

Do Democracy Clauses Matter?

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Abstract

Do democracy clauses matter in promoting political stability and democracy among the members of regional integration associations (RIAs)? With the increase of RIAs, questions arise as to their ability to secure political stability in member-states. Increasingly, various RIAs have adopted “democracy only” clauses in their treaties as a condition for membership. To date, however, research examining regime stability has overlooked the effects of RIAs’ democracy clauses in preventing coups and autocratic backsliding. We posit that the ability of RIAs to prevent political instability depends upon both the existence of a democracy clause and democratic commitment of the RIA’s regional leader. Our analysis of coups and regime change indicates that democracy clauses are effective in reducing coup vulnerability and promoting democracy among member-states, especially where regional leaders’ commitments to democracy are weak or absent.

Paper prepared for presentation at the 54th International Studies Association Annual Convention, San Francisco, CA, April 3-6, 2013.

Introduction

Over the last fifty years, the international community witnessed a proliferation of regional integration associations (RIAs). While some RIAs have sought to replicate the European model, others attempted different designs. Either way, RIAs have one goal in common: they wish to merge economies by liberalizing trade and by increasing intra-regional capital and investment flows and labor mobility. The driving idea is that market integration promotes greater economic efficiency and prosperity. Irregular government or regime change in member-states frustrates efforts at negotiating and modifying national laws and regulations towards these ends. The uncertainty produced by political instability, or fears of their occurrences, would produce effects counter to the goal of integration. Consequently, many members of RIAs are involved in each other's domestic political affairs.

One of the methods employed to reduce political uncertainty is “democracy only” clauses written in the treaties. These clauses require, in principle, that only a democratic country can join a particular RIA and once a member, it must remain a democracy. If effective, these clauses produce regional commitment to democracy, deterring democratic breakdown and political instability. Questions arise as to whether this institutional demand on member-states alone is enough to prevent autocratic backsliding and other forms of political instability (McCoy 2006). Do the democracy clauses by themselves help promote stable domestic democratic institutions? Are there other factors, such as the distribution of power among the member-states, which are important in promoting the effectiveness of these clauses?

This paper examines the effects of RIAs, particularly their democracy requirements, and power structure within such organizations on political instability and promotion of democracy. RIAs are organizations that promote economic policy cooperation and coordination among

neighboring countries (Haftel 2012). We posit that RIAs' democracy clauses help diminish member-states' political instability and promote democracy by creating a regional environment that rewards political liberalization and constrains anti-democratic behavior. We also hypothesize that the presence of a regional leader who is strongly committed to democracy is essential for thwarting coup attempts and promoting greater democracy among RIA members. Democracy clauses and regional leaders committed to democracy are crucial for political stability and democracy promotion because they make RIAs' commitments to democracy, including threat of sanctions in the case of violation, credible. Since RIAs increase economic interdependence, the potential economic welfare loss, such as loss of important trade, will constrain the choices of coup plotters and autocratic leaders, giving them disincentives for irregular political change.

The next section discusses why democracy clauses are effective in reducing political instability and promoting democracy. We also discuss how the democratic commitment of the largest member, which we call the RIA leader, can contribute to this effect. We then test our hypotheses with respect to two forms of political instability: coups and autocratic backsliding. The event history analysis of the global data between 1960 and 2009 shows strong support for the hypothesis that democracy clauses are effective in reducing coup vulnerability of RIA member-states. Furthermore, our analysis of regime change indicates that the presence of a democracy clause promotes political liberalization and reduces autocratization. However, the effects of democracy clauses are conditioned by the levels of commitments that RIA leaders have to democracy. In both instances, the effects of democracy clauses are stronger when RIA leaders' commitments to democracy are weaker, suggesting that in the absence of a regional leader committed to democracy, collective effort at democracy embodied by the democracy clause is

crucial for maintaining and advancing democracy. Conversely, our analysis also indicates that in the absence of a democracy clause, RIA leaders' democratic commitments matter significantly in promoting democracy and preventing political instability. Hence, our analysis points to the centrality of two key components of regional integration projects that are conducive to democracy promotion: a democracy clause and a leader committed to democracy.

Regional Integration and Democracy Clauses

The potential benefits of regional integration are well known. By opening up trade and foreign investment, comparative advantages, factor mobility, and economies of scale are expected to increase efficiency and promote prosperity (Krugman and Obstfeld 2008). Yet, these processes and outcomes assume a politically stable environment: the success of regional integration relies on a reasonable amount of future certainty that favorable conditions will not dramatically change. Political stability is a collective good among economically interdependent regional neighbors. Since democratic breakdown and extraconstitutional government change can have ripple effects not only on the country's economy but also on the regional economy, it is in the interest of all members to secure stable conditions by preventing such events.

Regional integration establishes collective decision-making among states to create and regulate market flows (Haas 1958; Lindberg 1970), and the degree of collective decision-making can vary greatly. At one end is an intergovernmental arrangement in which states make common decisions but are autonomous in enforcing those decisions. If a regional authority exists, it serves at the pleasure of the individual states. Examples include the North American Free Trade Agreement and the Association of Southeast Asian Nations. At the opposite end is the supranational arrangement in which regional institutions exist and make decisions alongside intergovernmental arrangements or supersede member-states' authority. Some institutions of the

European Union, like the European Commission, Parliament, and Court of Justice, are examples of this. An RIA can provide regional stability if the organization can deliver credible and effective sanctions against domestic leaders (Dimitrova and Pridham 2004; Haftel 2012).

