

The Effects of Foreign Interventions on Democratization in Latin America

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Summary

In this thesis I estimate the effects of different types of U.S. interventions on the level of democracy in twenty Latin American countries for the period 1898-2010. Interventions are thought to affect the democracy level as measured by the polity index. They affect inclusiveness and contestation of elections as well as the constitutional balance between the executive, legislative and judiciary to a varying degree. Since the literature suggests a mixed effect of military interventions, case overviews are presented of the predicted effects of both U.S military and covert interventions. I distinguish between long-run and short-run effects for *military interventions* which I suspect can lead to mixed results if not specified and as such a pattern is suggested by the cases. *Covert interventions* on the other hand are expected to have a wholly negative effect. I estimate the effects in a fixed effects regression and find that the results are sensitive to the operationalization of the military interventions, with U.S. force commitments increasing the democracy level by on average 3-3.5 points on the polity scale both in the short- and the long-run. U.S. covert interventions meanwhile lead to an on average decrease in democracy, as predicted, of almost 4 points on the polity scale. The results remain robust when controlled for other common correlates of democracy, when the dependent variable is switched out as well as against the other international factors. The findings suggest that better conceptualizations allow us to better approximate and predict the real effects of interventions and contributes to our understanding of the role of international factors in explaining democratization.

‘The White Man’s Burden’ by Rudyard Kipling

Take up the White Man's burden, Send forth the best ye breed
Go bind your sons to exile, to serve your captives' need;
To wait in heavy harness, On fluttered folk and wild
Your new-caught, sullen peoples, Half-devil and half-child.

Take up the White Man's burden, In patience to abide,
To veil the threat of terror And check the show of pride;
By open speech and simple, An hundred times made plain
To seek another's profit, And work another's gain.

Take up the White Man's burden, The savage wars of peace
Fill full the mouth of Famine And bid the sickness cease;
And when your goal is nearest The end for others sought,
Watch sloth and heathen Folly Bring all your hopes to nought.

Take up the White Man's burden, No tawdry rule of kings,
But toil of serf and sweeper, The tale of common things.
The ports ye shall not enter, The roads ye shall not tread,
Go mark them with your living, And mark them with your dead.

Take up the White Man's burden And reap his old reward:
The blame of those ye better, The hate of those ye guard
The cry of hosts ye humour (Ah, slowly!) toward the light:
"Why brought he us from bondage, Our loved Egyptian night?"

Take up the White Man's burden, Ye dare not stoop to less
Nor call too loud on Freedom To cloak your weariness;
By all ye cry or whisper, By all ye leave or do,
The silent, sullen peoples Shall weigh your gods and you.

Take up the White Man's burden, Have done with childish days
The lightly proffered laurel, The easy, ungrudged praise.
Comes now, to search your manhood, through all the thankless years
Cold, edged with dear-bought wisdom, The judgment of your peers!

Preface and Acknowledgements

I had long planned on writing my master thesis on the effect of interventions in Latin America. The idea came to me back in the summer of 2012 when I attended a seminar at the Carnegie Endowment for International Peace in Washington DC. It came to me in the form of a critique voiced by Thomas Carothers that the Middle East and Latin America had widely differing preconditions for democracy that made them inherently incomparable. As the third wave seemingly spread to the Middle East with the Arab Spring it seemed democratization in the New World had been forgotten. I had a feeling however, despite Carothers' criticism, that what they had in common in the U.S. forcibly intervening could still serve an important lesson if approached appropriately.

I started the first conceptualizations for my thesis on a rooftop in the Rashedieh refugee camp on the outskirts of Tyre, Lebanon in 2014, coded the first variables in Buenos Aires, Argentina in 2015 and finished the first chapter in Salvador, Brazil in the beginning of 2016. It has been a long and arduous process of going through various case studies and learning to use \mathbb{R} . I would like to express my thanks to my supervisor Carl-Henrik Knutsen, without whom this thesis would never have been completed. Thanks are also in order for Bruce Bueno de Mesquita for supplying me with replication data on military interventions for comparison against my own coding as well as Daniel Berger who supplied his data on U.S. covert interventions, without whom this thesis would not be possible. I would also like to thank Jonas Larsen for spending much of his own valuable time looking over and providing feedback on my drafts as well as offering input on the statistical analysis. I am forever thankful to everyone who has been supportive and offered suggestions, professors at La Universidad del Salvador and students at the University of Oslo. Thank you Jonas Wærnhus for offering some much needed distractions. Speaking of which, thank you Olamide Sekumade for spending so much time studying with me during the final weeks.

You all motivated me to do better.

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1 Introduction

The U.S. military intervention in Iraq in 2003 led to a renewed debate about military interventions, however democracy promotion through forcible means is not a new phenomenon. With the resurgent debate on interventions and the repeated U.S. military interventions in the Middle East this thesis seeks to contribute to our overall understanding of the effects of foreign interventions on democratization by looking at another region of the world entirely: Latin America. The U.S. has intervened repeatedly in a multitude of Latin American countries during the last two centuries, but in spite of this the majority of Latin American countries are now considered democratic with a score ranging from six to nine on the polity scale. I had some previous knowledge about the role of the U.S. in imposing democracy in the region as well knowledge of the U.S. destabilizing democratic regimes through the CIA and so I set out to answer the research question: “*What are the effects of foreign interventions on democratization in Latin America?*” When I started writing this thesis it was my understanding that U.S. interventions had a wholly negative impact on the democratization of the countries in the region, however as I am writing this introduction I have had to adjust my views as the effect of U.S. interventions was proven to be mixed. In the following chapters I will expose the reader to a debate on which international factors that can be said to contribute to democratization and place the interventions within that context. The discussion is followed by a short case description of how both U.S. military and covert interventions played out in Latin America before estimating the predicted effects in a fixed effects regression.

1.1 Previous Research

I started out in search of previous research, however soon found that there is a surprisingly small amount of quantitative research that evaluates the effect of interventions on democratization. Those that focused on the effects of United States military interventions have found that they lead to some improvements in democracy (Hermann and Kegley 1998, Meernik 1996), while Martin Needler finds that domestic military actors are strengthened by outside support (Needler 1966). Bueno de Mesquita and Downs on the other hand find that there is little improvement in democracy following a military intervention, and that it instead is likely to lead to the erosion of the democratic system (Bueno de Mesquita 2006). This mixed effect is also described by Jan Teorell as one where interventions are as likely to improve as they are to

deteriorate democracy (Teorell 2010). Those that have investigated foreign interventions often do not control for other international determinants (Teorell 2010:79). While case studies exist they can be criticized for tending to overemphasize domestic conditions when democracy fails to take hold (Bueno de Mesquita & Downs 2006:628). The existing evaluations of military interventions are therefore somewhat limited as the existing large-N studies do not go beyond the year 1945 and the expected effects are not clear. In addition only one other study could be found that evaluates the effect of U.S. covert interventions on democracy (Berger et al. 2013b). I wished to examine the entire post-colonial period from the end of the Spanish-American war in 1898 up until 2010 as I suspected that interventions were more common before the current manifestation of the international system. As the large-N studies did not cover this entire period, I turned to case analyses of the role of the U.S. in imposing democracy through forcible means in Latin America (Lowenthal 1991).

1.2 Summary Results

A parsimonious concept of democracy was used that captures the extent to which elections are free, competitive and inclusive and to which degree there exists checks- and balances between the executive, judiciary and legislature. Democratization is taken to mean the process of liberalization that determines how rules and procedures are applied to the aforementioned political institutions. A case overview of both U.S. military and covert interventions was undertaken in order to develop predictions for the likely impact of interventions as the literature predicted mixed results. U.S military intervention were thusly predicted to have a short-run positive effect which is reversed in the long-run. This was however not found to be the case, as U.S. military interventions were found to lead to a significant increase in the democracy level which remained unchanged for the long-run. U.S. covert interventions meanwhile were predicted to have a negative effect on the level of democracy. This was found to be the case as covert interventions led to an overall decrease in democracy level. These findings remained robust when controlled for the other international factors such as diffusion and membership in an international organization, however only the democratic diffusion effect was found to have a significant effect alongside interventions. The findings also remained robust when controlled for commonly employed domestic explanatory factors of democratization. The findings suggest that authors might have been too quick in the past to conclude that interventions have a negative impact on democratization and that U.S. military interventions have a potential to increase the

level of democracy while U.S. covert interventions can be expected to decrease the democracy level. The mixed results in the literature on interventions is likely caused by differing and incompatible operationalization of military interventions. Although a systematic comparison of previous studies was not undertaken a brief discussion on alternative variables follows the analysis.

1.3 Structure of the Thesis

In chapter Two I present the theoretical concepts and start by elaborating a parsimonious concept of democracy that revolves around political institutions. I then present some interpretations on the processes which bring these institutions about and as these processes have structured how democracy has been studied I communicate how they accommodate international factors. After discussing democracy as a concept I move on to describe international factors that contribute to democracy and how some of these relate to commonly utilized correlates of democracy. This is then discussed in relation to a framework for studying the sub-context of the international context put together by Schmitter and Whitehead.

In chapter Three I develop the concept of U.S. foreign interventions in Latin America. I start out with a discussion on why democratic countries choose to intervene before I present my selection criteria for defining a country as part of Latin America. I then go on to present the case overviews of U.S. military and covert interventions with special attention given to Nicaragua in the former and Guatemala in the latter. I then round of the chapter with a discussion based on the cases as well as the literature on international factors of democratization. Based on this discussion and the previous material I derive testable hypotheses for the expected effects of interventions.

In chapter Four I present the method used to evaluate the effects and present the data. I start by discussing the dataset which I will use to estimate the effect of interventions, and then continue with an elaboration on a fixed effects model as the appropriate estimation method. I then go on to present first the intervention variables, then the dependent variable as well as the control variables included in the analysis.

In chapter Five I present the analysis and my findings before summarizing the results with a brief conclusion. I start off with a description of how I have chosen to deal with missing data by way of imputation and then move on to discuss some expected directions between the

variables based on their correlation. I then present the regression results in a total of nine estimated models. Model 1 is a pooled OLS which does not meet the specification criteria and it is thusly reestimated with fixed effects as Model 2. Model 3 substitutes the military intervention variable with an alternative one as its conceptualization is deemed problematic. In Model 4 and 5 these results are revisited for a subset period between 1947-1989 to include U.S. covert interventions and OAS membership. I then proceed to check the robustness of my findings for both the entire 1898-2010 period as well as the subset one in Model 6 and 7 by adding the rest of the control variables. In Model 8 and 9 the dependent variable is replaced as a further test of the robustness of the effects. I then present the results of the hypotheses tests and the summary results. I close of the chapter with a short discussion on the sensitivity of the findings before the effects of interventions are discussed in relation to the other international factors.

2 Theory

I have selected the parts of democracy¹ which are central to a wide variety of different countries² and time-periods³ and which are in line with the current measurements of regimes for which data exists that allows quantitative tests to be carried out. After presenting my definition of democracy I will discuss how changes in the degree of democracy, or democratization comes about and briefly present two early conceptualizations of international influence on democratization.

2.1.1 Defining Democracy

The political institutions that first saw their rise in Europe did so amidst debates about which structures could realize justice, liberty, equality and the sanctity of property (Vile 1967:1) so a fundamental definition of democracy is one that both reflects those ideational roots in western political thought as well as the attempts to balance representative government with the separation of powers. Constitutionalism acknowledges this dual role of government in society which is one that is determined to bring government under control through popular representation as well as place limits on its exercise of power. Rejection of absolutism and the liberal ideas that flourished in the first constitutional texts in Latin America were borrowed concepts. The separation of powers and the need for alternation of the government through elections were lifted directly from the European independence movements (Crdc.unige 2014:2-3). Constitutionalism furthermore allows us to separate those institutions which embody such

¹ I will not engage in a larger debate about the concept of democracy in this section, for two reasons: There is not enough room in this entire text to have a fully nuanced discussion on the subject and the whole idea of writing this theory section is establishing what *part* of democracy I will be addressing. The space issue is caused by the term being both spatially and temporally dependent.

² Spatially in that what a citizen of a Scandinavian country would identify as central to a democratic government would differ from what a U.S. citizen would find most important. Chances are high that citizens of Scandinavian countries would point to redistributive policies, coalition governments and neocorporative arrangements as illustrative features of their definition of democracy while a U.S. citizen would be more likely to point to constitutional checks on executive, legislative and judicial power as most important emphasizing individual liberties and pluralism. These are caricatures but both have their respective definitions, the first as a socioeconomic democracy and the second referred to as a liberal democracy.

³ The temporal distinction on the other hand is obvious to anyone who has ever compared the classic Athenian democracy to current forms of government, but the distinction is not always so clear. In his *Democracy in America* Tocqueville described the American political system as one that was the product of social and economic conditions which had become increasingly more equal and argued that the resulting large middle class was a distinctive characteristic of democracy. Later however in private letters he expressed his dismay about the “...invasion of the political by the economic sphere as well as on the inevitable shortcomings of market society..” (Craiutu & Jennings 2004:398). The same democratic system was therefore described in terms closer to first a socioeconomic democracy and then not much later by the same person as something which sounds much more like the contemporary U.S. liberal democracy illustrating the illusiveness of a universal definition.

principles from nominal or façade institutions. The role of political scientists in doing so is as old as democracy itself starting with Aristotle who pointed out that a democracy without such safeguards was a tyranny of the majority. Constitutionalism then “..remains, in some form or other, the most useful tool for the analysis of Western systems of government, and the most effective embodiment of the spirit which lies behind those systems.” (Vile 1967:23). This definition is perhaps still a little broad, although it clearly illustrates that democracy is a European product which carries its own normative blueprint whether it was imposed from the start or later adopted by founding fathers. Further distinctions can therefore be made along the dividing lines of not only constraints of representational power but also political participation. Robert Dahl’s often utilized definition of a *Polyarchy* describes a democracy that ensures citizens’ right to participate and compete in elections, freedom of expression and association as well as freedom of the media where government policies depend on votes (Dahl 1971). Dahl argued that his eight institutional guarantees⁴ encompass two different theoretical concepts: Contestation and inclusiveness. The *Polyarchy* term of Robert Dahl presents a nearly sufficient picture of democracy, however I would argue, as does constitutionalism, that some control of absolutism must be included in order for a regime to qualify as a democracy. The role of media and the actual ability of the citizens to make informed decisions is not investigated in this thesis. This is not due to any lack of interest or lack of relevance, just an unfortunate lack of data. In fact the role that media played in distorting facts and undermining democratically elected regimes during U.S. covert operations was notable as discussed later in the text.

Whenever *democracy* is mentioned in this thesis it is therefore understood as encompassing the following concepts and *institutions*:

- i) Contestation and inclusiveness through free and fair competitive *elections*.⁵
- ii) The aspect of constitutionalism or constraint on this elected *executive* i.e. checks and balances of the *legislature* and the *judiciary*.

⁴ Dahl’s eight institutional guarantees are: 1. Freedom to form and join organizations 2). Freedom of expression 3). Right to vote 4). Eligibility for public office 5). Right of political leaders to compete for votes 6). Alternative sources of information 7). Free and fair elections 8). Institutions for making government policies depend on votes and other expressions of preference (Dahl 1971:3).

⁵ Coppedge summarizes Robert Dahl’s model as one that emphasizes ‘contestation’ when discussing the most common conceptualizations of democracy, and goes on to say that many common indicators of democracy are highly correlated, at 0.800 or better simply because they all are highly focused on contestation (Coppedge 2012:loc 747). This problem is discussed under the methods chapter with the choice of dependent variable and discussed further in the analysis chapter.

This definition of democracy is by no stretch of the imagination exhaustive, but it is parsimonious so that any variation on democracy relates to the aforementioned institutions only.

2.1.2 Democratization

Democratization can be summed up as a nonlinear process that institutionalizes liberalization. While liberalization for O'Donnell and Schmitter is the process by which liberal values are transformed to individual *and* collective guarantees, democratization is the process by which these rules and procedures are applied to political institutions. The institutions might have been governed previously by different principles such as coercive control or expert judgement lacking citizen participation, and democratization can thus also mean extending the rights to a wider share of the population. The process is nonlinear since it doesn't necessarily follow a logical order that is true for all countries and regions, and it is equally reversible so that recuperation can be just as important as an extension or expansion (O'Donnell & Schmitter 1986:7-8). What seems common for all democratic systems is the institutionalization of similar liberal values that ultimately leads to the institutional designs associated with democracy. At any rate the correlation between individual liberty and democracy is 'extremely high' (Huntington 1991b:28).

The nonlinear aspect of democratization was perhaps best covered by Huntington's idea of 'waves' of democratization, which all followed a two-step forward, one-step backwards between democratization and autocracy. The first wave of democracy was explained by the economic- and social development and ensuing conditions it created in the British settler colonies as well as the victory of the Western Allies in World War I and breakup of the European empires. The second wave meanwhile was ushered in through the Western Allies imposing democracy on a number of countries directly with other countries following suit of their own volition. Rising nationalism in the colonies furthermore led to decolonization and an even larger increase in democratic countries (Huntington 1991b:39-40). When it comes to how these factors contribute to democratization in each country Huntington assumes that the causes will vary from country to country, that they combine and lastly that what explains one wave of democratization is unlikely to be the same as what explains a later wave (Huntington 1991b:38). The third wave started in Southern Europe in the 1970's, swept over Latin America and Eastern Europe and since none of those regions have experienced any major regression to authority it might not yet have crested. The third wave of democracy can be ascribed to five factors

according to Huntington: A deepening legitimacy problem where the ruler's success increasingly depended mostly on economic performance; an expansion of the urban middle class due to global economic growth; a shift in the status quo of Catholic church support of authoritarianism; changes in the policies of external actors like the US, USSR and then EC and a demonstration effect where earlier transitions in the wave provided models for subsequent efforts (Huntington 1991a). Where external influences had been relegated to the direct imposition of democracy or demonstration effects for the first two waves, the third wave carried a more nuanced explanation of the role of outside actors. Foreign actors were thought to hasten or retard effects of economic and social development on democratization in all cases, belying the nonlinearity of such events, as was the case with the U.S. pushing for democratization in Latin America (Huntington 1991b:87). The third wave was supposedly ushered in due to a change in policy of the external actors, however the divide between what kind of a role international factors played in democratization does not necessarily conform to the idea of a simple shift in policy. As will be pointed out further below the U.S. played an influential role during the reverse waves as well as imposing democracy or blatantly aiding the emergence of autocracy during the first- and second wave of democratization. What was arguably the most important contribution of Huntington's 1991 book is that he allowed for outside influences to affect democratization while some authors had dismissed the role of external actors in the past.

