependent variables: it is positive and statistically significant only for media freedom and "investment profile."

Robustness Checks

As a further check of the soundness of the instrumental variables strategy, we verify that no one region is driving the results. We remove from the sample one region at a time and rerun the analyses. The results hold up in virtually every case.[18] Another possible concern about our findings has to do with sample support. The subset of countries whose elections are monitored are, on average, poorer and have already lower scores on indicators of democracy and governance. This raises the question as to whether the analysis might be comparing observations with bad institutions and monitored elections, on the one hand, and observations with good institutions and elections that are not monitored, on the other. Fortunately, this is not the case: for most observations in our data, there exist other observations that are similar on observable characteristics such as income, level of democracy, and governance, but different in their monitoring status.

As a final strategy to address concerns stemming from the fact that international election monitors must be invited by recipient governments, we allow the effect of monitoring to vary with membership in the OSCE. Since OSCE members have precommitted themselves to inviting monitors, membership restricts an incumbent's discretion on this matter, making it less likely that the presence of monitors is a response to domestic political factors correlated with the outcome variables. Consistent with this, the magnitude

[17]This finding is consistent with the literature on the institutional sources of growth (e.g., Knack and Keefer 1995). Somewhat puzzlingly, economic development is negatively associated with media freedom. This could reflect the fact that—after controlling for democracy—countries with stronger states or with abundant natural resources may be better able to repress media freedom.

[18]The coefficient on monitoring is statistically significant at conventional levels (and of similar magnitude as our main results) in 27 out of the 28 regressions (online appendix, Table A6).

of the effect of the expectation of monitoring on governance for OSCE members is larger than that of the unconditional effect for three out of the four dependent variables (online appendix, Table A7).

Conclusion

Experts on election monitoring have noted—and lamented—the fact that incumbents intent on cheating often adapt to monitoring by shifting their efforts away from election-day fraud and toward pre-election manipulation that is more difficult to verify and punish. This article has drawn attention to the consequences of this strategic adaptation for the quality of domestic institutions and governance. In contrast to ballot fraud and other forms of election-day manipulation, we argue that many common forms of pre-election manipulation have negative consequences beyond the electoral realm, undermining the rule of law, administrative effectiveness, and media freedom. Thus, by inducing incumbents to increase their use of pre-election manipulation, international election monitoring can have unintended spillover effects for governance. This is in many ways a counterintuitive claim, yet we find strong evidence in its support. An examination of electoral politics in several cases, including Peru, Armenia, and Zimbabwe, illustrates the negative effects of pre-election manipulation on judicial and legislative independence and governmental accountability. A series of quantitative analyses confirms the generalizability of this relationship. Using a panel dataset of 144 countries over 18 years, we find that high-quality international election monitoring is robustly associated with negative changes in the rule of law, administrative effectiveness, and media freedom.

Our argument and findings may be greeted with surprise, since existing research has focused predominantly on the beneficial effects of election monitoring for democratization. We emphasize, however, that our findings do not imply that monitoring is unambiguously harmful. Even in cases where monitoring harms governance, it could have other positive effects, possibly over the longer-term, that balance or even outweigh the negative consequences. A more complex analysis would therefore be necessary in order to assess the full welfare effects of monitoring. What we have shown here is that the possibility of spillover effects should be included in any such assessment. Thus, policy makers—domestic and international—should incorporate considerations of spillover effects when weighing the costs and benefits of election monitoring in a particular case. The analysis of specific cases might benefit from considering factors with the potential to mitigate—or exacerbate—the effect of monitoring on governance. We highlight two potential factors which suggest avenues for future research. First, governments vary in their sensitivity to monitors' verdicts. Larger, powerful countries, as well as oil and gas producers, are more insulated from international criticism than smaller, more economically dependent ones.[19] Second, the viability of strategic adaptation of the sort we have discussed can vary. In advanced, liberal democracies, dismantling institutions and curbing media freedom is usually too costly or simply impossible. In many developing countries, however, such actions are often possible because political, judicial, and economic institutions are new or fragile.

By highlighting the problem of unintended consequences, this article sheds new light on the relationship between monitoring and compliance with international norms. While monitoring is often understood as helping to promote compliance by activating reputational incentives, our findings suggest that this relationship is less straightforward than usually assumed. If domestic players can engage in strategic adaptation, monitoring may unwittingly encourage behavior with undesirable consequences, rather than promoting real compliance. This, in turn, highlights the need to develop more effective ways to mitigate the problem of strategic adaptation. In the realm of election monitoring, the challenge is to devise better ways to deter incumbents from employing tools of electoral manipulation that have negative consequences for governance. Because of the inherent ambiguity of many of these pre-election tools, increasing the ability of monitoring missions to observe and document them is necessary but not sufficient for deterrence. The real problem is how to punish such forms of manipulation. One possibility, suggested by Simpser (2008), is the construction of a mechanism designed to attach greater consequences to pre-election manipulation, based on a public rating system of incumbents' democratic (or undemocratic) credentials. Humphreys and Weinstein (2010), for example, have shown that scorecards rating the performance of Ugandan legislators have a strong positive effect on participation in parliamentary debates. In the realm of electoral conduct, such a rating system could, for example, be designed to impinge on incumbents' career prospects after they leave office, thereby leading them to partially internalize the social costs of their actions.

[19]See Donno (2010).

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