Central to the discussion of collective goods are collective action problems (Olson 1965). If the economic benefits of integration rely on regional political stability, then political instability in one or more member-states may induce regional economic problems. A democracy clause established in a regional treaty not only represents a normative commitment to democracy as the best form of government, but also acts as a deterrence to future political instability in the region. But how effective would a democracy clause be in changing the behavior of potential aggressors?

RIAs, Credible Commitments, and Sanctions

Institutional theories of integration provide one view. International institutions help cope with problems that are difficult to manage at the national level by producing constraining or inducement effects on member-states (Keohane 1984). Institutions change actors' behavior by making international commitments more credible through increasing transparency, enforcement of cooperation, promotion of issue-linkages, and strategies of reciprocity (Axelrod and Keohane 1986; Martin 1992; Simmons 2000). All of these mechanisms provide members-states with expectations about each others' behavior and working relationships (Keohane 1983; Keohane et al. 2009) and precedents around which actors' behaviors converge (Garrett and Weingast 1993).

Institutions, in sum, provide an environment that influences the rational calculation of outcomes. If domestic political leaders observe within the regional organization the resolve to punish irregular government change or autocratic backsliding through economic sanctions, membership suspension, and the like, they are not likely to proceed with a doomed plan. In

addition, institutions, by molding preferences and perceptions of their participants, may create environments strongly hostile to coups and other forms of irregular political change (Koehane 1988; Pevehouse 2002a, 2005). As economic interdependence increases, regional organizations become more cognizant of the risks associated with irregular political change and therefore develop norms that move away from non-interventionist values toward ones that will value interceding in irregular political change.

In an important study, Pevehouse (2002a) argues that “democratic density,” or the average level of democracy within a regional international organization (regional IO), influences democratic consolidation of its member-states. According to Pevehouse, regional IOs with high democratic density provides domestic democratic reformers the means to credibly signal domestic groups that reneging on commitments to democracy will be costly. However, the author did not find a statistically significant effect of democratic density, although his analysis indicates that joining a highly democratic IO has a statistically significant effect on the duration of democracy. Pevehouse’s null finding may have resulted from two factors, both of which influence credible commitments.

First, a democracy clause in a treaty formalizes, and thus makes transparent, the member-states’ commitments to democracy. Extensive deliberations and negotiations precede adoption of new treaties or provisions; consequently an organization that embodies a formalized commitment to democracy is likely to have a stronger stake in enforcing the provision than in a case where there is no such formalized commitment. Not acting on violations not only threatens the credibility of its democratic commitment but that of the entire organization. Members know this, and thus the deterrence effect is stronger.

Second, there are different types of regional IOs and these differences in types critically affect credibility and severity of sanctions. Even though many international organizations can signal, threaten, or even impose sanctions for rule breaking (Pevehouse 2002a), RIAs are more effective in demonstrating political will and capacity (McCoy 2006) than other regional IOs, such as security organizations like the North Atlantic Treaty Organization and the Organization for American States, because the stakes of not enforcing the rules are higher. Political and economic instability go hand-in-hand and are contagious across national boundaries. A member-state's instability will directly harm the domestic stability and economic well-being of other members precisely because of the economic interdependence produced by an RIA. Therefore, RIAs are more likely to act and intervene in member-states' domestic affairs. Moreover, because of deeper integration, sanctions are more costly for violators and thus more effective. On the other hand, in other types of international organizations, due to much lower levels of economic integration (if any), one member's political instability will not likely produce the same degree of impact on other member-states, and sanctions may not be as effective as in the case of RIAs.

Following the institutional logic, we should expect that

H₁: Countries that are members of regional integration associations that include democracy clauses are less vulnerable to coups and autocratic backslides than countries that are not members of such associations.

The Role of Regional Leaders

Democracy clauses may not be the only source of political stability and democratization in RIAs. Powerful countries in RIAs can enforce political stability and democracy promotion, diminishing or overriding collective action problems. Power theories, such as neorealism, hegemonic stability theory, and power transition theory, stress the distribution of power among

states as a central factor influencing international outcomes. Powerful countries can leverage their power to convince opponents and allies to behave in certain ways or accept the powerful countries' preferred conditions (Waltz 1979; Grieco 1988). Past studies show the connection between alliances and trade (Gowa and Mansfield 1993; Gowa 1994; Mansfield and Bronson 1997). Hegemonic stability theory and power transition theory take this a step further by assuming that the international system is hierarchical, presided over by the preponderant power (Organski 1958; Krasner 1976; Organski and Kugler 1977, 1980; Gilpin 1987; Tammen et al. 2000; Lemke 1996, 2001). This structural arrangement is conducive to the formation of international organizations. Along these lines, many scholars argue that the existence of one or more powerful states committed to integration is the key to the successful evolution of regional economic institutions (Mattli 1999; Gilpin 2001).

The preponderant power establishes a set of rules, norms, and institutions with the help of willing allies either at the global, regional, or both, levels. In an RIA, this may include a commitment to democracy by members-states and a democracy only clause which embodies this principle. Prior studies have demonstrated that the regional leader will express its preferences in the organization's institutional norms and rules and will defend these conditions (Efird and Genna 2002; Genna and Hiroi 2004, 2007). Hence from the power perspective, the regional leaders' commitment will promote democracy and reduce the vulnerability of RIA member-states to a coup and other forms of political instability. In other words, democratic stability requires, first and foremost, RIA leaders committed to it, and for democracy clauses to be effective, regional leaders must be committed to democracy in the region. Otherwise, the enforcement of a democracy clause would be difficult.