When examining transitions in Latin America and Southern Europe some years before O'Donnell and Schmitter remarked that "*..although international factors, direct and indirect, may condition and affect the course of transition, the major participants and the dominant influences in every case have been national*" (O'Donnell & Schmitter 1986:ix). Rustow who is seen as the theorist who first launched transitology sought to establish a division of work between the subfields of comparative politics and International Relations. Some "*..foreign influences are almost always present. Throughout history, warfare has been a major democratizing force, because it has made necessary the marshaling of additional human resources.*" (Rustow 1970:348). He also argues that democratic ideas have proved infectious together with examples of regimes being overthrown (Rustow 1970:348). This seems a sober assumption to make, however his divide between what is seen as domestic factors and the international sphere of influence is more indicative of wishful thinking than representations of any clear lines of demarcation. He calls for distinguishing these ever present international influences from situations where "*..people arriving from abroad took an active part in the internal political process of democratization*" (Rustow 1970:348). This would according to

Rustow set a precedent which eliminates from theories of democratic origins countries where; military occupation played a major role, democratic institutions or attitudes were brought along by immigrants and where immigration played a major role (Rustow 1970:348). He acknowledges that this excludes all English speaking colonies, but this interpretation should really exclude any former colony as they all entailed imposition of varying degrees of political institutions and traditions. Even with a more relaxed interpretation such a division would effectively ignore the important role that international actors can play in democratization⁶, not only through previous colonial history or during the transition stage as evidenced by the third wave, but also at the consolidation stage. The role of international influences might have been partly downplayed in early research on democratization, but the latter part of this chapter is dedicated to those theorists who examined the impact of international factors specifically.

2.1.3 Stages of Democratization

Although many Latin American countries imitated the U.S. constitution “*..what proved impossible to reproduce in societies built on ‘latifundia’ were the social and economic structures created in the United States by a capitalism based on free farmers ... and urban industrialists.*” (Greenberg et al. 1993:339). International factors can affect democratization at any of the three stages; it can set preconditions and affect the institutions that predate democracy just as varying colonial history has shown a significant difference between colonies of different European colonial powers (Bernhard, Reenock & Nordstrom 2004); it can affect the transition stage as Huntington argued through outside imposition and influence, and lastly at the consolidation⁷ phase where the actors involved in the transition must now accept the new order of things while the previous conditions continue to hamper or escalate the consolidation process. According to Stepan and Linz consolidation is achieved behaviorally when no actor attempts to overthrow the regime or secede from the state, attitudinally when the majority of the people believe that any further change must be brought forth within the new democratic procedures and constitutionally when all actors in the polity agree to resolve their political conflicts according to the established norms (Linz & Stepan 1996). Such an outcome they argue

⁶ Besides international actors factoring heavily in explaining the third wave of democratization Huntington listed ‘occupation by a prodemocratic power’ and ‘influence by a prodemocratic foreign power’ among contributors to democratization at large (Huntington 1991b:37).

⁷ The use of the word consolidation suggests that rather than just ‘surviving’ democratic regimes must undergo a legitimation effort which increases the quality of democracy which in turn increases the chance a democratic regime will survive (Coppedge 2012:loc2000).

is a product of five societal arenas reinforcing each other; Civil society, political society or party system and elections, economic society the state apparatus and the rule of law (Coppedge 2012:loc2962). They go on to argue that four conditions can jeopardize transitions and the consolidation process; Stateness or the agreement about territorial borders and citizenship rights, International forces, domestic economic performance and its impact on the legitimacy of governments, and the constitutional legacies that democratic governments inherit (Coppedge 2012:loc2976). In the case of Latin America only façade institutions existed that belonged to landed upper classes and mining interests connected to the export trade and foreign capital. Civil and political rights were not secured, and the executive dominated the congress and the judiciary (Greenberg et al. 1993:340). They were burdened by their Iberian heritage as *“The old bulwarks of authoritarianism and reaction – the landed upper classes, the church, the oligarchical army and the patrimonial bureaucracy, true cornerstones of the ‘ancien regime’ and die-hard enemies of democracy and constitutionalism -were standing in the new era.”* (Greenberg et al. 1993:344). Consolidation needs to be brought into this context at the loss of a broader interpretation that includes the role of civil society, the legitimacy of the regime and the extension of civic rights outside of political society. Consolidation in the context of this thesis means simply an increased level of democracy at the post-transitional stage, or democratization during the latter phase, varying on the previously determined dimensions of contestation and inclusiveness and constraints on the executive. While it does not directly measure the other factors which have been ascribed as crucial to democratic consolidation, and the picture is incomplete, it does not reject those aspects either and aims to add to the overall portrayal within the aforementioned dimensions keeping in mind the longer timeframe associated with a consolidation process.

2.2 International Factors

I will in the following section present a synthesized framework of how international factors affect democratization. I start with presenting the most commonly used factor which is democratic diffusion and some of its more substantial interpretations. I then present some common theories of democratization and their predictions for how international factors impact democracy. I round off the chapter with a summary of ‘sub-contexts’ of the international context, which is an elaborate typology under which many of these international factors can be grouped.

2.2.1 Diffusion Theory

According to Gleditsch and Ward international events and processes exert a strong influence on democratization and external influences can change the relative power of actors and groups (Gleditsch & Ward 2006). There have been some attempts at introducing a division between this overall demonstration effect brought on by surrounding regimes, and other linkages, however despite early recognition that international factors have been present for at least four centuries since the emergence of the state further descriptions of causal mechanisms have been lacking (Gourevitch 1978). Levitsky and Way offer one possible explanation, in the relationship between regional powers (the U.S. USSR and the EU) and other countries as one of linkages and leverage. Types of linkages include everything from geopolitical linkage or membership in multilateral institutions, economic linkages (credit, investment and assistance) and transnational civil society. Leverage on the other hand is the toolkit of ways to deter authoritarian regimes from committing transgressions, ranging from sanctions and diplomacy to military intervention. Leverage is curbed in larger and more powerful states, in cases where linkages might be crucial to a great power or in the case that the target country is receiving outside support from another great power. Linkages to the U.S. in Latin America, although already quite extensive in Central America were enhanced in the entire region by the 1980s debt crisis and economic reforms of the 1990s (Levitsky & Way 2005, Schwarzer 2000). Levitsky & Way found linkages to have a stronger impact than leverages, which is consistent with Pevehouse's findings that membership in an International Organization with a sufficient number of democratic members doubled the odds for a transition (Pevehouse 2003). Pevehouse distinguishes between 'pressure' and 'acceptance' as causal effects of IO membership (Pevehouse 2003:519), variables that have a similar substantial interpretation to those utilized by Levitsky and Way. Mainwaring and Liñan further argue that democratization in Latin America is better explained by the proportion of democratic regimes in the region and domestic political factors rather than structural conditions like economic modernization and dependence on natural resources (Mainwaring & Liñan 2009). The influence of the U.S. was not significant when measured against the regional effect, however their measure of influence is based on subjective coding of U.S. foreign policy and might be spurious. As will be shown later in the text, *officially* supporting democracy has not always translated to actually allowing democratic regimes to emerge in Latin America and much less offer them support. In an attempt to separate the illusion of global trends from the effects of democratizing neighbors and regional powers Brinks and Coppedge find evidence for a convergence among neighbors, that the third wave

included a significant impact on countries under U.S. influence and that global trends have a strong impact on regime change (Brinks & Coppedge 2006). They do not take position on who the actors that channel these international influences are, and settle for saying that it can be international organizations such as the Organization of American States or neighboring governments with a linkage to the country. Similarly domestic actors in civil or political society can urge their governments to improve human rights, or contrarily greenlight a coup d'état. They maintain that even in the absence of clear linkages these domestic actors can be influenced by events in neighboring countries, illustrated by the cascading downfalls of democracies in Latin America during the 1970's. However as I will illustrate further on, even this might be too stringent of a separation between domestic and international factors as covert action allows seamless influence on domestic affairs which is generally not revealed until decades later. They predict that "*The greater the gap in the level of democracy between a country and its neighbors, the greater the pressure will be for convergence.*" (Brinks & Coppedge 2006:467). The direction does not matter, and congruency occurs independent of whether it is predominantly democratic or nondemocratic.

2.2.2 Modernization and Development

The relationship between per capita GDP and other determinants of economic development such as industrialization, urbanization, wealth and education were first determined to correlate with democracy by Lipset in his modernization theory of 1959. Przeworski and Limongi argue that instead of being brought on by modernization the regime transitions are caused by random events such as military defeat or foreign pressures. They, like Lipset, find that the more well-to-do a nation is, the more likely democracy is to survive (Przeworski & Limongi 1997). If regime survivability is susceptible to economic growth it follows that international factors that can affect the economy will have an indirect impact on democracy. The liberal development school treats development as uniform where the same technology and markets that were available to developed countries will benefit late developers omitting any interventions in market forces. Foreign capital increases industrialization and will eventually draw it out of whatever supplier-buyer role the country might have held as it entered the world economy (Gourevitch 1978). This idea is disregarded by dependency theory, where structural pressures maintained in place by core capitalist countries fully determines the development of countries in the periphery. These countries therefore develop one sector tied to the needs of the core countries, and an additional stagnant and irrelevant sector, which causes the benefits of growth

to accrue disproportionately to the core (Gourevitch 1978). This subdesarollo, or underdevelopment is signified by a dominance of the primary sector of the economy, high concentration of income, low diversity in production and the external market dominating the domestic one (Cardoso & Faletto 1977). O'Donnell attributed the spread of dictatorship across Latin America to a crisis in import-substitution which caused the diverse pressures that provoked a takeover by bureaucratic authoritarian regimes, however he has been critiqued by Collier who argues that foreign investments were generally high during 1950's and 1960's independent of the domestic situation of the southern-cone countries. According to Collier he fails to recognize the demonstration effect that a successful leftist revolution has on the United States and the center-right within Latin American countries themselves. Lastly the analysis does not account for how leftist governments emerged as a response to the economic crisis and how these leftist governments failed, likely in no small part due to U.S. covert interventions (Gourevitch, Collier 1978). Inglehart meanwhile has emphasized that economic development is conducive to democracy since it brings specific structural changes such as the rise of the knowledge sector as well as important cultural changes. The rising educational levels and a workforce that transitions into occupations that require independent thinking make the civil population more able to take part in politics (Inglehart and Welzel 2009:42-43).

2.2.3 The 'Sub-contexts' of the International Context

The most comprehensive systematization of the international factors that have been referred to previously was carried out by Whitehead, and can be found in Table 1 below. The *contagion* theory is parsimonious, can be applied to all stages of democratization and contains no explanation of channels of transmissions. It's explanatory power is strong, of five identifiable clusters over forty democratizations can be found, and it also explains the waves of regression to autocracy which occurred in Latin America and West Africa however it cannot tell us why a sequence begins, why it ends or how far it spreads (Whitehead 2001). The contagion effect is basically based on Huntington's theory of waves and is another way of saying democratic diffusion. *Control* is when democracy has been imposed from the outside, or been 'safeguarded'. Latin America provides numerous examples carried out in the name of preventing the spread of communism as was the case in the Dominican Republic, Grenada, Panama, Nicaragua, El Salvador and Guatemala. When including the other geographic regions about "*..two-thirds of the democracies existing in 1990 owed their origins, at least in part, to deliberate acts of imposition or intervention from without*" (Whitehead 2001:9).

Table 1 ‘The ‘Sub-contexts’ of the international context’

		Basis for action	
		Coercion: backed by states	Voluntary: supported By private actors
Number of actors	Unilateral	Control	Contagion
	Multilateral	Conditionality	Consent

(Whitehead 2001:29)

The third distinction of *consent* is a much thicker concept that acknowledges the need for the involvement of a wide range of social and political groupings freely supporting the new regime in order to overcome the difficulties that could lead to regressions to autocracy, a freely given support which cannot exist in the face of external compulsion or imposition (Whitehead 2001). One factor that can induce consent is membership in a predominantly democratic regional organization, such as the European Union, which generates long-term support for the establishment of democratic institutions and sets in motion economic and political integration that offers incentives and reassurances to a number of societal actors. The observant reader will likely have noticed by now how the previously mentioned linkages arguably fall under the consent category. National democratic actors cannot be considered a priori without external influence, as many of these during the transition phase can consist of exiles, social movements, media outlets or bureaucrats that receive outside support, notwithstanding from the CIA. In this case a vital international dimension is the process by which external supporters relinquish leverage over their protégés and lift sanctions against their competitors. The overwhelming evidence of external influences on democratization has shaken the previous assertion that ‘domestic’ factors play a predominant role in the transition, Schmitter being faced with a rapidly democratizing Eastern Europe following the collapse of the Soviet Union was forced to admit that “*Perhaps, it is time to reconsider the impact of the international context upon regime change.*” (Whitehead 2001:27). He went on to acknowledge that it is inherently difficult to identify the causal mechanisms because although IR theory can help us understand the effect at the national level, no good theories exist for the sub-national and supra-national level across a variety of different regions. Schmitter groups the previous factors established by Whitehead and adds a fourth factor: *Conditionality*. If the consensus dimension captures democratic linkages, the contagion dimension accounts for leverage. It is the deliberate use of coercion by

attaching specific benefits to recipient countries on the part of multilateral institutions, with IMF being a good example of such multilateral coercion. Schmitter also argues that the Organization of American States might contribute with regard to multilateral conditionality as member states in 1991 agreed to meet in an emergency session to adopt any measure necessary to restore the democracy of another member if a coup should take place (Whitehead 2001:45). The lesson to be drawn from contagions according to Schmitter is that the really effective international context that can influence the course of democratization has increasingly become regional, and not binational or global. The reason for that is that cultural and geographic proximity encourages the formation of tighter networks with neighbor countries (Whitehead 2001:47). Furthermore external intervention, regardless of its form will have a greater and more lasting effect upon the democratization than upon the transition to it – During the first phase any influence might have a greater impact, but the sheer pace of change might leave outsiders without information needed to intervene successfully or without regular channels of influence (Whitehead 2001: 47). Influence at this latter stage can therefore be understood in the context of democratic consolidation where influences can upset this process through forcible interventions leading to regimes being overthrown. This is shown to be the case for both military interventions that seem to impact countries so that they turn to U.S. interventions to upset election results and covert interventions that disseminate discord in the target countries. Following the transition foreigners can intervene with greater deliberation and selectivity, and will likely switch from covert actions towards more open and long-term attempts according to Schmitter, often by non-governmental actors aimed at civil society support (Whitehead 2001: 47). As a general rule democracies carry an intrinsic interest for democratic proliferation, however they will fail to act upon it if the cost of an intervention is too great or if it is too risky, and if it jeopardizes its own national security or economic interests (Whitehead 2001:47).

3 Foreign Interventions

In the following chapter I open up the discussion on foreign interventions by stressing the reasons for why democratic states chose to intervene, as well as some of the effects which can be expected from these interventions as explained by selectorate theory. I then go on to specify the region of interest as Latin America and argue for why the selected countries can be grouped together under this moniker. After these brief discussions a case overview of both military- and covert interventions carried out by the U.S. in these countries follows. The military intervention cases are primarily drawn from a number of case studies on U.S. democracy promotion edited by Abraham F. Lowenthal. The covert intervention cases meanwhile use such disparate sources as U.S. documents declassified under the Freedom of Information Act as well as witness accounts written by former CIA agents. I end the chapter with a summary discussion on how U.S. interventions can be expected to affect democratization with respect to the typologies of the ‘sub-context’ of the international context.

3.1 Why do States Choose to Intervene?

That democratic regimes would choose to intervene militarily in another state initially runs counter to the logic of the democratic peace of Kant where liberal regimes were unlikely to bear the brunt of the cost of war, however even Kant admitted that they might intervene in states that had fallen into internal disunion (Kant 1975:8). Realism meanwhile teaches us that regional hegemons will choose to utilize force to maintain their power relationship vis-à-vis other states within the region (Mearsheimer 2001:35). For the most part the democratic peace seems viable as democracies do not wage large scale wars against each other, however Kegley and Hermann find that democracies do carry out a significant amount of small-scale military interventions against other elected governments, despite authoritarian states being the most common target (Kegley & Hermann 1997:99-100). Bueno de Mesquita and Downs offer an explanation for military interventions that foregoes elaborations on the motivation of the intervener, at least in part as *realpolitik* wins out over idealistic democracy support. When a democratic country intervenes its leaders do so at the behest of a *selectorate* which must offer support for the policy directions of the interveners for them to be realized or the incumbent leaders will shortly be replaced. In democracies policies that drive interventions are therefore likely tied to public goods such as safeguarding national security, or securing access to energy resources and

protecting trade routes. Democracy support is thus only a priority as long as it serves the aforementioned policy goals, and to make matters worse the principle-agent relationship leads democratic countries to prefer an autocratic government or only the trappings of democracy to ensure the target country will deliver policy concessions to the intervener's own *selectorate* (Bueno de Mesquita & Downs 1996:630-32). In line with *selectorate theory* their findings suggest that democratic interveners in general do little to promote democracy and often lead to its erosion or undertaking of merely symbolic democratic reforms (Bueno de Mesquita & Downs 1996:647). Ten years following an intervention from either an autocratic or democratic state both types of target country converges on a similar low level of democracy. This can be explained by autocratic interveners being more concerned with acquiring territory or resources than reshaping the foreign policy goals of the target state. Democratic interveners on the other hand would be driven by exactly such broader ambitions as their leaders cannot survive on political patronage alone. This implies that the motivations of the individual political actors matter less than the regime type of the intervener and since the U.S. is a democratic country it is likely to “..do more in the long term to restrict meaningful democratic reform than will nondemocratic interveners” (Bueno de Mesquita & Downs 1996:635). Other studies of foreign interventions have found similar short-term effects on the level of democracy with diminishing effects in the long-run (Meernik 1996:396, Kegley 1998:97). Following selectorate theory we would expect to see a trend where the U.S. prefers to maintain influence on the political institutions in the target countries which veer towards democracy in order to control for the agency problem or outright supporting autocratic regimes as those are a preference of both nondemocratic and democratic interveners alike (Bueno de Mesquita & Downs 1996:635). In the next parts I will examine some of the cases of overt- and covert interventions that were carried out by the U.S. in Latin America, elaborating on some common trends as well as the likely effects of the interventions.