H₂: The greater the regional leader's commitment to democracy, the more likely that a member-state will liberalize and the less likely that a member-state will experience a coup and autocratic backslides.

We developed hypotheses one and two based on two diverse perspectives, institutionalism and regional power. There are two possibilities to test them. First, we can examine the effect of each on coup risk and regime change independently of each other in an additive model. However, we can also test an interactive model to examine the conditioning role a regional leader may play in the enforcement of a democracy clause. The clause, by itself, may significantly reduce political instability because, as discussed above, it helps to eliminate collective action barriers through the institutionalization of expectations among members. However, a regional leader can buttress this institutionalization and therefore add greater credibility to the clause. Hence:

H₃: The effect of an RIA's democracy clause is conditioned by the level of a regional leader's democratic commitment.

[Place Figure 1 Here]

Our hypotheses are summarized in Figure 1. Political instability is least likely to occur when both a democracy clause and an RIA leader committed to democracy are present. The clause is the institutional demand for sustaining democracy while a committed regional leader is the vehicle of enforcement. If neither factor is present, we expect a higher likelihood of political instability. When there is no democracy clause but an RIA leader is committed to democracy, we expect that instability is less likely to occur than when neither condition is present but more likely to occur than when both conditions are present. Since the rules that make up the RIA are primarily associated with the preferences of the regional leader, not having a clause signals a

lack of resolve of the leader to induce collective action against the perpetrators of an act of political instability. Collectively, a set of similarly sized countries can reach a consensus to adopt a democracy clause in an agreement. The clause alone and the threat of sanctions against the offending parties may discourage political instability. However, domestic political groups may consider that collective action for enforcement is unlikely if the regional leader is not committed to democracy. Executing some form of instability is still a risky action, but not as risky.

Research Design

We test the hypotheses using two measures of political change: coups and regime change. A coup is a forceful seizure of executive power by the use or threat of force by some segment of the political elite (Luttwak 1969; Marshall and Marshall 2007, Hiroi and Omori 2013), and is a clear challenge to political authority of the incumbent government. If it occurs in a democracy, it marks a drastic break from the norms and rules of democratic institutions. Democracy clauses are in place to prevent this form of irregular political change. While coups tend to be dramatic and easy to identify, political change can also happen in less dramatic forms and democracy can die a slow death. Thus, our second dependent variable measures regime change in the direction of greater autocracy (which we call backslides) or greater democracy (which we call liberalization).

For the analysis of coups, we conduct an event history analysis of the onset of coups. Our dependent variable is the likelihood that a coup will occur at time t in country i given that it has not experienced a coup until time t . If a coup was attempted in year t , we coded that year as having experienced a coup regardless of whether the coup was successful or not. We coded coup events based on the *Coup d'état Events, 1945-2009* (Marshall and Marshall 2007). We did not code coup plots as coup events because reports of coup plots are notoriously incomplete and

unreliable. In a rare occasion, some countries experienced more than one coup attempt in the same year, but our coding does not differentiate between single and multiple coup episodes. In total, there are 420 coup-years in our data set between 1946 and 2009.

A country may suffer a coup more than once over time. Londregan and Poole (1990) call a “coup trap” the tendency of a society to repeatedly experience a coup once it experiences such an event. That means that underlying coup risk varies depending on whether a country has a prior coup experience, and how often coups have been attempted. We therefore model coups as repeatable events based on conditional risk gap time in which the “gap” refers to the time interval between successive coups. In this model, the risk set at time t for the k th occurrence of an event is limited to those observations under study at time t that have already experienced $k-1$ events. This means, for example, that a country is not at risk of a second coup until it has already experienced a first coup. In practice, estimates are stratified by the number of prior coups. This model allows baseline hazards to vary depending on the number of prior events, but covariate effects are assumed to be constant across strata (Box-Steffensmeier and Jones 2004, 160-161).¹ We use Cox regression to estimate conditional gap time because it does not assume a particular form of a baseline hazard function (Box-Steffensmeier and Jones 2004).

Our second set of analyses uses regime change as the dependent variable. This variable is intended to capture both dramatic as well as gradual change over time. Based on Polity IV’s 21-point *polity2* score, which ranges from -10 (most autocratic) to 10 (most democratic) (Marshall, Gur, and Jagers 2010), we calculated a change in the score over two years. We use a change over two years because an annual change may not necessarily capture the degree of regime transitions that are occurring, especially if they occur incrementally. However, if there is a

¹ The hazard rate for the k th coup clustered on the i th country and stratified by the number of prior coups is expressed as follows:

$$h_k(t) = h_{ok}(t) \exp^{\beta' X_{ki}}$$

gradual and persistent deterioration of democracy, for example, in retrospect, the regime today may be quite different than the regime of the past.² In this variable, a positive change denotes political liberalization and negative change, backsliding. Hence, with this variable, we can simultaneously see if democracy clauses and regional leaders promote democratization as well as deter backsliding.³ We use regression with panel corrected standard errors to address potential heteroskedasticity problems.

One of our key independent variables is *formal* democratic conditionality of membership in RIAs embodied by democracy clauses in their treaties and constitutions. An RIA is operationalized as an organization among two or more neighboring countries that have enacted and implemented an agreement to liberalize economic exchanges and established a secretariat. In our original dataset, of the 9,485 country-year observations made between 1946 and 2009, 5,874 cases have membership in at least one RIA while 3,611 did not belong to any integration project. Of those cases with RIA membership, 1,185, or 12.5 percent, have membership in the RIAs with a democracy clause. We consider an RIA to have a democracy clause if an *implemented* treaty or treaty protocol states that members must be functioning democracies. We created a dummy variable in which a value of 1 is assigned if a country is a member of at least one RIA with a democracy-only clause, and 0 otherwise.⁴ For example, the European Union (EU) introduced such a clause in the Single European Act (SEA). The EU had had a strong legacy of including only democratic countries into the RIA, but did not institutionalize this norm until the SEA was

² As a robustness test, we ran the same models using annual change in the polity2 score. There is no substantive change in the results. Only the R-squared diminishes.

³ We also ran the models only with negative changes (backslides only). The results are comparable to the models presented in this paper.

⁴ There are a few non-RIA international or regional organizations with democratic conditionality clauses, such as the Organization of American States. Our theoretical basis for the democracy hypothesis presumes an integration project, and thus these non-RIA organizations are not considered for this variable. We ran a separate analysis including a dummy variable for non-RIA organizations with democracy clauses, but it did not show statistical significance, nor change the substantive results of the main analyses. We therefore do not include this variable in the subsequent analyses presented in the next section.

signed in 1986. National ratification problems among some members delayed its implementation until late 1987. The first full year of implementation was 1988, which is also the first year the EU is coded as having a democracy clause in our dataset. The complete list of RIAs and the coding of an implemented democracy clause, along with the start year, can be found in the appendix.

Although one might think that democracy clauses merely reflect the high levels of democracy among RIA member-states, it is not necessarily the case. One example is the membership of the Economic Community of West African States (ECOWAS). The average polity2 score for ECOWAS members between 1995 and 2000 ranged from -0.93 to 1.67. Nonetheless, the ECOWAS members agreed to the *Supplementary Protocol on Democracy and Good Governance*, which holds members to constitutional principles such as “[e]very accession to power must be made through free, fair and transparent elections” and “[z]ero tolerance for power obtained or maintained by unconstitutional means” (ECOWAS 2001). The protocol also lists possible sanctions including membership suspension and military intervention. Another example is the Common Market for Eastern and Southern Africa (COMESA). The average polity2 score for COMESA members ranged from -0.095 to -0.57 in the same years, but their founding treaty lists “the promotion and sustenance of a democratic system of governance in each Member State” as a fundamental principal of membership (COMESA 1993).

The other key variable, regional leaders’ democratic commitments, is created as follows. First, among the countries within an RIA, we identified the preponderant country based on their economic size (GDP), which we call regional leaders. If a country is a member of more than one RIA, we used the following decision rule. If a country is a member of an RIA with a democracy clause, the largest country in the RIA is coded as the regional leader. If a country is a member of

more than one RIA with a democracy clause, we use the largest country in the RIA with the longest democracy clause duration. If a country is a member of multiple RIAs, none of which with democracy-only provisions, the regional leader is the country with the largest GDP in the RIAs to which it belongs. Finally, if a country is not a member of any RIA, we regard the country as its own leader in the analysis of a full sample. In the subsample consisting only of RIA members, non-RIA members are removed from the analysis.

Assessing regional leaders' levels of commitment to democracy is obviously not an easy task. Coding speeches about democracy may overstate leaders' commitments to democracy because hardly anyone today is opposed to 'democracy,' but their actual behavior vary significantly and democracy is often interpreted in self-serving ways. In fact, 106 countries, both democratic and undemocratic, are signatories to the Warsaw Declaration, "Toward a Community of Democracies," established in 2000 to advance democratic norms and deepen democracy worldwide.⁵ Arguably, the levels of commitment to democracy can be inferred from their actual behavior, i.e., how democratic or autocratic they are themselves. We therefore use, as a proxy for regional leaders' democracy commitment level, Polity IV's 21-point polity2 score (Marshall, Gur, and Jaggers 2010).

Admittedly, this is an imperfect measure of democratic commitment. For example, a country that is highly democratic may not necessarily be committed to promoting democracy elsewhere. However, we believe that one can reasonably assume that a country's commitment to democracy will not exceed the level of democracy in that nation. That is, a very autocratic state will not be committed to democracy in their country or abroad. If there is any bias in the

⁵ See the Council for a Community of Democracies' website (<http://www.ccd21.org/about/index.html>) for the list of the signatories and the goals of the council.

regression results due to the imprecise measurement of this variable, the bias will be against finding a statistically significant relationship.

Given the important argument made by Pevehouse (2002a, 2005) about the effect of regional IOs' democratic density, we also estimate our models with a democratic density variable. By following Pevehouse (2002a), we add 10 to each country's *polity2* score and then calculate the democratic density of an RIA by averaging the members' scores. If a country is not a member of an RIA, the density is equal to zero. For countries with multiple memberships, we use the same criteria when selecting the regional leader. By including democratic density of an RIA, we can assure that any effects associated with democracy clauses are not attributable to overall levels of democracy within RIAs.

In addition, the data analysis controls for the level of democracy in country i , measured by its *polity2* score. A coup is an attempt at an extra constitutional transfer of power, which should not occur in a well-functioning, established democracy. Since highly democratic countries are also more likely (but not necessarily) to be members of RIAs with democracy clauses than less democratic countries, controlling for a country's level of democracy is also crucial to assess the independent effects of democracy clauses and regional leaders on coups and regime change.