3.2 Region of Interest: Latin America

The countries that are analyzed in this thesis are grouped together according to a shared historic and cultural heritage as well as the population surpassing half a million as selection criteria. As pointed out in the previous section the Latin American countries have a shared history of early adaptation of democratic institutions and decolonization with the result that boundary delimitations were more or less fixed at an early stage. Following Schmitter's argumentation

that the regional context is increasingly more suitable for explaining democratization I have sought to limit the scope of this thesis to my definition of Latin American countries. Despite Latin America corresponding well with a geographical region – there exists within those boundaries some states that cannot be considered part of a shared heritage. In addition to being early democratizers the Latin American countries have enjoyed at least a century of independence. Their cultural bond can be found in the romance languages, which includes Spanish for the most part, Portuguese for Brazil and French for Haiti. Other noteworthy factors that all countries have in common but which will not be covered in this paper is a shared colonial history with an economy based on slavery, decimation of the indigenous population during colonialization, and all countries being predominantly catholic. The most notable factor on the other hand is U.S. regional hegemony. All of the following countries in addition to the U.S. furthermore make up the founding members of the Organization of American States. With the exclusion of any non-sovereign territory which does not match the above language criteria, Latin America can be said to consist of *Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela*.⁸ A further distinction within the Latin American region is that between the southern cone and Central American countries, which is important with regards to U.S. regional influence as pointed out above. In the case of leverage the southern cone countries were considered outside of the immediate U.S. sphere of influence and so enjoyed an absence of U.S. military interventions although they later became frequent targets of covert interventions. With my definition of Latin America I cover most countries of interest, while I do not blur any cultural lines which might exist at the regional level to distinguish between the countries, although they are more likely to have more that separates them than what they have in common at any rate. If I for instance utilized a less stringent selection criterion population alone in addition to the country being sovereign my sample would only be extended to Guyana, Suriname, Trinidad and Tobago as well as Jamaica

⁸The distinction excludes the following English speaking countries and overseas territories: Jamaica which gained independence from Great Britain in 1962. Guyana and Barbados that were under British rule until 1966, The Bahamas in 1973, Dominica in 1978, Saint Lucia and Saint Vincent & the Grenadines in 1979, Belize, Antigua & Bermuda, until 1981 and Saint Kitts & Nevis until 1983. French Guiana remains a French oversea territory while Suriname gained independence from the Netherlands in 1975. Several of these territories (Guyana and Grenada at least) were subject to U.S. military interventions following their official independence. The remaining Caribbean colonies are classified as oversea territories with the U.K. holding Anguilla, British Virgin Islands, Cayman Islands, Montserrat and Turks & Caicos Islands, Netherlands controlling Aruba, Curacao and Sint Maarten, France holding Saint Barthélemy, Martinique, Guadeloupe and Collectivity of Saint Martin. The U.S. holds the uninhabited Navassa Island, United States Virgin Islands and the most noteworthy oversea territory with its 3.6 million inhabitants Puerto Rico.

as these are the only countries in the geographic region that surpass the 500 000 population criteria of the Polity IV dataset (Marshall et al. 2013:4).

3.3 Case Overview: U.S. Military Interventions in Latin America

Foreign military interventions in Latin America have since the Spanish-American war of 1898 only involved U.S. forces, apart from the brief Falkland war between Argentina and Britain in 1982 to which the U.S. consented. This is illustrative of the effectiveness of the 1823 Monroe doctrine which stipulated that no further colonization was to be undertaken in the western hemisphere by European powers, and that failure to comply would be viewed as an act of aggression against the United States. It was first put into effect in 1865 to drive out the French incursion in Mexico through supporting the incumbent president, but saw its widest application in the twentieth century. The Spanish-American war was a turning point because it provided a chance for the U.S. to drive out the last vestiges of Spanish influence in the Caribbean basin, and during the ensuing Venezuelan debt crisis in 1904 the U.S. would not tolerate a return of European powers to the western hemisphere. Where the *Monroe doctrine* had kept meddling European powers out, the *Roosevelt corollary* established the U.S. right to intervene in cases of “*chronic wrongdoing or an impotence which results in the loosening of the ties of civilized nations..*” in the western hemisphere it elevated the U.S. in “*..cases of such wrongdoing or impotence, to the exercise of international police power.*” directly undermining other states sovereignty (Howard Jr 1999:3). Multilateral interventions were in some instances legitimized by Pan-Americanism and carried out under the auspices of the OAS, however despite criticism of the U.S.’ unilateral role it has to this day never been successfully challenged outside of legal texts⁹.

Democratization became part of the policy agenda under Wilson, but where it would happen under U.S. tutelage it would still have to compete with the two other major policy concerns of the U.S. in Latin America: National security and economic interests. Following the Spanish-American war the U.S. ended up with the former Spanish colonies of Cuba and the Philippines, however the U.S. was more interested in the annexation of trade than in the annexation of

⁹ The Calvo doctrine, later established that conflicts with foreign nationals should be brought before local courts, stressing the sovereignty of the Latin American nations and was followed by the Drago doctrine which introduced a principle of nonintervention in the face of debt collection, directly countering the Roosevelt corollary.

territory (Paterson 1996:346). The U.S. achieved its hegemonic dominance during the time after the Spanish-American war as a result of eliminating the conditions that had caused external intervention by European powers such as fiscal and political instability (Lowenthal 1991). In addressing the crowd at Mobile Alabama in 1913 Wilson acknowledged the subservient position the Latin American countries had been finding themselves in, whether due to unfair loan conditions or unfettered capitalism, and expressed hope for establishing a more equal relationship. Under Woodrow Wilson the *gunboat diplomacy* of Roosevelt and *dollar diplomacy* of Taft were downplayed and exchanged for one that sought the proliferation of liberal forms of government. The shift towards favoring the spread of democracy is marked and can be summed up in the somewhat ethnocentric words of Wilson: “*We must govern as those who learn; and they must obey as those who are in tutelage. They are children and we are men in these deep matters of government and justice*” (Paterson 1996:353). However it is doubtful that one can accurately model the intentions of the U.S. in supporting democracy or not. During the Wilson years democracy support entailed overseeing elections which perpetrated old power structures, and with the shift of policy following the Second World War to combatting communism support for democracy equaled supporting autocratic regimes abroad (Howard Jr 1999:3). This makes separating between cases that are actually motivated by intentions to democratize and those that are about national security or economic interests very difficult. Panama presents a clear indication of U.S. intervention favoring economic interests over democratization, and perhaps even national security during the reign of Noriega. In 1903 Panama broke away from Colombia under the protection of U.S. gunboats and U.S. troops that prevented Colombia from endangering the construction of the Isthmian Canal. Taft had the following recommendations for Roosevelt regarding the country:

We should be given direct control over the elections, so as to permit us, should we desire, to intervene and determine who is fairly elected. This I agree detracts from the independence of the ‘Republic’ but as the Republic has not shown itself competent in this regard, we are justified ... to protect our own interests (Lowenthal 1991:244).

On the other hand the major U.S. foreign policy articulations did manifest in some difference in actual foreign policy. Under *dollar diplomacy* the U.S. acted in support of U.S. business interests, and finding no important assets at stake did nothing to assure the democratically elected President Madero against a coup carried out by General Huerta. Wilson on the other hand opposed the bloody removal of Madero, and sent U.S. troops to occupy Veracruz. The removal of Huerta was accredited to Mexican constitutionalist forces however U.S.

involvement arguably shortened the life of the Huerta government (Lowenthal 1991). To avoid reading too much into the intentions behind the act of intervening I have instead tried to examine the effects, and in that regard the case of Nicaragua is illustrative of many aspects of the U.S. policies of military intervention in the region.

In Nicaragua military intervention was necessary to finalize a consolidation loan, which under the *dollar diplomacy* of the time was seen as a way to secure financial stability and the peace in the region (Lowenthal 1991: 116). In 1912 U.S. troops intervened on behalf of conservative President Diaz, who had just come to power the year before in a coup d'état, representing the first intervention in Latin America that sought to maintain a political executive in power. A small legation guard of about one hundred soldiers was left behind and the director became an arbiter between the political forces in Nicaragua. The role was soon expanded as both the national railway and the National Bank became collateral for the previously mentioned loans following Nicaraguan default. In 1913 the U.S. government appointed two members to the board of the National Bank, and between 1917 and 1929, 43 percent of all government spending went to serve the debt. Two democratic elections were held, mired in accusations of election fraud, both handing the victory to the conservatives. In 1923 as part of the plan to withdraw its forces the U.S. imposed the Dodds Law on the Nicaraguan government, which institutionalized a majority representation of the incumbent party in the electoral process. The result was that apart from the 1928 elections that were monitored by U.S. marines, the liberal opposition did not successfully challenge the conservatives for the executive in an election until 1990 (Lowenthal 1991). The second step to withdrawing U.S. troops was the establishment of a U.S. trained National Guard, partly in response to the civil war of 1927, which was later handed over to the Nicaraguan government. Within the newly created National Guard Somoza Garcia managed to consolidate power through his control of the state bank and 'guardia' funds allowing him to eventually threaten his way into the presidency in 1937, forcing the current president to resign (Lowenthal 1991). Both conservatives and liberals approached the U.S. legation to seek another U.S. intervention which they had become so accustomed to in the past, however the U.S. now adhering to its newfound *good neighbor* policy sought nonintervention, leading to a long string of rigged elections maintaining the façade of democracy. Following his death in 1957, Somoza's son who was also leader of the National Guard took over the presidency, until being deposed by the 'Frente Sandinista de Liberación Nacional (FSLN) in 1979.

The case of Nicaragua is illustrative, because one intervention often spurred a string of successive military deployments as was the case for the Dominican Republic, Panama and Cuba among others. Domestic political forces were vying for U.S. support in the form of interventions in order to capture or hold the executive and when not called for by domestic forces the right to intervene was secured through treaties such as those governing the Panama Canal and Cuba following the Spanish-American war. In Nicaragua, the Dominican Republic and Haiti the U.S. trained a national guard which gave rise to a nationalist leader who later captured the executive through nondemocratic means (Lowenthal 1991). Given these accompanying features of U.S. military interventions, one can assume that a military intervention against a Latin American state would have a positive impact in the short run as stability is reinforced and elections are monitored, however due to imposing limits on the electoral institutions through institutional designs that come to favor a political faction aligned with U.S. policy the long term outcome of military interventions is institutional fragility spurring more interventions or a return to autocracy. All the cases of military intervention that I examined were restricted to Central America and the Caribbean as the Southern Cone seems to have been largely insulated from such interventions. Covert interventions were however widespread in all of Latin America, and following the establishment of the Agency and the apparent spread of communism the U.S. extended its interventionist activities to the entire region.

3.4 Case Overview: U.S. Covert Interventions in Latin America

The case of the covert operation in Guatemala in 1954 merits a detailed overlook, as it was the first of its kind in Latin America. Following a successful return of the Iranian Shah to the throne and overturning democratic elections '*Operation Success*' in Guatemala would be instructive for later covert operations in the hemisphere. Second president following the revolution, Árbenz Guzman was behind the first serious attempt at land reform in Guatemala. During the 1950's about 2.2 percent of the population owned 70 percent of arable land with less than a fourth of that being under cultivation at any given time with the owners primarily being made up of

*ladinos*¹⁰ in *latifundios*¹¹. Árbenz was non-ideological, but not unsympathetic to these clear structural differences which hampered the growth in the country, and began to push for evaluation of land, which had been undervalued by the dominating United Fruit Company for years in tax declarations. Guatemala was at the time of independence by all accounts a banana republic; the entire industrial sector employed less than the United Fruit Company, it owned and ran the only Atlantic port in the country as well as all railroads, had received concessions which granted it total exemption from internal taxation, duty-free importation of all necessary goods and a guarantee of low wages (Schlesinger & Kinzer 1982). The same year Árbenz was elected to head the executive he signed ‘Decree 900’ in pure defiance of United Fruit Company demands of extending the concessions it enjoyed. The agrarian reform bill allowed expropriation of uncultivated land compensated at the *declared* taxable worth. This was a huge blow to the United Fruit Company that had undervalued its land for years in order to reduce one of its few tax liabilities (Schlesinger & Kinzer 1982). Realizing that they could no longer control the Guatemalan government independently they now turned to the U.S. government for allies, and the U.S. State department soon offered a formal complaint stating that the \$ 627.527 compensation was not enough and demanded \$ 15 854.849. In fact the U.S. government and United Fruit Company had already begun conspiring against the new democratic Guatemalan government prior to the land reform being carried out; they had hired a PR expert which invited major U.S. media outlets to Guatemala to convince them of an exaggerated communist threat within the country, as well as lobbying Washingtonians to support the company’s bid for continued monopoly. In 1953 the joint interest of the United Fruit Company and the State department culminated in ‘Operation Success’ with the aim of removing Árbenz from office and replacing him with Colonel Carlos Castillo Armas, a handpicked CIA pawn (Schlesinger & Kinzer 1982). The operation was multi-faceted and sought to turn popular opinion and the military against Árbenz in order for him to be forced to step down, and the CIA puppet to assume the presidency and roll back any progressive changes as well as contain the imagined communist threat. The CIA set up an underground radio broadcast that spread misinformation aimed both at the civilians as well as the military, air dropped leaflets, strafed Guatemala City

¹⁰ Ladinos refers to people of mixed Latino and Indigenous descent according to the racist caste system that was in use until early 1800’s. Like *Mestizo* or ‘mixed’ people in all other parts of Latin America ladinos were valued below white foreign-born *peninsulares* and white colonial born *criollos* but valued above enslaved parts of the population like indigenous *indios* or black *negro*, *mulato* or *zambo*. While slavery was abandoned rural labor patterns were often indistinguishable from involuntary servitude and there was a notable difference in illiteracy rate; 75 percent in general, 95 percent for indios, and life expectancy; 50 years for ladinos, 40 for indios (Schlesinger & Kinzer 1982:38).

¹¹ i.e. large estates

with machine gun fire and jammed official radio broadcasts. As Castillo Armas was instructed to move into the country by the CIA he never actually posed a threat to the country, never controlling a force that numbered more than 400, which was evidenced by the squadron languishing around the border and never actually advancing on the capital. By June 27th in 1954 the military was unable to respond due to lacking sufficient capabilities to fend off the exaggerated threat of the enemy airpower and impending ground army, and as the radio waves were filled with messages about Castillo Armas leading an army of thousands drawing ever closer to the capital a reluctant Árbenz finally instructed the military to distribute arms to civilians in order to fend off the attackers. The army chiefs however had by now been influenced by the massive amounts of propaganda which insinuated Árbenz desire to arm the people to form a militia conforming to the imagined threat of a communist takeover. Seeing their position as precarious they were essentially forced to topple the elected president. U.S. ambassador to Guatemala Peurifoy had been aware of the covert operation and had been meeting regularly with the President to communicate the stakes and as soon as Árbenz himself was convinced there was no way out he contacted the ambassador. *"... he knew I could stop [the] fighting in 15 minutes if I wished. He asked if I would do so if military junta took over the government"* (Schlesinger & Kinzer 1982:195). From there Peurifoy met with the army chiefs and carried out an elaborate ruse that despite the collective parting wishes of the Chiefs and Árbenz left Castillo Armas in charge of the nation, leading to a repressive dictatorship, reinstated concessions for the United Fruit Company, Castillo Armas' assassination and a thirty year long civil war.

Successful parts of the Guatemalan operation would later be replicated in successive covert operations throughout Latin America. As with the military interventions it is hard to separate interventions that fulfilled their intended goal from failed ones, and equally hard to correctly code the intentions behind each operation as few cases have been completely declassified. A common trend seems to be the manipulation of the media to instill a fear of communism in the public and more importantly in the conservative elite. As with Guatemala this can lead the military to perform a coup d'état which seemed to be the strategy in Chile and Brazil as well. In 1970 Allende won a majority of the vote, and the White house scrambled to prevent him from taking office; they first dedicated themselves to bribing the congress who would officially choose the candidate, then later sought to induce the military to stage a coup and interrupt the democratic process. Fear of nationalization and economic collapse was disseminated throughout the population, and caused a major financial panic while Chilean military officers

were approached in secret and warned about the possible cutting off of U.S. military aid. The largest obstacle was the vehement Commander in Chief of the Army Rene Schneider who insisted that the constitutional process be followed. On October 22nd the Agency passed weaponry to conspirators and the same day Schneider was mortally wounded in a kidnap attempt, which only served to rally the army around constitutionalism and assured Allende's assuming office. In the case of Chile the CIA were apparently unsuccessful in inducing the military to perform a coup. Not enough evidence has yet been declassified to say that CIA involvement was a sufficient factor in the ousting of President Goulart in Brazil, although it was motivated by the same threat of leftist policies and in both the Chilean and Brazilian case the U.S. navy was stationed nearby in case the domestic military should require assistance (Nsarchive.gwu.edu 2004, Nsarchive.gwu.edu 2014b). This trend can most accurately be summed up as a *destabilization* of the democratic institutions. As mentioned above it primarily centers on manipulating the media outlets to spread propaganda and influence the public and the political elite in order to make them more susceptible to pressure. The second identifiable trend is that of arming rebels, and *fermenting unrest*. This method was employed in Cuba, Nicaragua and Haiti among others (Alleged Assassination Plots Involving Foreign Leaders 1975, Blum 2004). As with Guatemala the goal isn't necessarily for the rebel group to overthrow the government singlehandedly, but rather to ferment wider unrest that can be seized upon. During the House Armed Services Committee briefing before the botched Bay of Pigs invasion members of congress wondered how the guerilla army of about a thousand men would possibly defeat a Cuban army of 200 000 to which Dulles replied that he expected the exiles to light a fuse that would spark a general uprising on the island (Snider 2008). Outright assassination also falls under this category, and was employed quite liberally albeit unsuccessfully against Castro under Operation Mongoose and most likely against Trujillo in the Dominican Republic as well (Blum 2004). The extent of CIA involvement is not really in question, they were operating in the entire region, however due to a lack of evidence in most of the newer cases only those ranging back to the 1970's and beyond can be satisfactorily accounted for. Even in those cases however, some authors maintain that the CIA involvement was more direct than declassified public accounts are able to establish. The official account of what happened in Chile states that the most direct CIA connection was in the botched kidnapping of Rene Schneider in 1970, however the Agency and the White House were cleared of having any knowledge that coup leaders contemplated the kidnapping. The machine guns were sent to Chile and delivered to military figures there on authority of middle level CIA

officers without consultation with the officer in charge of the operation. As the Church committee noted it *“demonstrates the problems inherent in giving an agency a “blank check” to engage in covert operations without specifying which actions are permissible and which are not, and without adequately supervising and monitoring these activities.”* (Alleged Assassination Plots Involving Foreign Leaders 1975:272). The issue with establishing fully what really happened and the policy of plausible deniability makes it hard to establish a complete picture of covert interventions, but the incomplete cases in themselves provide some interesting implications for democratization.

Covert interventions should accordingly show a wholly negative impact on the level of democracy, with destabilization efforts playing out over a longer period. These predictions are consistent with the findings of Easterly, Satyanath and Berger who find that both failed and successful interventions during the cold war have a negative impact on levels of democracy that are significant when carried out by the U.S. but not for those carried out by the Soviet Union. The longer the intervention lasts, the stronger the negative effects of the intervention, however when it ends the effects dissipate quite rapidly (Berger et al. 2013b).

3.5 The Expected Effect of U.S. Interventions

Now that I have elaborated on the cases of military intervention and covert intervention carried out by the U.S. in Latin America, and described some of the likely causal mechanisms involved I will summarize them briefly before discussing them with regard to the ‘control’ typology of the ‘sub-context’ of the international context. After summarizing the expected effects of U.S. interventions I will formulate testable hypotheses based on my predictions.

3.5.1 The ‘Control’ Effect of Interventions

Military interventions seem to conform to Bueno de Mesquita and Downs’ prediction that the U.S. as a democracy is more likely to do more in the long-term to resist meaningful democratic reform than support it. Schmitter similarly states that as a general rule democracies carry an intrinsic interest for democratic proliferation, however they will fail to act upon it if the cost of an intervention is too great or if it is too risky, and if it jeopardizes its own national security or economic interests (Whitehead 2001:47). This is consistent with the idea that the long-term effects are likely to differ from the short-term effects (Whitehead 2001:47) and with the effects

of interventions as predicted by selectorate theory (Buono de Mesquita & Downs). Przeworski and Limongi predicted that countries that perform worse are more susceptible to collapse and therefore also foreign interventions. This is backed up by the cases where the U.S. in the beginning of the 21st century was motivated by a strategic interest to prevent insufficient handling of foreign debt that could attract the attention of European creditors and so they intervened militarily. For the covert interventions meanwhile this effect could be said to apply where the U.S. had economic ties to the target countries, and seems to back up Collier's argument that a bad economic performance increases the chance of covert interventions (Collier 1978). Berger et al. similarly found that the U.S. covert interventions could be tied to increased imports from the U.S. (Berger et al. 2013a). The argument seems to hold equally for U.S. strategic security interests since covert interventions were often spurred on by a wish to contain the spread of communism. In cases where democratization might destabilize a key ally, if the electorate supports parties or policies hostile to U.S. business interests or the institutionalized uncertainty of democracy leads to uncertainty of the future international alignment of a neighbor country the U.S. democracy support can accordingly be predicted to waver (Lowenthal 1991:236). From the case overview of U.S. military interventions the trend seems to be that one intervention leads to successive strings of interventions. Indeed the history of U.S. interventions in Nicaragua suggests that there has been an iron law of intervention in which a little intervention for the purpose of imposing constitutional forms and elections, although never leading to stable democratic conditions, leads inexorably to more intervention (Lowenthal 1991:112). The driving causes of this seems to be the domestic forces calling for U.S support in the form of interventions as well as the U.S. creating legal impetus for interventions in the form of treaties. Another identifiable trend were the numerous attempts to depoliticize the military through the creation of a U.S. trained National Guard. The ultimate effect however seems to be that this upset the constitutional balance as the National Guards were instrumental in effectively consolidating power and carrying out coups d'états. On a positive note however the U.S. overseeing elections seems to be able to control for some of these institutional upsets created by interventions as was the case in Nicaragua where the opposition successfully gained control of the executive through a popular vote. The case overview of U.S. covert interventions suggests that CIA meddling can be summed up in two distinctive effects: 'destabilization' and 'fermenting unrest'. The former relates to how the CIA influenced the military to carry out coup d'états and funded opposition parties and its effect is best describes as upsetting the constitutional consolidation as political actors are driven to

unconstitutional behavior. The latter effect meanwhile can be further divided into two separate causes. As the CIA funded rebel groups and carried out political assassinations domestic groups are driven to overthrow the regime and in effect divert support for democratic procedures. Both military- and covert interventions can therefore be grouped under the ‘control’ category of international factors and the trends found in the cases seem consistent with the predicted control effects detailed at the beginning.

3.5.2 Hypotheses

Based on these predictions I derive the following hypotheses:

The clearest trend with regards to U.S. military interventions is that they can be expected to have a long-run negative impact on the level of democracy, but the short-run effect however can be expected to be positive as the presence of the U.S. military can lead to elections being carried out appropriately thus securing the competitiveness of elections. In the long-run however military interventions seem to upset the constitutional balance.

I first derive a null hypothesis which cannot be rejected if none of the following hypotheses are found to be true:

H_0 *Interventions have no effect on the level of democracy when controlled for common determinants of democracy*

I then formulate a hypotheses that reflects the main prediction based on the information given in the previous chapters

H_{0i} *U.S. military interventions have no positive effect on the level of democracy in the short-run, nor in the long-run*

H_1 *U.S. military interventions have a positive effect on the level of democracy in the short-run, but a negative effect in the long-run*

H_1 is a strong supposition and I therefore formulate some alternative variables with regards to the effect of U.S. military interventions. It is not unthinkable that the effect of U.S. military interventions is negative in the long-run, but not found to be positive in the short-run.

H_{0ii} U.S. military interventions do not have a negative effect on the level of democracy in the long-run

H₂ U.S. military interventions have a negative effect on the level of democracy in the long-run

Less probable but equally possible the military interventions can lead to positive effects in the short-run that do not carry negative implications for the long-run.

H_{0iii} U.S. military interventions do not have a positive effect on the level of democracy in the short-run

H₃ U.S. military interventions have a positive effect on the level of democracy in the short-run

U.S. covert interventions meanwhile were predicted to have a wholly negative impact on democratization as they upset or circumvent the electoral process altogether or erode the constitutional checks- and balances.

H_{0iv} U.S. covert interventions do not have any effect on the level of democracy

H₄ U.S. covert interventions have a negative effect on the level of democracy

4 Method

In the following chapter I will discuss my dataset, the estimation method as well as present the variables included in the analyses. While the shape of the dataset and the chosen method of analysis will impact the ability to draw conclusions and test the hypotheses the choice of variables has, if not immediately evident, an even greater impact on the ability to form a substantive conclusion based on the tested hypotheses. The reliability of the findings, although strengthened by the ability to reproduce them in full since the complete coding procedures and sources are indicated ultimately rests on the degree to which the variables have been correctly coded. The degree to which I trust my measurements once they are found to be significant however is another matter. Measurement validity can be understood as measurements being valid only if the chosen indicator produces scores that adequately capture the systematized concept used in a study (Adcock & Collier 2001:533 The dependent variable must in other words capture my definition of democracy and the operationalization of the variables that measure interventions must capture the definitions of interventions presented above. I will therefore spend some time presenting the various variables in detail after presenting the dataset and estimation method.

4.1 Testing the Hypotheses

To test the hypotheses I include the measurements for each concept as well as control variables that account for other likely correlates of democracy in a regression model. I have chosen a confidence level of 95 percent because it is sufficiently stringent and is one of the most commonly employed confidence levels. To test my hypotheses the statistical software \mathbb{R} determines the confidence interval or the likelihood of finding the measurement in the sample distribution given an estimation of the standard deviation in the population. At a five percent probability, we are saying that in 95 out of a hundred samples the observed effect will be found within our confidence interval. In other words there is only a five percent chance that we could observe the given values in our sample if there was no effect of interventions on democratization. This is articulated in probability p-values by the statistical software \mathbb{R} . The confidence interval is decreasing proportional to sample size (the central limit theorem) and with decreasing variance in observations (smaller standard errors). In other words a larger confidence interval means that we are more likely to commit a type I error and reject a true null

hypothesis, and limited variance or too few observations increases the chance of committing type II errors of keeping a false null hypothesis. This bias v. efficiency tradeoff that comes with specifying the model is what defines the best model for the analysis which will be discussed in this chapter.

4.2 The Shape of the Data

The dataset is shaped as a panel with country i measured once each year t . Since the dataset runs from 1898-2014 with 20 countries the shape of the data generates a proportionally larger number of observations than a simple Cross-section or Time-Series would, with the number of observed units denoted as $N = it$, with $i = 1, \dots, n$ and $t = 1, \dots, T$. However two of the states which otherwise fit the selection criteria have been included despite technically not being independent in 1898 as to not miss out on important variations on the independent variables by excluding them completely or subsetting the dataset and missing 90 observations. Because Cuba only became independent in 1902 after the U.S. relinquished direct control and Panama became independent in 1903 the time series for these countries start at the year of independence and the dataset takes the form of an unbalanced panel. While the idea of a panel usually denotes short time series the panel I shall employ has a rather large time series and is therefore closer in form to TSCS data. Understanding the shape of the data leads to an intuitive understanding of the methodological issues which are specific to TSCS. Violations of the OLS assumptions quickly introduce bias to our results for instance because interdependent observations reduce data variability by it , and most issues that pertain to TSCS deal with the temporal and spatial dimensions. Theoretically Time-Series Cross-Sectional data is better suited for fixed effects models than short panels because fixed effects use up $1/T$ degrees of freedom, which has a more severe effect the shorter the time series is. In addition longer time series cause convergence between random effect models that accounts for cross-sectional correlations and fixed effects models which controls for unit-specific effects or heteroscedasticity. This occurs because random effects is just a linear combination of the fixed effects estimator and the ‘between units’ estimator (Beck 2001:4).

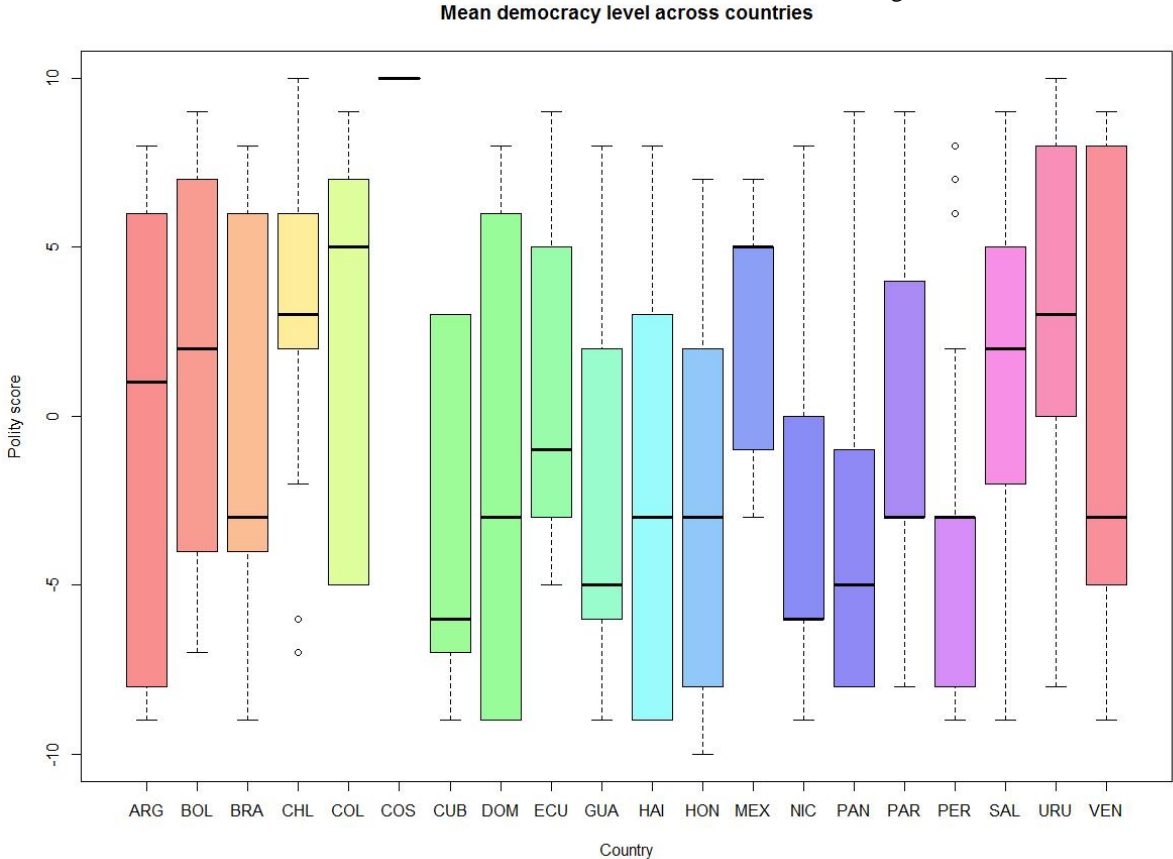
The shape of the data therefore leads me to believe that a fixed effects model might be better. More importantly there are likely to be country specific effects such as historic differences between settler and extractive colonies (Acemoglu et al. 2001), historical developmental trajectories (Gourevitch 1978:886) or an inherent characteristic in some countries that control

when and where interventions occur (Bueno de Mesquita & Downs 2006:639). Coppedge for instance argues that fixed effect models are great for estimating short-term effects within countries compared to its closely related cousin the random effects model which averages between-country and within-country estimates distributing more weight to either of those two when their variance is greater. He argues that when democracy is the dependent variable the variance between countries will always be greater so a random effects model will always mostly reflect cross-national variation (Coppedge 2012). I therefore assume that a Fixed Effects model is the best estimation procedure, given the shape as well as nature of the data and since I wish to examine changes of democracy level within countries. In the following I further elaborate on why a fixed effects model is correct for my data, as well as explaining how the model is estimated.

4.3 Fixed Effects Model

As already mentioned the supposition of the Fixed Effects model is that it is inherently difficult to account for all the country-specific effects, the chance of not having included all the relevant variables is high and therefore we should use a model which accounts for that. However it

Figure 1 'Cross-sectional variation'



removes the possibility for comparison between cross-sections as only ‘within country information’ is utilized. Figure 1 is a nice illustration of how the polity score which is the chosen dependent variable that measures the democracy level varies across each country in the region. The median for Cuba is for instance found to be below the -5 point while the median for Costa Rica is found to be at the +10 point on the scale. The boxplot indicates that a Fixed Effects model is appropriate as there is a great deal of variance between countries that is likely caused by variables that are not included in the model. The variation between countries is thus controlled for by letting the unexplained variation or estimation error terms be correlated with each country. To state it more bluntly the large difference between Costa Rica and Cuba is explained by Costa Rica being Costa Rica and Cuba being Cuba.

That is achieved in a fixed effects model by assigning an intercept to each cross-sectional unit, as compared to the single intercept or constant in a regular OLS regression, represented with $N-1$ dummy variables, dropping one so that we do not double dip (Green et al. 2001:443). The undescribed effect which would otherwise be included in the error term is moved to the right-hand side of the model, allowing us to focus on within-country variation exclusively. Equation I is an extension of the regular OLS model that identifies the unobserved country effects and equation II illustrates how the fixed effects model controls for the country-specific effects:

$$I. \quad Y_{it} = \alpha + \beta_1 X_{1it} + \dots + \beta_n X_{nit} + \mu_i + \varepsilon_{it}$$

Equation I illustrates the individual heterogeneity with the two separate components of the error term or unobserved effects, with ε specifying the idiosyncratic error which is assumed to be normally distributed, homoscedastic and not serially correlated. Failing to account for the μ_i part of the error term which comes with TSCS data in the regular OLS model is thus shown to lead to residuals or errors that would not be independent and identically distributed. In theory this breaks the residuals into two, one part ε which is assumed to be independent of both the regressors X_{it} and the individual error component μ_i , and the μ_i which can be either independent of- or correlated with the regressors (Croissant & Millo 2008:2). If it is correlated, as is likely if one examines Figure 1, the variable estimates would be inconsistent or biased and therefore the fixed effects model specifies the individual error component μ_i as a further set of n parameters to be estimated as illustrated in Equation II (Croissant & Millo 2008:2).

$$II. \quad Y_{it} = \alpha + \delta_1 Z_{1it} + \delta_2 Z_{2it} + \dots + \delta_{n-1} Z_{n-1it} + \beta_1 X_{1it} + \dots + \beta_n X_{nit} + u_{it}$$

To ascertain whether to use a fixed effects model or not is therefore the same as ascertaining whether the simple OLS model is more biased than a fixed effects model. A simple test is to assume a null hypothesis where all countries have the same intercept ($\delta_n = 0$), and an alternative hypothesis where they have different intercepts. If each country has a different intercept the linear regression line would be biased because the squared differences would not be somewhat equal for different points on the regression line, a problem that is only exacerbated with increasing differences between countries. This is tested by the use of a Hausman test which underlying assumption is that when the country-specific intercepts are correlated with the model's regressors the regular OLS model would be biased and a Fixed-effect model unbiased. The Hausman test compares the fixed-effect estimates with those derived from a model in which intercepts are presumed to be uncorrelated with the regressors (Green et al. 2001:445,453).

Because fixed effects regression uses many degrees of freedom and essentially eliminates cross-sectional variation in the independent variables the standard errors can be inflated to several times larger than those found in a regular OLS. Units that do not vary on the dependent variable, such as seems to be the case for Costa Rica, are essentially dropped from the fixed-effect model. This is a bias-efficiency tradeoff which has to be taken into consideration before I decide that the fixed effects model is appropriate. If the Hausman test establishes a significant degree of bias a fixed-effect model should be utilized because the variable estimates will be incorrect otherwise. However if the Hausman test finds a random effects- or pooled model to be more consistent using the fixed effects model would be inappropriate as the larger standard error can lead to increased uncertainty about the confidence of our estimates.

4.3.1 Serial Correlation

Another issue which is introduced with TSCS data is serial correlation. In time-series two variables can be correlated simply because they have both evolved similarly over time, lacking a meaningful explanatory cause for the relationship apart from a time trend (Skog 2004:237-239) Random selection would normally prevent this from occurring, but the problem is introduced with the repeated observations of the same unit, as we have in TSCS data. The opposite of the time trend is 'white noise' where each observation is independent of each other, and where the value of one observation cannot be predicted based on the value of a previous one. While one would like to be without serial correlation in the dataset, it exists in plentitude in observable data, and shows up as either medium- or long-term trends which are identifiable

with an increasing amount of serial correlation (Skog 2004:239). To identify serial correlation I apply the generalized Durbin-Watson test for fixed effects models (Bhargava et al. 1982), where values close to 2 indicate the lack of serial correlation, close to 4 indicate negative serial correlation and 0 positive serial correlation.

The immediate fix to serial correlation would be to include the relevant control variable which accounts for the unexplained residual variance, however as with country-specific effects these might be difficult to observe. Another fix is to reshape the dependent variable to change in time t or doing this for all variables in a first difference model instead of the originally observed values Croissant & Millo 2008:3). A disadvantage with these methods however is that we are less likely to establish a significant relationship between the given independent variable and the dependent one as much of the variance potentially is reduced. This seems to be the case for the common treatment of including a lagged dependent variable (Achen 2001), and furthermore has been shown to lead to ‘Nickell bias’ in fixed effects models so that estimates are inconsistent (Nickell 1981). The problem of serial correlation violates the Gauss Markov assumption as the residuals are no longer independent of each other (Beck 2001:9). To deal with this issue in the fixed effects model I will therefore estimate a robust covariance matrix or a ‘sandwich estimator’ which in its most general version is not only consistent versus heteroscedasticity but also serial correlation (Croissant & Millo 2008:38, Arellano 1987). Together with the choice of a fixed effects model these ‘treatments’ should hopefully leave us with a model that approximates the OLS as the best linear unbiased estimator. While the issues of TSCS data primarily relates to need for the residuals to be homoscedastic, independent of each other and uncorrelated, the fixed effects model should also decrease bias in the coefficients. In addition to meeting these criteria the variables must be linear and the residuals must be homoscedastic (Skog 2004:226-236). The linearity of the variables and distribution of the residuals will be touched upon during the analysis section and visualizations of these variables are included in the appendix. In the next part I will describe the variables that the model will be estimated on.

4.4 Variable Descriptions

In the following the variables will be presented as well as their substantial conceptualizations of the theory presented earlier. Some of the control variables that were included as commonly utilized correlates of democracy are only described briefly.