Many prior studies have indicated that economic development and performance are important determinants of political instability, including coups, regime transitions, and revolutions (Lipset 1959; Muller and Seligson 1987; Londregan and Poole 1990; Acemonglu and Robinson 2006). Our analysis therefore controls for economic development and macroeconomic performance. We measure economic development with GDP per capita and macroeconomic performance with annual GDP growth rates (World Bank 2010). Past analyses have also shown

that certain regions, particularly Africa and Latin America, are more coup-prone than others. We include regional dummy variables representing Africa and the Americas. All independent and control variables are lagged by one year except regional dummy variables. We present the results and interpretation of our data analysis in the next section.

Results of Event History Analysis of Coups

[Insert Table 1 Here]

Table 1 summarizes the estimation results of the Cox regression repeated events models of *coups d'état* during 1960 to 2009. The tests of the proportional-hazards assumption indicate that leader's democracy, GDP per capita, GDP growth, and the two regional dummy variables in Models 5 and 6 have non-proportional effects over time. We therefore interacted these variables with the natural logarithm of time (Box-Steffensmeier and Jones 2004).

Model 1 is an additive model where we assess the independent effects of democracy clauses and RIA leaders on the onsets of coups. The estimation result clearly shows the coup-detering effect of democracy clauses: being a member of an RIA with a democracy clause significantly reduces the hazard of a coup occurring in that country. Moreover, this coup-detering effect holds even when we control for democratic density (Model 2). However, regional leaders' commitments to democracy are not statistically significant, although its coefficient is negative as predicted.

[Insert Figure 2 Here]

In Models 2 and 3, we test the conditional hypothesis that the effect of democracy clause on coup risk depends upon the levels of democratic commitments by regional leaders. As Table 1 shows, the coefficient of democracy clause remains strongly significant, but those of leader's democracy commitment and their interaction are not significant. Figure 2 plots, based on Model

4, the coefficients and 90 percent confidence intervals for democracy clause at various levels of leader's democracy commitment. It shows that democracy clause is effective in reducing RIA member-states' coup risks except when regional leaders are highly committed to democracy (i.e., polity score of 9 or 10). Hence, the effect of democracy clauses does depend on the commitment of an RIA leader, but rather than reinforcing its effect, at the highest levels of democracy commitments on the part of the leaders, democracy clause no longer has a statistically significant effect in deterring coups.

[Insert Table 2 Here]

In Table 2, we calculate marginal effects, in terms of the percentage change in the hazard rate, of statistically significant variables based on Model 4.⁶ The presence of a democracy clause reduces the hazard of a coup in a member-county by 92 percent. This is a large effect comparable to the well-known effect of economic development (which reduces the hazard by 89 percent), and much larger than the impact of positive economic performance (which reduces the hazard by 16 percent). We also note the negative and significant effect of democratic density on coup risk in the interactive model, reducing coup risk by nearly 50 percent.

Although we thus far found strong evidence indicating that democracy clauses in regional integration associations reduce member-countries' coup vulnerabilities, the null finding of regional leaders' levels of democracy commitments may be an artifact of the way we coded the variable when countries are not members of any such organization. Therefore in Models 5 and 6, we re-estimate the interactive models using only a subsample of cases that are members of at least one regional integration associations.

⁶ Percentage changes in the hazard rate for democratic density, GDP per capita, and GDP growth are calculated for a change from the mean value to one standard deviation above the mean. The percentage change in the hazard rate for democracy clause is calculated by holding regional leader's democracy score at its mean. When calculating the marginal effect of each variable, the values of all other variables are held at their mean, or for dichotomous variables, at 0.

In the subsample analysis, the coefficient for leader's democracy is negative, as expected, but not statistically significant. This implies that regional leaders' levels of commitments to democracy do not initially reduce coup risk in the member-states. Yet, the negative and highly significant coefficient of the time interaction indicates that over time, where democracy clause is absent, regional leaders' democracy commitments do lessen coup vulnerabilities of member-states. If it takes a long time for this deterrence to take effect and leaders' democracy commitments do not matter most of the time, this time varying effect may not have substantive importance. Conversely, if this deterrence effect is present for most of the time, then leaders' democracy commitments are important. By our calculation,⁷ this coup-detering effect of leaders' democracy commences only after one year of no statistically discernible impact. Hence, we conclude that the RIA leaders do exert significant influence on the likelihood of coups in member-countries.

Democracy Promotion and Autocratic Backsliding

[Insert Table 3 Here]

In Table 3, we assess the effects of democracy clauses and regional leaders' commitments to democracy on regime change. Models 7 and 8 are the additive models, whereas Models 9 and 10 are the interactive models testing the conditional effect hypothesis. In this analysis, we once again find evidence that the effect of democracy clause is conditional on regional leaders' commitment levels. We therefore focus on the interpretation of the interactive model.

[Insert Figure 3 Here]

⁷ See Box-Steffensmeier and Zorn (1998) and Licht (2008) for the interpretation of non-proportional hazards and time interaction.

Figure 3 plots marginal effects of democracy clause at various levels of RIA leader commitment to democracy. The figure on the left is generated based on Model 10. The downward slope of the confidence interval in the area above zero indicates that democracy clauses promote positive regime change as hypothesized, but this effect *diminishes* as the level of a regional leader's democracy increases. Furthermore, where the leader's democracy score is about seven, democracy clause ceases to have statistically significant influence. Given that researchers usually consider polity scores of 6 or above as democracy (Marshall, Gur, and Jagers 2010), this finding suggests that democracy clauses, as institutionalized mechanisms of collective pursuit of democracy and stability, are particularly useful in promoting democracy and preventing backsliding where regional leaders are not committed to democracy, buttressing institutionalist arguments. This finding is also consistent with the pattern revealed in the analysis of coups. It also holds when we examine a subsample consisting only of RIA members (Models 11 and 12).