4.4.1 Independent Variables

Military Intervention: USfmi

The variable for military intervention aims to operationalize the military interventions which were carried out by the U.S. in Latin America and include interventions by other countries as a control. The variables are constructed using the Correlates of War Militarized Interstate Disputes dataset, henceforth referred to as CoW and MID respectively. The MID dataset aggregates data on cases in which one or more states threaten, display or use force against one or more other states between 1816 and 2010. I have opted for using the aggregated dispute data set over the incident one, since the latter only contains data from 1993-2010. In the absence of complete information regarding the end of a conflict a dispute is allowed to end 6 months following the start of the conflict, or 6 months after the end of any subsequent incidents in the MID. However when the entire dispute lasts longer than 6 months the dispute is allowed to end on the date of the final incident in the dispute (Palmer et al. 2015:229). Because I need a measurement of interventions and not individual disputes I have recoded the data to a country-year format. I use the following variables from the MID dataset: ‘*SideA*’, ‘*StAbb*’, ‘*StYear*’, ‘*EndYear*’, and ‘*HiAct*’. Using these variables I constructed dummy variables for two types of interventions: Threat of use of force ‘*USthreat*’ and foreign military intervention ‘*USfmi*’, as well as control variables for interventions carried out by neighbor states ‘*NSthreat*’ and ‘*NSfmi*’. One important caveat is that the ‘*SideA*’ variable only indicates whether a state initiated the first observable militarized incident in the conflict, but it does not necessary mean that the country initiated the conflict in the first place (Palmer et al. 2015:239). I however find this variable to be sufficient in covering the much leaner definition of an intervention, and the first country to initiate a militarized incident is therefore regarded as the initiator of the intervention.

Table 2 ‘Coding rule for MID interventions’

HiAct Highest action in dispute (Palmer 2015:15):¹²

<i>Coded as ‘threat’</i>	<i>Coded as ‘fmi’</i>
0 No militarized action [1]	13 Blockade [4]
1 Threat to use force [2]	14 Occupation of territory [4]
2 Threat to blockade [2]	15 Seizure [4]
3 Threat to occupy territory [2]	16 Attack [4]
4 Threat to declare war [2]	17 Clash [4]
5 Threat to use CBR weapons [2]	18 Declaration of war [4]
6 Threat to join war	19 Use of CBR weapons [4]
7 Show of force [3]	20 Begin interstate war [5]
8 Alert [3]	21 Join interstate war [5]
9 Nuclear alert [3]	
10 Mobilization [3]	
11 Fortify border [3]	
12 Border violation [3]	

Example 1. *Brazil experienced two militarized disputes in 1903, one with the U.S. and another with Peru. The U.S. issued a mild threat of use of force, Peru and Brazil were engaged in a dispute between 1902-1904 where Peru took the first militarized action and troops are registered to have clashed. The former is coded as a USthreat while the latter is coded as a NSfmi.*

Military Intervention: USforces

Comparing the MiD CoW dataset to instances of use of U.S. forces abroad registered by the Congressional Research Service shows a discrepancy between the two. Only 13 of the 41 cases of military intervention registered by the U.S. congress in Latin America can be matched to a dispute in the CoW MiD data, which means that the troop commitments for some reason did not fall under purview of the coding rules employed in the CoW dataset which is primarily based on news sources and therefore relies on an interpretation of conflict involving two states.

¹² This coincides with the coding rules utilized in the original CoW MID dataset where the highest hostility level for a dispute is coded as a threat to use force with values between 1-6, a display of force between 7-12 a use of force between 13-19 and war between 20-21. It is also pertinent to note that this distinction for example categorizes the 1962 Cuban missile crisis as a military intervention and not as a threat of use of force, because 12 signifies a border violation while 13 equals a blockade.

Similar issues with operationalizing military interventions were covered by Kegley and Hermann who compared two separate studies and found an overlap of incidents in only 26 out of 134 interventions (Kegley & Hermann 1997:82). Pickering and Kisangani underscore that the MID dataset was never meant to account for monadic use of force and thus it excludes cases of the use of force and includes escalations which should not be considered the willful use of force by state actors (Pickering & Kisangani 2009:591). For instance the brief summary of military interventions in Latin America shows that troop commitment or intervention of military forces is sometimes welcomed by country B either to prevent an uprising against an autocratic ruler or to maintain security during elections (Lowenthal 1991:55). The list of instances of the use of force abroad excludes covert actions and instances of U.S. forces remaining stationed as occupation forces, their participation in mutual security organizations, base agreements or routine military assistance or training operations (Grimmet 2002 & Torreon 2015). This means that the variable does not overlap with either the ‘*USinfluence*’ or ‘*OAS*’ variables. Otherwise it covers all force commitments in Latin America for the entire period of interest circumventing any operationalization issues that might exist with using the MID dataset. The variable is dichotomous and receives a 0 for years where no military forces were used and 1 when U.S. military forces were committed in the target country.

Example 2. *The U.S. intervened militarily in the Dominican Republic between 1916-1924 as it felt the leaders were mismanaging the country’s financial debt (Lowenthal 1991:55). The U.S. intervened under the pretext of maintaining “..order during a period of chronic and threatened insurrection” (Torreon 2015:8). The variable thus takes the value 1 between 1916 and 1924 when the U.S. committed forces to the country.*

Covert Intervention: USinfluence

CIA interventions are measured in ‘*USinfluence*’, a dichotomous variable which takes the value of one if the CIA either installed a foreign leader or provided covert support for the regime once in power. The interventions are restricted to the period between 1947-1989 since CIA documents for the post-Cold War-period remain classified, and the agency was first established in 1947. Only documents older than 25 years can be declassified under the Freedom of

Information Act, but a large share of the Cold War documents have already been made publicly available (Berger et al 2013a).

Example 3. *CIA involvement in Chile started in 1964 with support for Eduardo Frei, and is coded one from 1964-1970 when he was in power, however in 1971-72 when Salvador Allende took office it equals zero since he was not installed and supported by the CIA. From 1973-1988 when Augusto Pinochet who was installed and supported by the CIA was in power the variable takes the value one again (Berger et al. 2013b:868).*

While all the missing values for this variable are explained by a lack of data past the 1989 cold war era and non-existing interventions before the CIA was established in 1947 there is one missing observation for Haiti in 1989. In 1988 there was a coup carried out which persisted until 1990, however since the observation for 1988 is registered as 0 or lack of CIA involvement I feel confident recoding the 1989 observation as 0 as well.

In Figure 2 the different types of interventions and their frequencies are illustrated. The most common forms of interventions are covert interventions and deployment of forces while the variables based on the MID dataset are rare events. As expected military interventions were also more common up until the 1920s-30s.

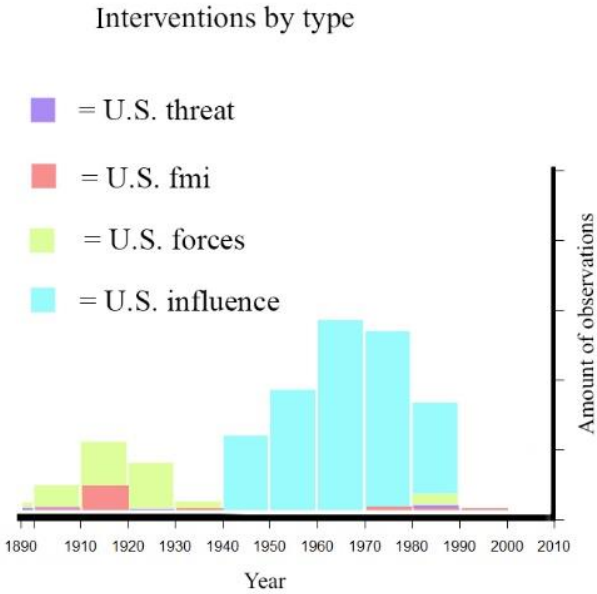


Figure 2 'Frequencies of interventions'

4.4.2 Dependent Variables

Democracy Score: Polity2

I will use the *polity2* variable from the PolityIV dataset as a measurement of democracy. It has several positive features such as covering the entire period from the early 1800's up to 2014, it ranges from -10 to signify autocracy, to 10 which signifies democracy allowing for a ranged interpretation of democracy and lastly the variable has been widely used and recoded by successive teams giving it a high degree of reliability (Marshall et al. 2013). There is however a slight bias towards labelling a regime as democratic which becomes more severe as democracies proliferate (Marshall et al 2013:10) and the standards applied to judge democratic authority in the past was less strict than that applied to autocratic authority (Palmer et al 2015:9). The democracy scale is furthermore truncated at the higher levels because its indicators do not adequately capture differences in quality of democracy at these higher levels (Coppedge 2012).

The following dimensions are measured by the combined democracy-autocracy score of '*polity2*':

XRCOMP: Competitiveness of Executive Recruitment

Mode of selection of chief executives. They are either (1) selected, (2) dual executives are partly selected and elected or (3) elected by way of competitive elections (Marshall et al 2013:21).

XROPEN: Openness of Executive Recruitment

The degree to which citizens are eligible for the highest office. They are either (1) heirs, (2) dual executive with hereditary and a selected position or (3) hereditary and an elected position or (4) chief executives are chosen by competitive election or elite designation (Marshall et al 2013:22).

XCONST: Executive Constraints (Decision Rules)

The extent of institutionalized constraints on the decision-making power of chief executives. It varies from (1) unlimited authority with the constitution being ignored or regularly suspended and a lack of an independent legislature, (3) existence of an independent judiciary and some interference from the legislature, (5) a legislature which actively blocks or modifies legislation

initiatives and (7) a legislature or ruling party initiates most of the legislation, the executive is dependent on continued support to remain in office (Marshall et al 2013:24).

PARREG: Regulation of Participation

The degree to which political participation is regulated by binding rules. It can be (1) fluid groups without national political organizations or regime controls which vary over time, (2) multiple stable and enduring political groups which compete for political influence (3) sectarian factionalism with multiple groups contending incompatible interests (4) restricted and often excluded access with some organized political participation or (5) regulated and stable political groups compete with lack of coercion and exclusion (Marshall et al 2013:25).

PARCOMP: The Competitiveness of Participation

The extent to which alternative preferences for policy and leadership can be pursued. In regimes that have no regulation of participation this variable equals 0. Otherwise a regime can be (1) repressed with no oppositional political activity allowed to manifest, (2) suppressed in cases with some political opposition that is met with regime limitations that exclude either 20% or more of the adult population or outlaws a party that received 10% or more of the vote (3) factional politics based on group membership, (4) transitional with a mix of sectarian and secular interests coexisting and (5) Stable cross-cutting political groups which compete with a lack of coercion (Marshall 2013:26).

The '*polity2*' indicator is a modification of the polity variable for use in time-series analyses so that standardized polity scores which were given in special cases have been converted to conventional codes following the 21-point scale of polity. The code -66 which was used in cases of foreign interruption, was recoded as missing values. The -77 code which signified a period of internal disorder and collapse of the central authority was recoded as 0 values on the '*polity2*' scale while -88 which signifies cases of transition has been spread out so that the entire change is registered only in part for each country-year (Marshall et al. 2013:21). There is a total of 20 NA's that correspond to foreign interruption, and all but one of the cases can be matched to a case of foreign intervention as defined by either '*USfmi*' or '*NSfmi*'. The exception is Honduras in 1924 which does not match with a COW MiD intervention, however according to the CSR data the U.S. committed forces abroad in Honduras in 1924 and it matches with the '*USforces*' variable. This gives me some confidence that these variables together account for most cases

of foreign interventions in Latin America. I have coded the NA's or country-years that experienced foreign interruption as 0.

Democracy Score: sip2

As part of robustness testing of my results I will use an alternative independent variable which relies on a less subjective interpretation of political participation, as the polity score mostly measures contestation as mentioned previously. Gates et al. substitute the polity participation index with Vanhanen's variable for political participation that measures the percentage of the population that voted in the most recent election (Gates et al. 2006:897). They do so because the participation index of the polity variable is overly subjective as over 40 percent of all polities fall in the third PARCOMP category and ignores the extension of voting rights (Gates et al. 2006:897). It is my hope that this alternative dependent variable will ameliorate some of the issues with truncated democracy values, as it better captures the participation aspect as widening the franchise translates directly to increased inclusivity. The natural logarithm of Vanhanen's original variable is first taken to account for the fact that changes at lower levels of participation will have a more significant impact than changes in a higher range of percentages before it is modified to account for its bias towards fragmented party systems. The variable ranges from 0 to 1 with a higher number indicating a higher level of democracy (Gates et al. 2006:898).

4.4.3 Independent Variables cont. (Control variables)

Military Intervention: USthreat

The coding of this variable is presented under the '*USfmi*' variable. The variable serves two purposes: it aims to separate more forceful interventions from interventions which can be considered threats to use force, and it aims to conceptualize the U.S. widespread use of gunboat diplomacy.

Military Intervention: NSthreat and NSfmi

The variable follows the same coding rules as the '*USthreat*' and '*USfmi*' variables, however in cases where a country B was subject to more than one militarized dispute with a neighbor

country, only the dispute with the highest conflict level was coded. A country is regarded as a neighbor state when they share the same land border.

Contagion: DEMdiffuse

The effect of diffusion is described to occur either through imposition or emulation. In the first case countries that democratize will push their neighbors to do the same (Brinks & Coppedge 2006:467), and in the latter the countries emulate what is already happening in neighbor states by ‘realizing’ how it can be done (Huntington 1991:101). This variable reports the percentage of democracies in the region in t-1 (Haber & Menaldo 2011). Haiti had widely differing data from the rest of the countries, and I have imputed the data so that it follows the data for the Dominican Republic for the same time-period.

Conditionality and Consent: OAS

Pevehouse assumes that membership in a regional organization can impact the regime in two ways; it can generate pressures for autocratic regimes to liberalize, and membership can lead to acceptance of liberalization by certain elite groups (Pevehouse 2003:519). It differs from democratic diffusion in that the IO membership is the primary delivery mechanism. These causes are similar to the linkage and leverage effect described by Levitsky and Way (Levitsky & Way 2005). Pevehouse operationalizes this variable as the mean democracy score of each member belonging to the regional organization (Teorell 2010:82). As this would simply coincide with the variable for democratic diffusion I have instead coded this variable to take 0 in instances where a country is either not a member or has been suspended from the organization and 1 when a country is a functioning member.

Dependency Theory: TRADEdep

The dependency theorists maintain that core countries penetrate the peripheral countries economically and that it is necessary to maintain an authoritarian government in these countries in order to do so (Teorell 2010:84, Gourevitch 1978). An equally negative effect is predicted by Collier (Collier 1978), while the liberal development school sees trade as having a net-positive effect (Gourevitch 1978). Trade dependency is operationalized as exports plus imports divided by GDP but does not specify with what type of- or which country trade is done with. Both exports and imports are expressed in current US millions of dollars (Barbieri & Keshk

(2012). GDP is expressed per capita in dollars (V-Dem codebook (2015)). Trade dependency is expressed with trade as percentage of GDP.

Distribution of Power Resources: INQepower

Economic inequality is thought to be detrimental to democratization according to the socioeconomic model of democracy and the Latin-American countries have struggled to implement meaningful land-reforms. According to Vanhanen the unequal distribution of power measured in resources is the single most important factor for explaining democratization after 1850, and “..*democratization takes place under conditions in which power resources have become so widely distributed that no group is any longer able to suppress its competitors or to maintain its hegemony.*” (Vanhanen 2003:29). This index variable was created by Vanhanen by multiplying the value of Family Farm Area with the percentage of agricultural population. Then the value of Degree of Decentralization of Non-Agricultural Economic Resources is multiplied with the percentage of Non-Agricultural Population and the two are summed (Vanhanen 2003). The degree of decentralization is the degree to which the means of production are controlled by relatively independent groups including individuals, corporations, and various forms of government (Vanhanen :85). The inverse of the combined percentage of resource concentration is used to indicate the degree of decentralization of non-agricultural resources. Higher scores on the index therefore correspond with a more equal distribution of economic power or control over the means of production while lower numbers indicate higher concentration in the hands of a few individuals, corporations or the government. Because it combines measurements of the agricultural with other sectors it also controls for cases where farmland is unequally distributed as historically has been the case in especially Central America.

Economic Development: GDPpcap

This variable takes the Gross Domestic Product expressed per capita (V-Dem codebook 2015). As the log of per capita GDP is more strongly correlated than just per capita GDP (Diamond 1992) the natural logarithm of the variable is used.

Social Development: EDUavg

Political participation of poor people increases with their educational level as do redistributive policies and income equality. In accordance with the modernization theory of Lipset schooling

has been determined a significant and robust determinant of democracy (Murtin & Morrison 2009:35-36). The variable reads as the average years of education among citizens aged 15+ (V-Dem codebook 2015).

Social Development: URBrate

The ratio of urban population to population (V-Dem codebook 2015). I have recoded this to be measured in percentage of urban population to the population.

Social Development: LITprct

This variable is the percentage of the literate adult population (Vanhanen 2003).

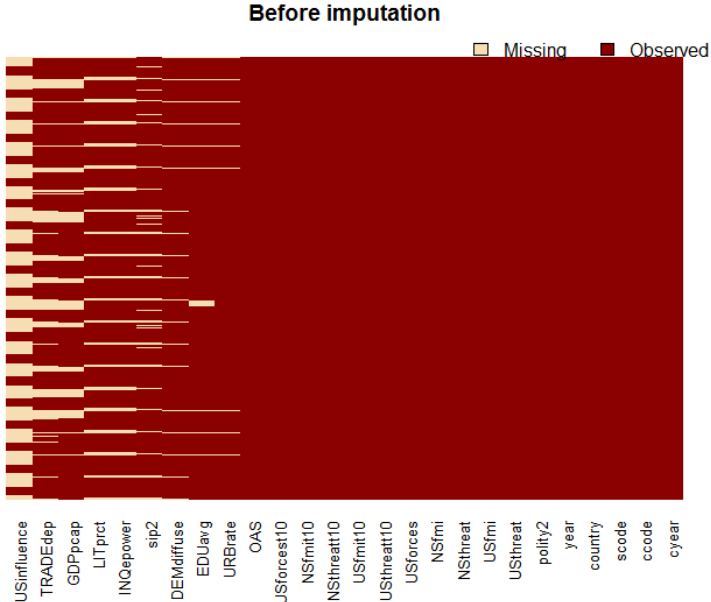
5 Analysis

In this chapter I present the analysis and my findings before summarizing the results in a brief conclusion. I start off with a description of how I have chosen to deal with missing data by way of imputation and then move on to discuss some expected directions between the variables based on their correlation. I then present the regression results in a total of nine estimated models. Model 1 is a pooled OLS which does not meet the specification criteria and is thusly reestimated with fixed effects as Model 2. Model 3 substitutes the military intervention variable with an alternative one as its conceptualization is deemed problematic. In Model 4 and 5 these results are revisited for a subset period between 1947-1989 to include U.S. covert interventions and OAS membership. I then proceed to check the robustness of my findings for both the entire 1898-2010 period as well as the subset one in Model 6 and 7 by adding the rest of the control variables. In Model 8 and 9 the dependent variable is replaced as a further test of the robustness of the effects. I then present the results of the hypotheses tests and the summary results.