In addition, our analysis reveals that in the absence of a democracy clause, leaders' commitments to democracy exert important influence in helping member-states liberalize and preventing their backsliding, as shown by the variable's positive and significant coefficient. On the other hand, the coefficient for democratic density is only significant in the RIA sample, although its sign is consistently in the expected, positive direction.

We thus conclude that both democracy clauses and regional leaders committed to democracy are important for political stability and deepening of democracy in RIA member-states. However, their effects are not exactly as we expected. Originally, we expected that democracy clauses and regional leaders' democracy commitments would be mutually reinforcing. Yet, our analyses of coups and regime change revealed that democracy clauses are

more important in the absence of democratically committed leaders, but may not be as effective or necessary when regional integration blocs already have leaders strongly committed to democracy. Conversely, regional leaders committed to democracy are instrumental in the absence of democracy clauses, but may not be so influential when an RIA already has a democracy clause.

Conclusions

The results of our study indicate that once a regional integration association adopts a democracy clause, the likelihood of a coup and autocratic backsliding decreases among its member-states. This provides evidence for the institutional arguments associated with the effectiveness of RIAs in providing the incentives to prevent political instability. A regional leader's commitment to democracy does have an effect in preventing autocratic backsliding and promoting democracy, but the regional leader's effect on coup prevention is time dependent. Its commitment to democracy will not have an immediate effect, but over time, regional leaders' democracy commitments do lessen the likelihood of coups in member-states. This provides evidence for the power preponderance arguments that a democratic commitment of a regional leader will promote democracy.

Our study also shows interesting results for the interaction of a regional leader's commitment and the presence of a democracy clause. The effect of a democracy clause decreases as the level of the regional leader's commitment to democracy increases with respect to both coup risk and regime change. Moreover, when regional leaders are strongly committed to democracy, the democracy clause variable loses statistical significance. However, our analyses also show that when an RIA does not have a democracy clause, regional leaders' commitments to democracy have a positive effect in helping member-states liberalize and lessen backsliding

and coup vulnerability. Taken together, we thus conclude that both democracy clauses and regional leaders committed to democracy are important for political stability and deepening of democracy in RIA member-states.

The policy recommendations are fairly straightforward. If a region of the world experiences domestic political instability, one potential solution is to create an RIA among countries that includes a regional leader committed to democratic principles. This RIA would also develop a clause requiring members to maintain democratic practices and spell out the sanctions in the case of a violation of the democracy clause. This will not only further the stability of present membership, but would also increase overall regional stability as new members are admitted. If a country has a history of coups, then membership in a RIA with a democracy clause or a regional leader committed to democracy can help reduce this form of political instability.

One area of future research is in exploring various roles that regional leaders play in promoting democracy. For example, this study did not address the creation of a democracy clause. Democracy clauses embody the institutionalization of norms of democracy among RIA member-states, but how this institutionalization occurred is left unexplored. Perhaps the most important role of a regional leader is in the establishment of a democracy clause.

Another set of questions involves the duration of a democracy clause. We make no differentiation of the time these clauses have been in place, and therefore may be leaving out an important factor. It is possible that the role that regional leaders play in enforcing democracy clauses is more important at initiation. However, once their credibility is established, democracy clauses may be self-enforcing. Therefore, the role of regional leaders may be important at the beginning, but their importance diminishes over time.

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Table 1. The Effects of Democracy Clause and Regional Leader on the Onsets of Coups d'état (Cox Regression, Repeated Events Model)

| | Full Sample Additive (1) | Full Sample Additive (2) | Full Sample Interactive (3) | Full Sample Interactive (4) | RIA Sample Interactive (5) | RIA Sample Interactive (6) |
|-----------------------------|-----------------------------|-----------------------------|--------------------------------|--------------------------------|-------------------------------|-------------------------------|
| Democracy clause | -2.01**** (0.45) | -1.60*** (0.51) | -3.14*** (1.12) | -2.97** (1.20) | -2.47** (1.10) | -2.56** (1.14) |
| Leader's Democracy | -0.02 (0.02) | -0.01 (0.02) | -0.02 (0.02) | -0.01 (0.02) | -0.02 (0.02) | -0.02 (0.02) |
| Leader's Democracy*ln(time) | -- | -- | -- | -- | -0.85**** (0.09) | -0.90**** (0.16) |
| Democracy clause*Leader | -- | -- | 0.18 (0.14) | 0.23 (0.15) | 0.18 (0.14) | 0.20 (0.14) |
| Democratic Density | -- | -0.05* (0.03) | -- | -0.06* (0.03) | -- | 0.01 (0.04) |
| GDP Per Capita | -0.0003*** (0.0001) | -0.0003*** (0.0001) | -0.0003*** (0.0001) | -0.0003*** (0.0001) | 0.0002 (0.0001) | 0.0002** (0.0001) |
| GDP Per Capita*ln(time) | -- | -- | -- | -- | -0.0002*** (0.0001) | -0.0002*** (0.0001) |
| GDP Growth | -0.03*** (0.01) | -0.03*** (0.01) | -0.03*** (0.01) | -0.03*** (0.01) | 0.03 (0.03) | -0.03** (0.01) |
| GDP Growth*ln(time) | -- | -- | -- | -- | -0.03** (0.01) | -- |
| Level of Democracy | -0.01 (0.02) | -0.01 (0.02) | -0.01 (0.02) | -0.01 (0.02) | 0.008 (0.02) | 0.01 (0.02) |
| Africa | 0.35 (0.30) | 0.45 (0.32) | 0.36 (0.30) | 0.47 (0.32) | 6.16*** (2.31) | 6.30*** (2.37) |
| Africa*ln(time) | -- | -- | -- | -- | -2.38**** (0.72) | -2.39**** (0.75) |
| Americas | 0.47 (0.35) | 0.35 (0.38) | 0.45 (0.35) | 0.31 (0.39) | 5.94** (2.39) | 6.20*** (2.41) |
| Americas*ln(time) | -- | -- | -- | -- | -2.38*** (0.80) | -2.51**** (0.79) |
| Number of Cases | 5276 | 5240 | 5276 | 5240 | 3951 | 3915 |
| Log Pseudo-Likelihood | -1433.23 | -1420.00 | -1431.92 | -1418.01 | -807.91 | -804.59 |