5.1 Imputation with Amelia II

Besides the recoding that was carried out for the dependent variable *'polity2'* and the U.S. CIA involvement *'USinfluence'*, the data shows that a number of my explanatory variables contain missing values. In Figure 3 the missing observations are visualized in a missing map with variables ordered from left to right in a descending degree of missing observations. Because I am carrying out a number of regressions with different forms of estimation I would like all the analyses to refer to the same subset of the data, which is why I decide to perform an imputation of the missing observations. To do this I use Amelia II to impute values for the missing observations while the observed

Figure 3 'Missing map before imputation'

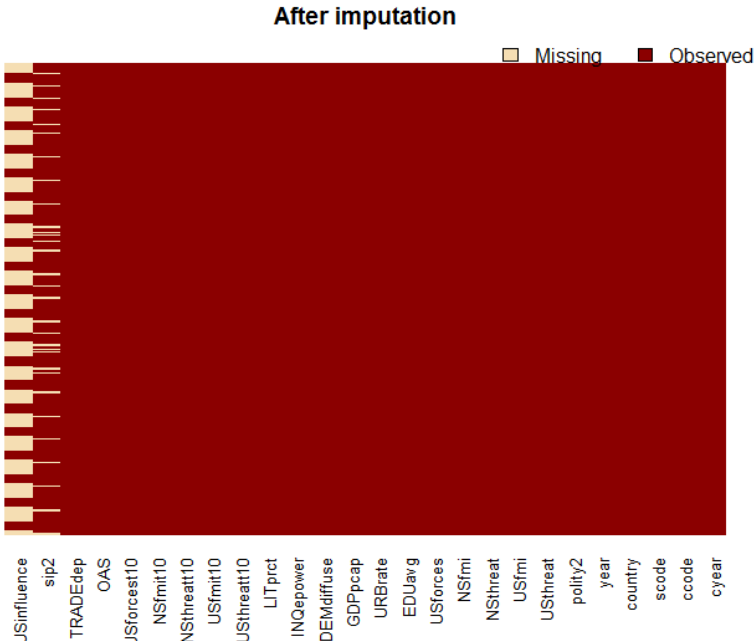


values are kept the same. Multiple imputation of this type has been shown to reduce bias and increase efficiency compared to listwise deletion which would be the alternative if missing values are not imputed (Honaker et al. 2015:3).

Before the imputation is run I have already specified which variables I wish to include in my analyses as is deemed appropriate. Because imputation is predictive any variable which would increase predictive power is included, and I have also taken account of the log-transformation of the 'TRADEdep' and 'GDPpcap' variables. This even goes for variables that might introduce collinearity (Honaker et al 2015:10-17). The Amelia II imputation accounts for the TSCS form of the data and mirrors fixed effects so that the imputation that was run let the polynomials (that account for the time-series structure) interact with the cross-sectional units allowing the patterns over time to vary between cross-sectional units (Honaker et al 2015:21).

It is recommended to not use bounds (to set logical bounds for variables that for instance do not take a negative observed value) as violations of these bounds represent part of the true uncertainty of imputation (Honaker et al. 2015:28) I have opted to bound the 'INQepower', 'DEMdiffuse', 'EDUavg', 'LITprct' and 'URBrate' variables however as some imputations took large

Figure 4 'Missing map after imputation



negative values. For instance the percentage of the urban population for Argentina varied from 60 percent to 5 percent from 1898 to 1899. The summary statistics for the original and imputed values are reported further below. Furthermore density plots can be used to compare the density of the mean imputed value to the mean observed values (Honaker et al. 2015:29). I primarily

used them to control that the imputed values fell within the logical bounds, and these graphs can be found in the appendix.¹³

Summary before imputation

Statistic	N	Mean	St. Dev.	Min	Max
cyear	2,251	1,067,889.000	386,903.600	401,902	1,652,010
ccode	2,251	106.594	38.690	40	165
year	2,251	1,954.217	32.510	1,898	2,010
polity2	2,251	0.243	6.139	-10	10
sip2	1,972	0.364	0.319	0.000	0.976
EDUavg	2,185	3.808	2.188	0.490	10.270
URBrate	2,215	44.571	20.745	7.722	94.042
GDPpcap	1,855	3,234.825	2,273.609	594.390	13,883.180
DEMdiffuse	2,135	22.631	25.808	5.263	89.474
INQepower	1,964	17.384	11.347	1.000	54.000
LITprct	1,964	50.936	25.547	5.600	96.000
TRADEdep	1,768	8.666	10.963	0.087	152.371

Table 3 ‘Summary statistics before imputation’

Summary after imputation

Statistic	N	Mean	St. Dev.	Min	Max
cyear	2,251	1,067,889.000	386,903.600	401,902	1,652,010
ccode	2,251	106.594	38.690	40	165
year	2,251	1,954.217	32.510	1,898	2,010
polity2	2,251	0.243	6.139	-10	10
sip2	1,972	0.364	0.319	0.000	0.976
EDUavg	2,251	3.750	2.193	0.490	10.270
URBrate	2,251	44.418	20.697	7.722	94.042
GDPpcap	2,251	2,881.248	2,224.853	405.823	13,883.180
DEMdiffuse	2,251	24.268	26.759	5.263	89.474
INQepower	2,251	19.331	12.449	1.000	54.000
LITprct	2,251	54.041	26.373	5.600	96.000
TRADEdep	2,251	8.329	10.757	0.087	152.371

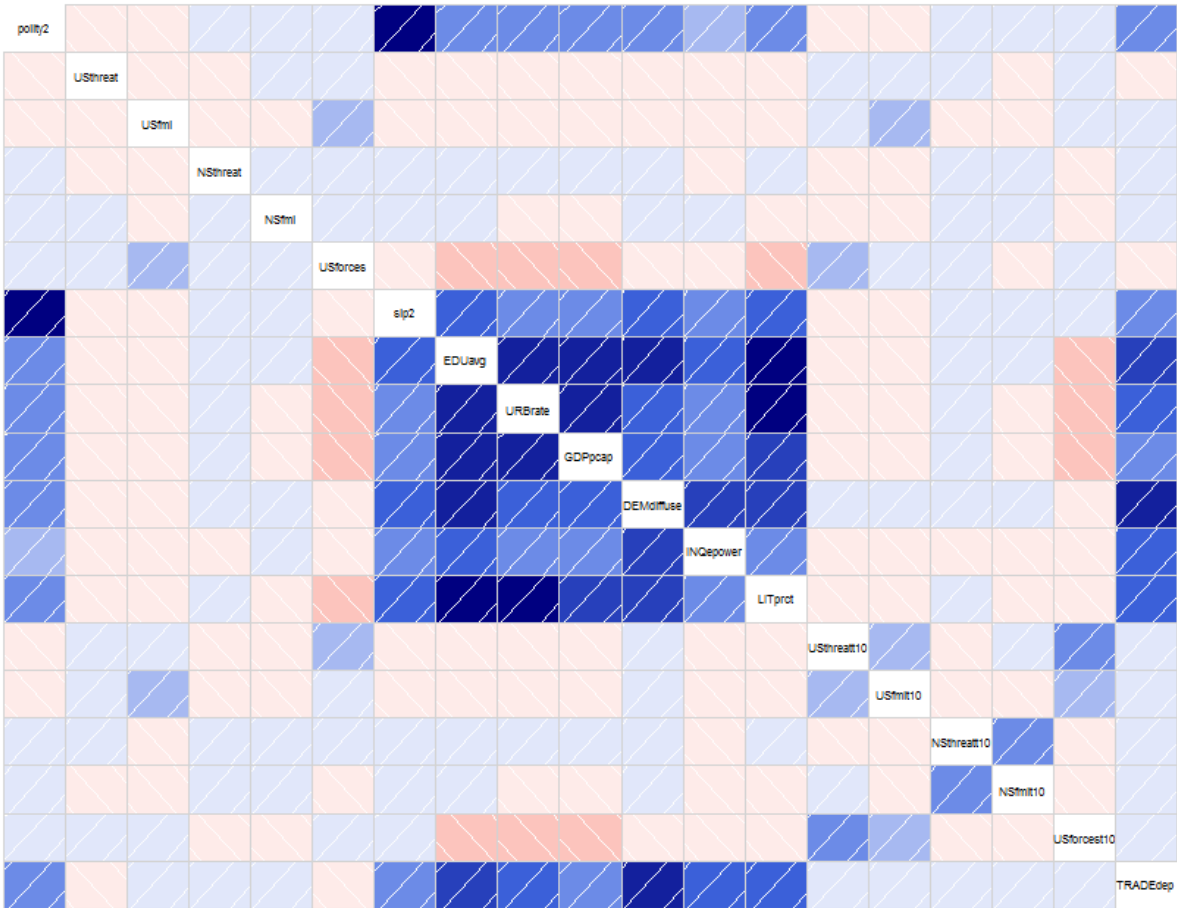
Table 4 ‘Summary statistics after imputation’

¹³ The imputed values for INQepower and LITprct appear skewed towards higher averages, however missing fractions of these variables were only about thirteen percent. The alternative dependent SIP2 variable was also imputed, but the missing values were not substituted for the imputed ones as it is an endogenous variable.

5.2 Examining Marginal Relationships

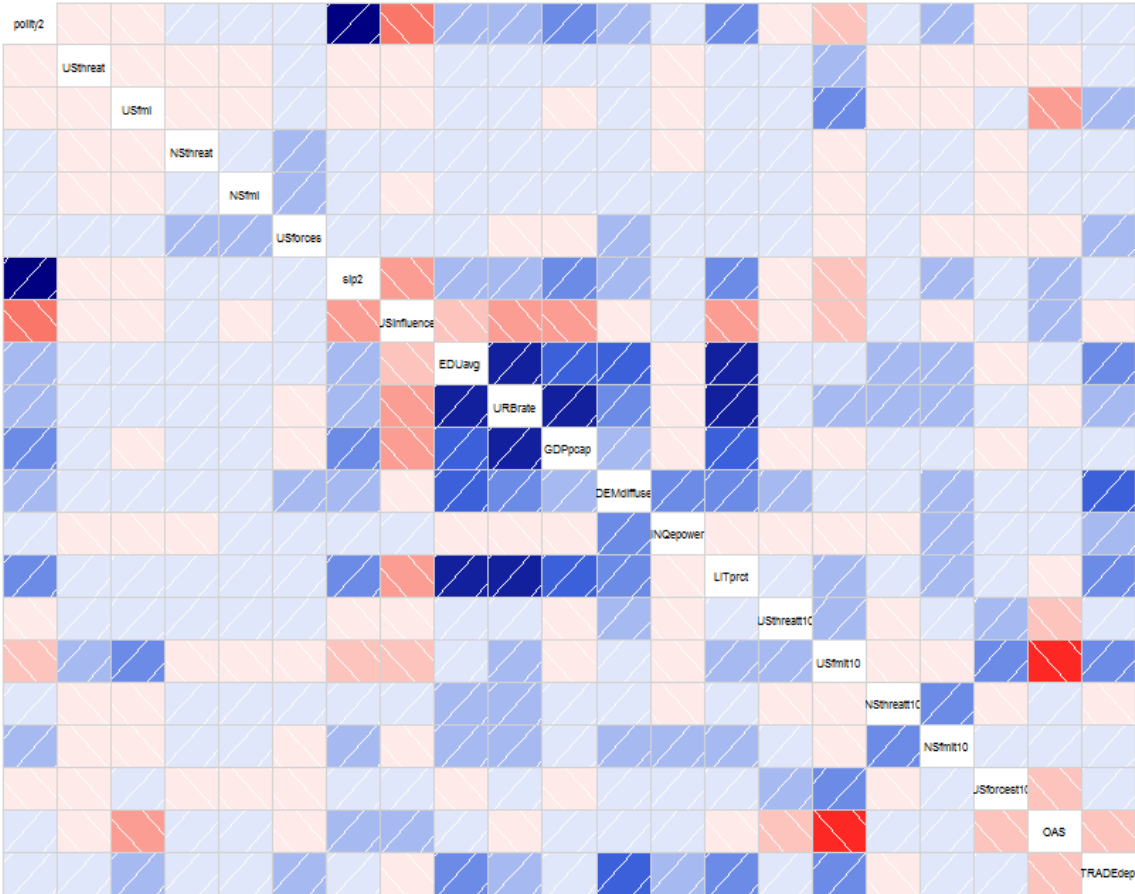
Full correlation matrices are included in appendix but not in the text as they are very large, include many variables and therefore do not offer a good overview of the central trends. In their stead correlograms are included here as well as a description of some of the stronger correlations. The correlograms illustrate the strength of a correlation with a darker color representing a stronger relationship between the variables. The direction of the correlation is represented with a blue color and an upwards facing straight line for positive correlations and a red color and a downwards facing straight line for negative ones. From Figure 7 the strongest positive relationship is found between the various variables that measure modernization. Examining the correlation matrices included in the appendix tells us that the correlation between ‘*EDUavg*’, ‘*URBrate*’, and ‘*LITprct*’ all are over .7 indicating a strong positive correlation. The correlations between these variables and that of democratic diffusion ‘*DEMdiffuse*’ range from moderate to strong, all surpassing .5. ‘*GDPpcap*’ also exhibits a strong marginal relationship with these variables, surpassing .6 in all cases.

Figure 5 'Correlogram 1898-2010'



The correlation between *DEMdiffuse* and trade dependency *TRADEdep* is positive and surpasses .7 as would be expected. What's more *DEMdiffuse* exhibits a negative marginal relationship with all of the U.S. intervention variables in Figure 6, but for the subset 1947-1989 period there is a positive correlation as shown in Figure 7. This period coincides with the second reversal wave and third wave of democratization, and the correlations could indicate that the effects of interventions might not be consistent across various time-periods examined independently of each other. The correlation between the *polity2* dependent variable and the alternative dependent variable *sip2* meanwhile is positive and surpasses .9 which indicates the two variables capture a similar concept of democracy.

Figure 6 'Correlogram 1947-1989'



5.3 Regression Analysis

In the analysis chapter I first run a pooled OLS regression, before I respecify the model as described in the method chapter. The variables included in this first model are the intervention variables as well as the control variables that I deem likely to impact the chance of an intervention occurring as specified in the theory chapter. Because I am effectively dealing with two different time periods, one for the full 1898-2010 period and another subset running from 1947-1989 I start by looking exclusively at military interventions and threats of use of force controlled for democratic diffusion and trade dependency. Whenever I respecify the model I run the appropriate tests, as described in the method chapter, however visualizations of the results are not always included in the text and can instead be found in the appendix. After examining how the results for the correctly specified model diverges from the first model, I turn to the subset time-period and examine the effect of covert interventions and OAS membership. As part of the robustness test I switch out the '*USfmi*' variable for the '*USforces*' variable and reexamine the results with an alternative measurement of military interventions. After determining which of these variables more correctly capture the trend in military interventions I introduce control variables that account for common correlates of democracy to see whether the findings are robust against these alternative explanations. Lastly I control for the possible weakness of the '*polity2*' variable in measuring the inclusivity of participation and switch it out with the alternative '*sip2*' variable, before summarizing the findings and presenting the results of the hypotheses tests.

5.3.1 OLS and Fixed Effects

In Model 1 the intervention variables are included. The model also controls for the overall effect of democratic diffusion as well as trade dependency. It is expected that a more export oriented country will have a stronger linkage to the U.S. and U.S. foreign trade which will increase the likelihood of an intervention. I furthermore distinguish between the short-run and the long-run effects of the interventions, and the nature of the intervention. Model 1 shows that U.S. military interventions seem to decrease the level of democracy as expected, however the effect is not significant in the short-run. The long-run effect is however and leads to a much larger 2.42 decrease on the polity scale when controlling for the diffusion effect. The effect of U.S. threats to use force lead to a significant decrease in the polity score of 2.6 but the long term effect is not significant. The reason can be found in the way that U.S. threats were used in the Latin

American nations; a threat might be used during a presidential turnover or during an election or power dispute between presumptive nominees for the executive, but are not predicted to carry into the long run as military interventions are. That trade dependency leads to a significant increase in democracy might spell trouble for the dependency theories, but is not entirely surprising given the strong correlation between it and democratic diffusion. The natural logarithm of trade dependency is used so that the linearity assumption of the OLS regression is not violated as the original variable was heavily skewed to the left.¹⁴ While these findings seem to correspond with the predicted negative long-run effect of military interventions the p-values are likely wrong due to too large standard errors. I therefore move on to respecify the model to see whether the findings remain consistent in Model 2.

¹⁴ See appendix for component-plus residual plots of the variables. The TRADEdep variable was transformed in accordance with the Tukey and Mosteller bulging rule (Fox & Weisberg 2011:137-8).

	<i>Dependent variable:</i>		
	polity2		<i>Fixed Effects</i>
	<i>OLS</i>		
	(Model 1)	(Model 2)	(Model 3)
USfmi	-.072 (1.013)	1.182 (.847)	
USforces			3.578*** (1.092)
USthreat	-2.680** (1.243)	-.788 (1.036)	-1.559 (1.501)
DEMdiffuse	.090*** (.007)	.103*** (.007)	.099*** (.027)
log(TRADEdep)	.779*** (.184)	.450** (.185)	.754 (.660)
USfmi t10	-2.422*** (.478)	-.708 (.432)	
USforces t10			3.275*** (.979)
USthreat t10	-.782* (.473)	1.462*** (.413)	.034 (.534)
Constant	-2.931*** (.210)		
Observations	2,251	2,251	2,251
R ²	.272	.348	.395
Adjusted R ²	.270	.344	.391
Residual Std. Error	5.245 (df = 2244)		
F Statistic	139.770*** (df = 6; 2244)	198.226*** (df = 6; 2225)	242.209*** (df = 6; 2225)

*p<0.1; **p<0.05; ***p<0.01

Table 5 ‘Regression results Models 1-3’

5.3.2 Treating Serial Correlation and Heteroscedasticity

If a linear model is correctly specified then the Pearson residuals are independent of the fitted values and the predictors and the points in a plot should be evenly distributed around the zero line. If systematic features show up in the plot one or more of the OLS assumptions are violated (Fox & Weisberg 2011:288). When I examine the plot of the residuals from Model 1 they do not seem evenly distributed, but indeed appear to vary systematically.¹⁵ Since I am dealing with

¹⁵ The residual plots for Model 1 & Model 2 can be found in the appendix for further examination.

panel data it is safe to assume that the uneven distribution is caused by group-wise heteroscedasticity. To check this assumption I run a Breusch-Pagan test for heteroscedasticity on Model 1 which rejects the null hypothesis of constant variance. As pointed out in the method chapter I already expect each country to have some random characteristics which describe their democracy level independently of the variables which are included in the regression. When I control for these in a fixed effects model it will describe variations within countries, but not between each country. To determine whether this supposition is correct I run a Hausman test to determine whether a random effects or a fixed effects model is more appropriate, that is whether I lose a significant amount of explanatory power i.e. induce bias in the estimates by ignoring a much larger between-country variation. When a random effects model is compared to the within effects Model 2 the latter is favored showing that it is more consistent (Croissant & Millo 2008:28) and will report more correct p-values. After reexamining the residuals for Model 2 they now appear approximately normally distributed as well as homoscedastic.¹⁶

However I am still not confident that this is the best specification of the model. As highlighted in the method section I expect serial correlation to affect my confidence estimates and thus the reported p-values. To determine whether serial correlation is present in Model 1 I use a Durbin-Watson test which has been generalized for fixed effects models by Bhargava et al. (Croissant & Millo 2008:30-31). The test results rejects the null hypothesis of no serial correlation as expected with a DW = .21 signifying strong positive serial correlation. In Model 2 the fixed effects model is therefore also estimated with Arellano type robust standard errors that account serial correlation in the errors (Croissant & Millo 2008:39).