Note: All independent and control variables are lagged by one year except regional dummy variables. The entries are coefficients and robust standard errors are in parenthesis. The models are stratified by the number of prior coups. ****p≤0.001, ***p<0.01, **p≤0.05, and *p≤0.1, two-tailed tests.

Table 2. Marginal Effects of Statistically Significant Variable (based on Model 4)

| Variables | % Change in the Hazard Rate |
|-----------------------------------|------------------------------------|
| Democracy clause (absent→present) | -91.59% |
| Democratic density (8.21→15.29) | -49.75% |
| GDP per capita (\$5,114→\$12,898) | -89.38% |
| GDP growth (3.2%→10.03%) | -16.41% |

Note: Percentage changes in the hazard rate for democratic density, GDP per capita, and GDP growth are calculated for a change from the mean value to one standard deviation above the mean. The percentage change in the hazard rate for democracy clause is calculated by holding regional leader's democracy score at its mean. When calculating the marginal effect of each variable, the values of all other variables are held at their mean, or for dichotomous variables, at 0.

Table 3. The Effects of Democracy Clause and Regional Leader on Liberalization and Autocratic Backsliding

| DV: Regime Change | Full Sample Additive (7) | Full Sample Additive (8) | Full Sample Interactive (9) | Full Sample Interactive (10) | RIA Sample Interactive (11) | RIA Sample Interactive (12) |
|-----------------------------|--|--|--|--|---|---|
| Democracy clause | 0.13 (0.10) | 0.12 (0.11) | 0.57*** (0.22) | 0.56** (0.23) | 0.53** (0.21) | 0.39* (0.22) |
| Leader's Democracy | 0.02** (0.01) | 0.02* (0.01) | 0.02** (0.01) | 0.02** (0.01) | 0.02*** (0.01) | 0.01 (0.01) |
| Democracy clause* Leader | -- | -- | -0.06** (0.03) | -0.06** (0.03) | -0.05** (0.02) | -0.05** (0.02) |
| Democratic Density | -- | 0.001 (0.01) | -- | 0.001 (0.006) | -- | 0.04**** (0.01) |
| GDP Per Capita | 1.08 x 10 ⁻⁵ ** (4.91 x 10 ⁻⁶) | 1.05 x 10 ⁻⁵ ** (5.10 x 10 ⁻⁶) | 1.26 x 10 ⁻⁵ ** (4.99 x 10 ⁻⁶) | 1.23 x 10 ⁻⁵ ** (5.22 x 10 ⁻⁶) | 1.33 x 10 ⁻⁵ *** (4.89 x 10 ⁻⁶) | 8.03 x 10 ⁻⁶ * (4.81 x 10 ⁻⁶) |
| GDP Growth | -0.02*** (0.01) | -0.02*** (0.01) | -0.02*** (0.01) | -0.02*** (0.01) | -0.01 (0.01) | -0.005 (0.005) |
| Level of Democracy | -0.06**** (0.01) | -0.06**** (0.01) | -0.06**** (0.01) | -0.06**** (0.01) | -0.06**** (0.01) | -0.07**** (0.01) |
| Africa | -0.21** (0.10) | -0.22** (0.10) | -0.23** (0.10) | -0.23** (0.10) | -0.09 (0.12) | -0.003 (0.11) |
| Americas | 0.08 (0.09) | 0.08 (0.10) | 0.08 (0.09) | 0.08 (0.09) | 0.17* (0.10) | 0.13 (0.09) |
| Dependent Variable (t-1) | 0.53**** (0.03) | 0.53**** (0.03) | 0.53**** (0.03) | 0.53**** (0.03) | 0.54**** (0.04) | 0.54**** (0.04) |
| Constant | 0.20** (0.09) | 0.19** (0.09) | 0.20** (0.89) | 0.19** (0.09) | 0.02 (0.10) | -0.39*** (0.13) |
| Number of Cases | 5057 | 5022 | 5057 | 5022 | 3735 | 3753 |
| R ² | 0.27 | 0.27 | 0.27 | 0.27 | 0.27 | 0.28 |

Note: All independent and control variables are lagged by one year except regional dummy variables. The entries are coefficients and panel corrected standard errors are in parenthesis. ****p≤0.001, ***p<0.01, **p≤0.05, and *p≤0.1, two-tailed tests.