After respecifying the first model as Model 2 with the correct treatments I am confident that I have increased the efficiency of the estimates. Model 2 indeed shows that the standard errors have been reduced across the board, and the p-values have also changed so that some of the effects no longer are significant. The estimates have also been affected by the introduction of country-specific effects and some effects have been reduced while the R² of the model is increased. The intervention coefficients can be interpreted as the mean of the within-change in democracy level across all countries incurred by an intervention taking place. The military intervention variable went from having a negative, albeit insignificant effect in the short-run in Model 1, to a positive but still insignificant effect. The change in the coefficient can be

¹⁶ See appendix for visualizations

explained by the country-specific effects no longer correlating with the error term, and the variables now accurately describe only the within-country effect of interventions, controlled for stable characteristics of countries that might have explained the negative coefficient in Model 1. In Table 6 the country-specific intercepts clearly illustrate how the fixed effects impact democracy level controlled for the other variables.

<i>Argentina</i>	<i>Bolivia</i>	<i>Brazil</i>	<i>Chile</i>	<i>Colombia</i>	<i>Costa Rica</i>
-3.026	-2.237	-3.368	-.651	-.099	6.676
<i>Cuba</i>	<i>Dominican Republic</i>	<i>Ecuador</i>	<i>El Salvador</i>	<i>Guatemala</i>	<i>Haiti</i>
-6.119	-4.965	-1.786	-5.530	-4.720	-5.934
<i>Honduras</i>	<i>Mexico</i>	<i>Nicaragua</i>	<i>Panama</i>	<i>Paraguay</i>	<i>Peru</i>
-.999	-6.102	-6.419	-4.082	-6.387	-2.070
<i>Uruguay</i>	<i>Venezuela</i>				
.028	-2.586				

Table 6 ‘Country specific intercepts of Model 2’

The long-run effect of U.S. military interventions remains negative but is no longer significant when controlling for country-specific effects. The same can be said for U.S. threats to use force that are no longer significant for the short-run, however threats correspond with an increase of 1.5 on the polity scale in the long-run. This is surprising but not entirely unsuspected as threats can be seen more as a deterrent and do not necessarily carry the same implications as do military interventions. The effect of an increased percentage of democratic regimes in the region meanwhile remains significant as does the effect of increased reliance on foreign trade, with both leading to increased levels of democracy. While this seems to indicate that military interventions have not had a significant effect on democracy level I suspect that the findings might be affected by the operationalization of the intervention variable as discussed in the method chapter. I therefore use an alternative conceptualization of military interventions as troop deployment and reestimate the model.

In Model 3 I have substituted the ‘*USfmi*’ variable with the ‘*USforces*’ variable which corresponds with U.S. forces being committed in the target country. There is a notable difference between the two variables as deployment of U.S. forces leads to a significant increased democracy level, both in the short- and long-run of about 3-3.5 points on the polity scale. The difference in predicted effects of the two variables likely stem from its

operationalization as pointed out in the method chapter. That they measure two widely different things is underscored by the low correlation between them, a mere 10 percent, and since the variable relies not on subjective coding of dyadic data but on the mere presence of U.S. forces in the country I have more confidence that the '*USforces*' variable correctly captures the effect of U.S. military interventions as described in this thesis. This confidence is only increased by observing that U.S. threats to use force no longer are significant, neither in the long- or short-run. While the majority of '*USfmi*' observations fall within the 1910-1920 time-period, the troop deployments are more evenly spread out from 1898-1940, with a small surge in the 1980's and the majority occurring between 1910-1930.¹⁷ '*USforces*' more directly measures whether troops were present in the country or not, and therefore also offers a better description of the likely impact that U.S. military interventions have. Remember from the theory chapter that U.S. forces in the majority of earlier cases were used to oversee elections and maintain order (Grimmet 2002, Torreon 2015), while the '*USfmi*' variable does not directly measure the presence of U.S. forces in the country. Thus while military interventions often coincided with elaborate governing arrangements that upset the institutional democracy it seems that in more cases than not it actually had a positive impact on the level of democracy. This finding holds equally for the short- and long-run.

¹⁷ To see this examine Figure 2 which illustrates the frequencies of different types of U.S. interventions

5.3.3 The 1947-1989 Subset Period and Covert Interventions

Model 4 and 5 introduce the ‘*USinfluence*’ and ‘*OAS*’ variables, and are the same as Model 2 and 3 respectively, only for the subset 1947-1989 period. I therefore include the ‘*USfmi*’ variable in Model 4 to see whether the different conceptualizations lead to similar diverging results as they were determined to do in Model 3.

Table 7 ‘Regression results Models 4-5’

	<i>Dependent variable:</i>	
	polity2	
	(Model 4)	(Model 5)
USfmi	-.847* (.436)	
USforces		3.042*** (1.098)
USthreat	-4.626 (3.188)	-5.204 (3.493)
DEMdiffuse	.171*** (.037)	.153*** (.038)
log(TRADEdep)	-1.326 (.921)	-1.283 (.904)
OAS	.204 (.723)	2.681 (1.706)
USinfluence	-3.963*** (1.289)	-3.993*** (1.295)
USfmi t10	-7.124*** (.913)	
USforces t10		1.569 (1.494)
USthreat t10	-.528 (1.522)	-1.296 (1.203)
Observations	859	859
R ²	.264	.253
Adjusted R ²	.255	.244
F Statistic (df = 8; 831)	37.252***	35.115***

*p<0.1; **p<0.05; ***p<0.01

In Model 4 the long-run effect of U.S. military interventions is significant, and corresponds with a spectacular 7 point decrease on the polity scale. While it seems to contradict the previous findings of Model 2 where the effect was insignificant a closer look at the actual number of observations for this period reveals that they all correspond with interventions in Cuba¹⁸, which incidentally had a polity score of -7. Out of all these observations only one, in 1962 corresponds to an observation of deployment of U.S. troops in the ‘*USforces*’ variable. While significant these results can therefore clearly be rejected as it is sensitive to too little variation on the ‘*USfmi*’ variable and indicative of poor measurement validity. U.S. threats do not have a significant effect either, and it would seem that U.S. military interventions had no significant impact were it not for

consistent results of U.S. forces leading to a short-run increase in democracy in Model 5. This

¹⁸ The USfmi observations are for the years 1962, 1971, 1975, 1976 and 1983. As these are the only cases of U.S. foreign military interventions for the period removing Cuba altogether makes estimating a fixed effects regression impossible as the variable is dropped due to a lack of variation. The influence of these observations on the hat-values can be found in the appendix.

instills further confidence in the alternative measurement of U.S. interventions, especially when considering the sharp decline in democracy i.e. reversal wave that occurred between 1960 and 1975¹⁹ and similarly confirms the trend that was shown in the correlation between these variables for the subset time-period.

In Model 4 the '*OAS*' variable measures whether a country is a participating member of the Organization of American States. Despite showing the expected positive relationship with democracy the variable is far from significant in either of the two models. Indeed the OAS only adopted a multilateral measure towards restoring democratic governments in the region in 1991 and it is therefore not entirely surprising that membership does not show a significant effect on the level of democracy. It would seem that the demonstration effect of '*DEMdiffuse*' wins out over the linkage effects while the leverage of the OAS is not really tested for. The effect of U.S. covert interventions on the other hand is shown to lead to a significant and near 4-point decrease in the polity score. This is consistent with the expected effect of CIA meddling as the Agency sought to destabilize democratic regimes and ferment unrest.

¹⁹ To examine the reverse wave and subsequent 'third wave' see the mean democracy score for each year in Latin America in the appendix

5.3.4 Robustness tests

So far it seems that the interventions have had a significant effect on the level of democracy in the region, however before I am sufficiently confident in these findings I would like to further explore some of the potential weaknesses of the models. The '*USfmi*' variable was dropped as it did not lead to any significant results, and since the reason is likely a poor conceptualization of interventions I have not included the variables for neighbor state interventions²⁰ as a control either. In the following models I will first introduce some of the control variables described previously before controlling for these results with an alternate dependent variable that does not rely on a subjective interpretation of *participation*. Afterwards a summary of the results follows. Of the various variables on social development only the literacy percent was included, as the modernization variables, as shown previously, had a high degree of intercorrelation.²¹

The findings so far remain robust when additional control variables are introduced to the model, with only slight reductions in the coefficient estimates for the '*USforces*' and '*USinfluence*' variables across both models. The effects of U.S. threats leads to a significant decrease in the polity score in Model 7, but the p-values are just shy of the five-percent cutoff.

As the variable did not yield significant results in any of the previous models after switching out the variable for military interventions this effect remains inconsistent. If the variable yielded similar results for the entire 1898-2010 time-period it would have been a different matter, but since it only is significant for the subset time-period the results are probably as with the '*USfmi*' variable driven by a few influential observations. The log transformed per capita GDP variable does not have a significant effect in any of the models at the chosen significance level, and neither does Vanhanen's index of economic power resources. The percentage of the literate population is not significant in Model 7 either, however it is significant for the subset and leads to an expected increase in democracy level. That the findings remain consistent even when the control variables are introduced suggests that they are robust. However the findings still rely on the '*polity2*' variable which has been criticized for relying on a subjective scoring. I therefore

²⁰ The NSfmi and NSthreat variables were included in a reestimated Model 2, and as expected the NSfmi variable was insignificant for both the long- and short-run. The regression results are included in the appendix.

²¹ The Variance Inflation factor for these variables was high, ranging between 6 and 8. When such a strong linear relationship between the regressors exists, the precision of the estimated coefficients is less efficient (Fox & Weisberg 2011:325). The VIF-values are included in the appendix.

Table 8 'Regression results Models 6-9'

	(Model 6)	polity2	(Model 7)	(Model 8)	slp2	(Model 9)
USforces	3.928*** (1.012)		2.694*** (1.019)	.236*** (.056)		.294*** (.102)
USthreat	-1.851 (1.618)		-5.930** (2.903)	-.137** (.060)		-.395*** (.126)
DEMDiffuse	.105*** (.035)		.109** (.043)	.006*** (.002)		.008*** (.003)
log(TRADEdep)	.582 (.601)		-1.760 (1.229)	-.012 (.034)		-.099 (.074)
OAS			2.277 (1.765)			.176* (.106)
USinfluence			-3.860*** (1.272)			-.194** (.077)
USforces t10	3.414*** (1.039)		.053 (1.019)	.214*** (.056)		.058 (.066)
USthreat t10	-.351 (.484)		-3.746** (1.757)	-.075*** (.028)		-.292*** (.111)
log(GDPpcap)	.230 (1.165)		-4.462* (2.669)	.040 (.058)		-.278* (.157)
LNQepower	-.101* (.061)		-.065 (.084)	-.004 (.003)		-.007 (.005)
LITprct	.048 (.040)		.234*** (.086)	.005** (.002)		.013** (.005)
Observations	2,251		859	1,972		822
R ²	.408		.302	.391		.306
Adjusted R ²	.403		.291	.385		.294
F Statistic	170.368*** (df = 9; 2222)		32.573*** (df = 11; 828)	138.754*** (df = 9; 1943)		31.701*** (df = 11; 791)

*p<0.1; **p<0.05; ***p<0.01

substitute the *'polity2'* variable with the *'sip2'* Scalar Index of Polity developed by Hegre et al. to provide a better measurement of how the interventions have affected not only the checks and balances and the contestation, but also the inclusiveness of political participation. Model 8 and Model 9 both show that when the U.S. commits forces to the target country there is a significant increase in the democracy level in the short-run, and as with Model 7 the effect is not significant in the long-run for the 1947-1989 subset period. Likewise the effect of covert interventions remains consistent when the alternative democracy score is used, leading to a significant decrease in the SIP. Unlike the previous models however the effect of U.S. threats is now significant, decreasing the level of democracy in both the short- and long-run. Since the SIP relies on a less subjective indicator of political participation it is reasonable to assume that U.S. threats to use force and correspondingly *gunboat diplomacy* in part have a negative impact on the extension of enfranchisement however this relationship has not been sufficiently investigated in this thesis.

5.4 Summary Results

Table 9 summarizes the significant effects of each intervention variable under the corresponding hypothesis and predicted effect. As can be seen hypothesis H_1 was not found to be significant as none of the estimated models found a short-run positive and long-run negative effect of U.S. military interventions and I therefore cannot reject H_{0i} . U.S. military interventions did not have a significant negative effect in the long-run either and so I reject H_2 in favor of the H_{0ii} hypothesis. The other findings however suggest that H_0 of no significant effects should be discarded. The analysis finds a significant positive short-run effect of U.S. military interventions and so I reject H_{0iii} in favor of the H_3 hypothesis. U.S. covert interventions were found to have a negative effect on the democracy level and so I reject H_{0iv} in favor of H_4 . The main takeaway from the analysis is accordingly that U.S. military interventions had a positive short-term effect on the level of democracy and that U.S. covert interventions had a negative effect. I will therefore spend some time discussing these results with regards to diverging results from the two conceptualizations of military interventions as well as reassessing the conceptualization of covert interventions before I relate the findings to the other international factors that were controlled for in the model.

Table 9 'Hypotheses test results'

Significant Effects of U.S. Interventions

Hypothesis	Variable	H ₁ + SR - LR	H ₂ - LR	H ₃ + SR	H ₄
Model	Military intervention				
	Use of forces abroad			3 ¹ 5 ² 6 ¹ 7 ² 8 ¹ 9 ²	
	Covert intervention				4 ² 5 ² 7 ² 9 ²
1 = 1898-2010 , 2 = 1947-1989					

5.5 The Effects of U.S. Interventions on Democratization

The results with regards to military interventions are sensitive to the operationalization of the variables, and I will therefore spend some time discussing how the conceptualization of these variables impacts the findings. I will also highlight the weaknesses in the conceptualization of the covert interventions variable, as it also could be critiqued for a problematic operationalization although it is not likely to be as impactful as the difference between the *'USforces'* and *'USfmi'* variables. I then go on to discuss the demonstrated effect of military interventions with regards to the predictions, and relate the findings to the other international determinants of democratization.

5.5.1 Sensitivity to Divergent Operationalization

One of the most robust findings in this thesis has undoubtedly been that U.S. covert interventions lead to a significant and substantial reduction in democracy level. However as pointed out in the theory chapter devoted to the cases of foreign intervention some of the cases that are 'widely known' to be instances where the CIA influenced political transitions or destabilized existing democratic institutions do not have clear sourceable evidence to back it up as a definitive cause. This is arguably the sad misfortune of working with declassified documents and a policy of 'plausible deniability' however we cannot close our eyes to official investigations finding no direct involvement of the executive branch despite agency contractors carrying out political assassinations. On the other hand multiple accounts, declassified documents and former agents²² account for Agency activities in the Latin American countries during the Cold War period. Therefore the validity of this variable rests on its ability to capture that which it measures. It was originally coded and operationalized as covert interventions that successfully lead to regime change (Berger et al 2013b), but in the case of Chile for instance the U.S. role in placing Pinochet in power has been partly discredited by a former agent (Devine 2014). While I retain confidence that the variable accurately depicts CIA influence in the included Latin American countries that does not mean that U.S. covert interventions necessarily *caused* any regime change despite being coded as such. This is not problematic for this thesis as the effects of covert interventions is taken to be destabilization and fermenting unrest and

²² These are the sources used for the case descriptions of U.S. covert interventions presented previously and are included in the reference list

impacting the democratic institutions negatively and thus the process of democratization, however these results do not mean that they beyond unreasonable doubt can be said to cause regime change as they were originally used.

The issue of the conceptualization of military interventions is related but dissimilar. Kegley and Hermann point out that military interventions have fallen into widely differing conceptualizations where, in some instances being seen akin to gunboat diplomacy encompassing a multitude of ways to influence another state while others like Tillema have concentrated on a narrow definition of the use by one state of military force in combat in another foreign state (Kegley & Hermann 1997:81-82). They argue that interventions must be linked to clear and expressed rules of observation and empirical evidence to make explicit how our conceptualizations of interventions and the indicators by which it is measured are associated (Kegley & Hermann 1997:101).. Kegley and Hermann recommended that researchers consider the extent to which conclusions that emerge are contingent upon alternate measurement strategies and research designs (Kegley & Hermann 1997:102). This has been done in this thesis by separating military interventions from overall threats to use force as well as through the case overview and the use of an alternative variable for military interventions. The Tillema variable on military interventions is not available for the full time-period (Tillema 1989), but its operationalization would at any rate not be comparable to the variables utilized in this thesis as it is conceptualized as belligerent military actions against state actors (Pickering & Kisangi 2009:591). On the other hand, as pointed out previously, the Militarized Interstate Dispute dataset is also problematic not only because it fails to differentiate between the use of forces and non-related acts such as shellings, but also because it excludes a number of relevant incidents as it relies on dyadic data (Pickering & Kisangi 2009:591). A more comparable dataset is therefore that of Pearson and Baumann, also referred to by Kegley & Hermann in their discussion on the topic, it simply catalogues episodes when military personnel is dispatched into other sovereign states (Pickering & Kisangi 2009:590). Its comparability to the alternative operationalization of U.S. intervention in this thesis as one of U.S. force commitments comes from the fact that it does not differentiate whether a commitment of forces is meant to oppose or support a target country and includes both cases (Pickering & Kisangi 2009:591). Like the data collected by Tillema it also includes shelling, which would fall under my definition of a U.S. military intervention, but which is ignored by the variable that measures deployment of U.S. forces. This means that despite having confidence that U.S. force commitments lead to a significant increase in democracy level in the short-run the findings hinge on an

operationalization which likely excludes certain relevant types of interventions. However in the light of the data presented in this thesis I am confident that its measurement is valid. In lieu of alternative variables for the entire 1898-2010 time-period these findings are fairly robust when compared to the existing datasets, however the conclusion is sensitive to a systematic comparison of the different existing intervention variables or a historic coding of aforementioned alternative intervention variables to be extended to the period before 1945.