| | | Democracy Clause | |
|---|------|------------------|--------|
| | | Yes | No |
| Democratic Commitment of the Preponderant Power | High | Low | Medium |
| | Low | Medium | High |

Figure 1. Predicted Likelihood of Coups and Autocratic Backslides

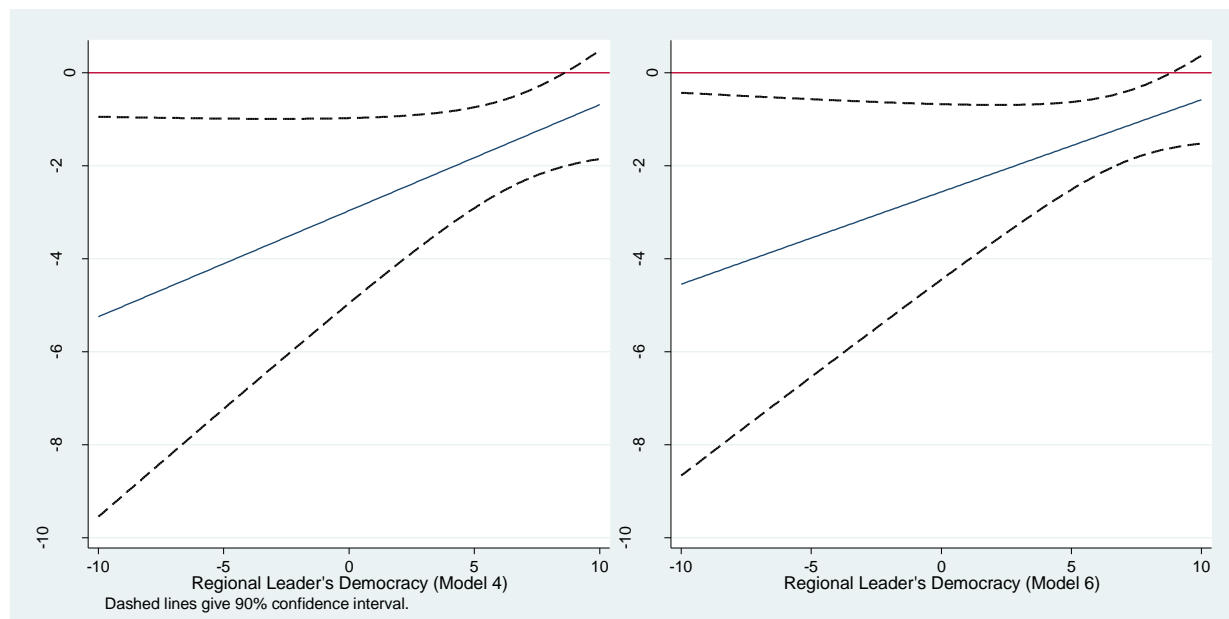


Figure 2. Effects of Democracy Clause on the Onset of Coups

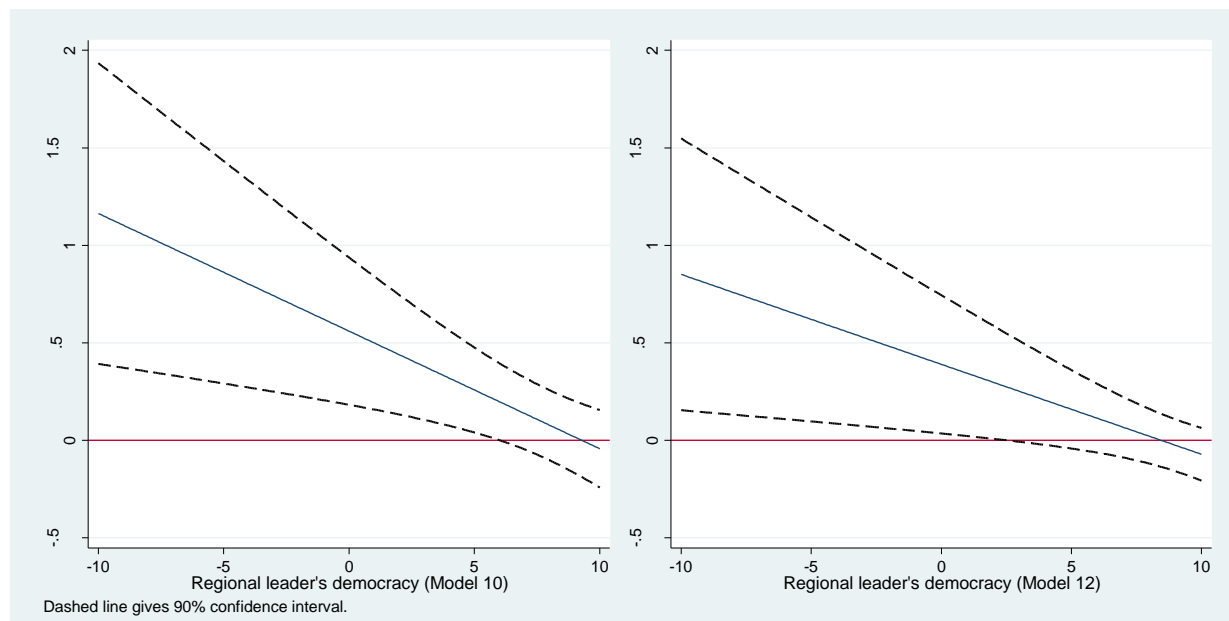


Figure 3. Marginal Effects of Democracy Clause on Regime Change