5.5.2 The Effect of Interventions Compared to Other International Factors

The findings suggest that dispatching forces leads to an increase of democracy in the short-run and that U.S. covert interventions had a purely negative effect on the democracy level. The observed negative impact of covert interventions is in line with the predicted effect and corroborates the idea that covert interventions destabilize the democratic institutions and as strategic national interests cause democracy support to waver. However the finding that U.S. military interventions lead to an increase of democracy level in the short-run is inconsistent with this prediction. The short-run positive impact on democracy level is consistent with what we would expect based on the case overview, however the long-run effect is also positive which is in stark contrast with the negative long-run impact predicted by both the cases as well as the theory on interventions. If there in fact exists an iron law that one intervention leads to a successive string of interventions, these successive interventions seem to only have a positive effect on the democracy level in the long-run.

These findings remain robust when controlled for the effect of democratic diffusion which supports the idea that interventions or the *control* effect should be kept separate from the other contexts of *contagion*, *consent* and *conditionality*. These two latter factors were however not found to be significant as OAS membership did not have a significant impact on the democracy level. Not finding any significant results is however not the same as disproving that there is an effect, and so future research that utilizes a better conceptualization of IO membership is probably better suited for evaluating these other two international contexts. What is clear however is that U.S. interventions can be shown to have had a significant effect on democratization in Latin American countries during the 1898-2010 time-period, which contrasts with the earlier rejections of international factors' influence on democratization as insignificant when compared to domestic causes. U.S. military interventions have a positive

impact on the contestation and inclusiveness of elections and the constitutionalism of the target countries, but in the subset time-period the long-run effect is not found to be significant. This could perhaps be explained by the effect of covert interventions that destabilize and ferment unrest so that elections are no longer as inclusive and the checks- and balances on the executive are eroded. What's more the negative effect of U.S. covert interventions is likely to impact democratization in the long-run as consolidation is jeopardized by actors being driven to overthrow the regime, and resort to extraconstitutional means of affecting the political outcome diminishing the positive effect of the presence of U.S. forces.

6 Conclusion

In this thesis I sought to answer the following research question: “*What are the effects of foreign interventions on democratization in Latin America*” by looking exclusively at the effects of U.S. interventions as compared to other international factors. The effects of international factors on democratization were rejected as inconsequential or purposefully ignored (Pevehouse 2003:515) by some of the earlier works on democratic transitions (O’Donnell & Schmitter 1986:ix and Rustow 1970), and were first used to describe democratization by Huntington (Huntington 1991:a, b).

The international factors that impact democratization can arguably best be categorized as; *control* effects where foreign countries intervene directly in a target country (Whitehead 2001), with an *either* positive or detrimental impact on democracy (Buono de Mesquita & Downs 2006, Lowenthal 1991 and Berger et al 2013b), the *contagion* effect of democratic diffusion (Brinks & Coppedge 2006 and Mainwaring & liñan 2009), and the disentangled effect of diffusion through International Organization membership that either leads countries to emulate other members through *consent* or causes other members to impose democratization through *conditionality* (Levitsky & Way 2005 and Pevehouse 2003).

A case overview of both U.S. military and covert interventions was then undertaken in order to develop predictions for the likely impact of interventions as their impact was determined to be mixed by the literature. U.S military intervention were predicted to have a short-run positive effect which would be reversed in the long-run. This was however not found to be the case, as U.S. military interventions were found to lead to a significant increase in the democracy level which remains unchanged for the long-run. U.S. covert interventions meanwhile were predicted to have a negative effect on the level of democracy. This was found to be the case as covert interventions led to an overall decrease in democracy level. These findings remained robust when controlled for the *contagion*, *consent* and *conditionality* effects, however of the latter three only contagion through democratic diffusion was found to have a significant effect. The findings also remained robust when controlled for commonly employed domestic explanatory factors of democratization and when an alternative dependent variable was used. The findings clearly show that international factors cannot be dismissed as outrightly as some scholars did in the past, but rather that the international effects need to be disentangled from domestic correlates of democracy and further conceptualized and measured against other international

factors. The findings similarly suggest that some authors might have been too quick in the past to conclude that military interventions have a negative impact on democratization. The effect of U.S. covert interventions on the other hand was shown to be wholly negative.

Together with the issues with utilizing differing and poorly operationalized variables for military interventions this could explain the mixed predicted results of interventions in the literature on democratization. However to establish whether that is really the case a systematic comparison of the different intervention variables must be undertaken. It is furthermore my recommendation that future research in this vein on democratization takes into account other domestic factors which were touched upon, but not further elaborated on. Other correlates of democracy which have been deemed purely domestic in the early literature, but that then have been conceptualized as forming part of the causal mechanisms for democratic diffusion later on are the media, civil society as well as the role of the economy, the first two as part of the *consent* dimension and the latter as part of *conditionality*. To the best of my knowledge this thesis represents the first ever attempt at systematically comparing and evaluating both military and covert interventions' impact on democratization in Latin America, or in any region of the world for that matter.

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Appendix

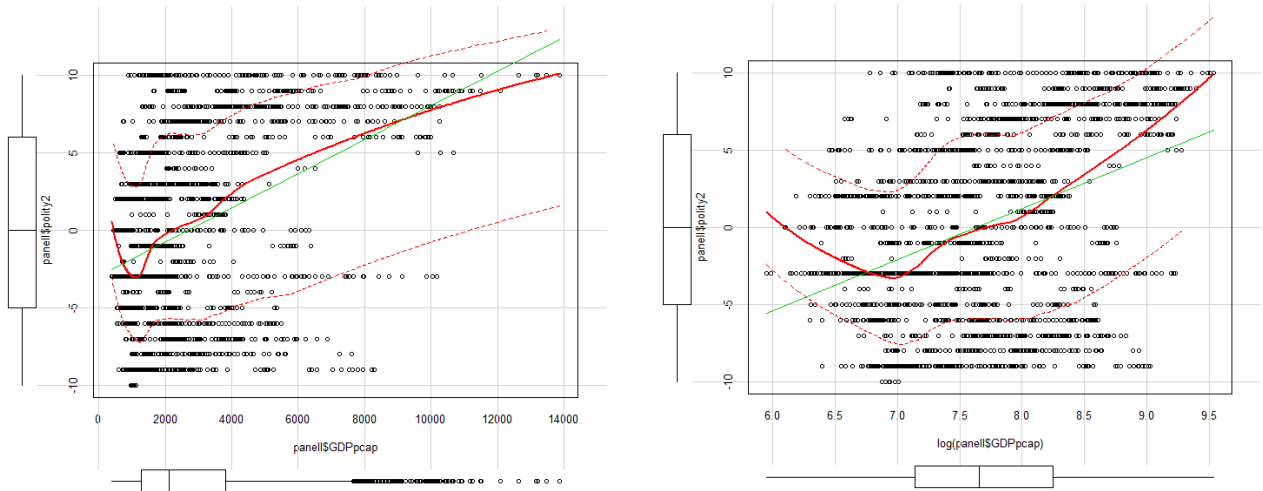


Figure 7 'GDPpcap before and after log-transformation'

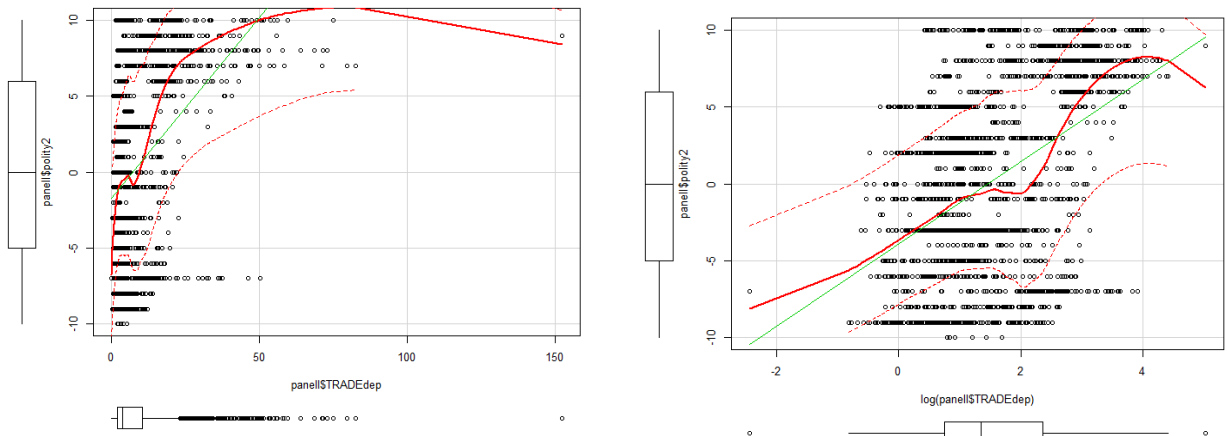


Figure 8 'TRADEdep before and after log-transformation'

Table 10 'Variance Inflation Factor'

Variance inflation factor						
Panel I						
USfmi	USthreat	DEMdifffuse	log(GDPpcap)	log(TRADEdep)	USfmit10	
1.016	1.005	5.314	4.471	3.584	1.098	
INQepower	LITprct	URBrate	EDUavg		USthreatt10	
2.205	6.949	7.314	8.231		1.124	
Panel II						
USfmi	USthreat	DEMdifffuse	log(GDPpcap)	log(TRADEdep)	OAS	USfmit10
1.133	1.034	2.051	4.022	1.640	1.348	2.653
INQepower	LITprct	URBrate	EDUavg	USinfluence		USthreatt10
1.309	3.837	5.761	4.075	1.269		1.195

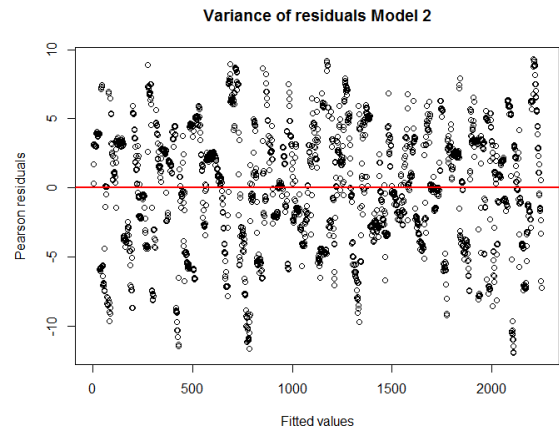
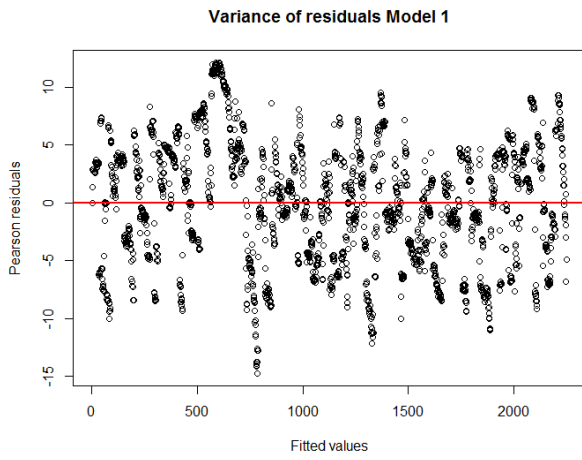


Figure 9 'Residuals: Model 1 and Model 2'

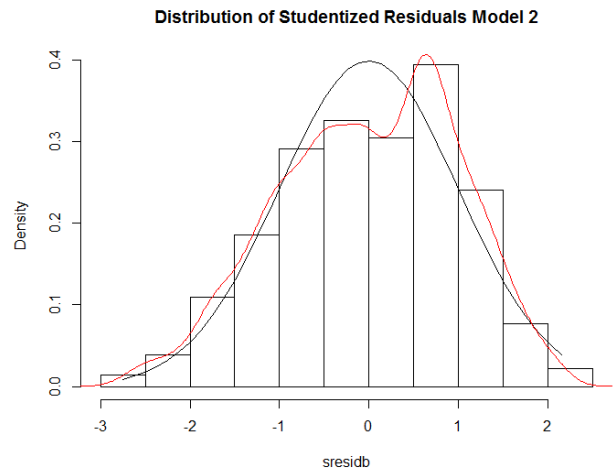
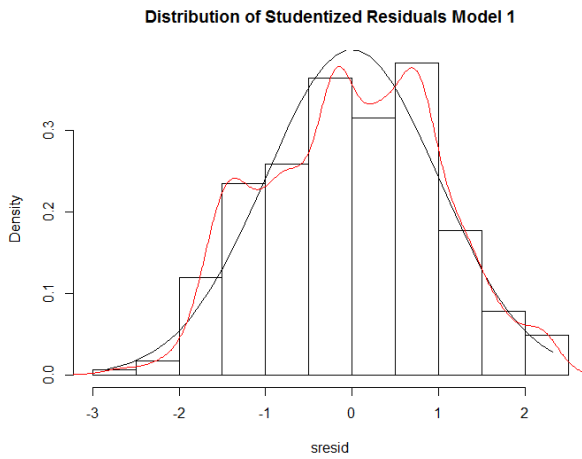


Figure 10 'Distribution of residuals: Model 1 and Model 2'

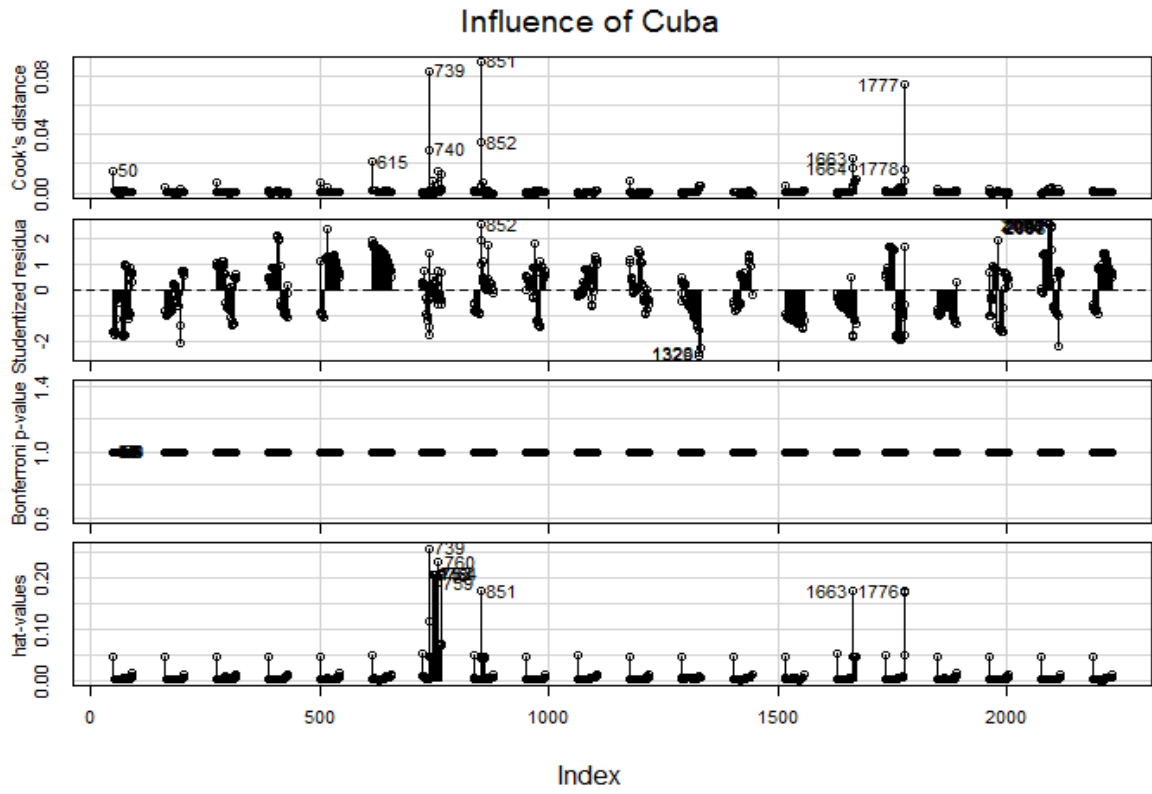


Figure 11 'Influential observations Model 1'

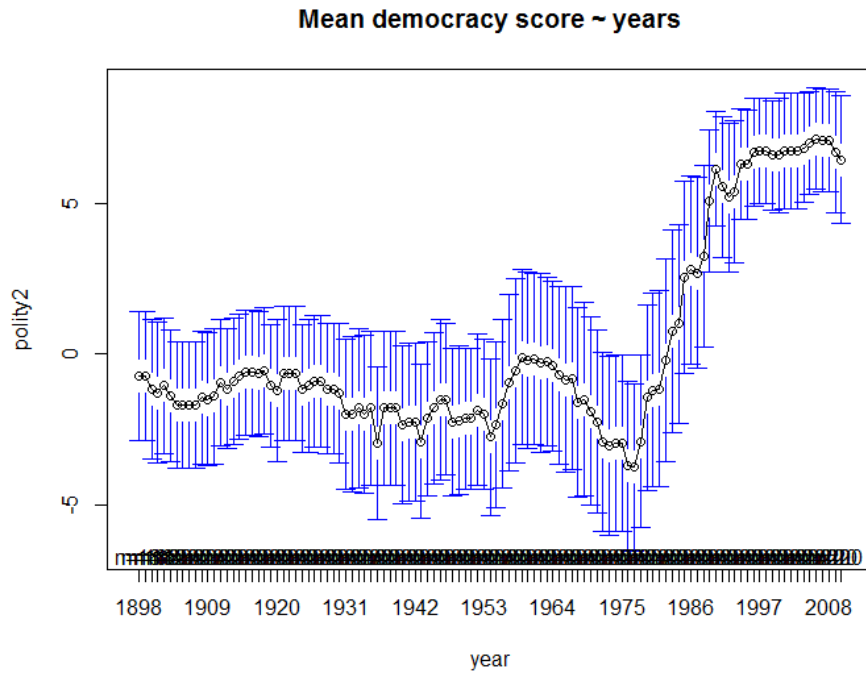


Figure 12 'Plot of mean polity score across time'

Table 11 'Regression results for NSfmi & NSthreat

Effects of neighbor state interventions	
	<i>Dependent variable:</i>
	polity2
USfmi1	1.152 (1.427)
USthreat1	-.878 (1.330)
NSfmi1	-.212 (.402)
NSthreat1	-.113 (.525)
DEMdiffuse	.101*** (.028)
log(TRADEdep)	.471 (.647)
USfmit101	-.649 (1.809)
USthreatt101	1.448*** (.554)
NSfmit101	-.209 (.414)
NSthreatt101	1.203** (.514)
Observations	2.251
R ²	.355
Adjusted R ²	.350
F Statistic	122.094*** (df = 10; 2221)
<i>Note:</i>	*p<0.1; **p<0.05; ***p<0.01

Figure 13 'Density distributions of imputed vs observed values'

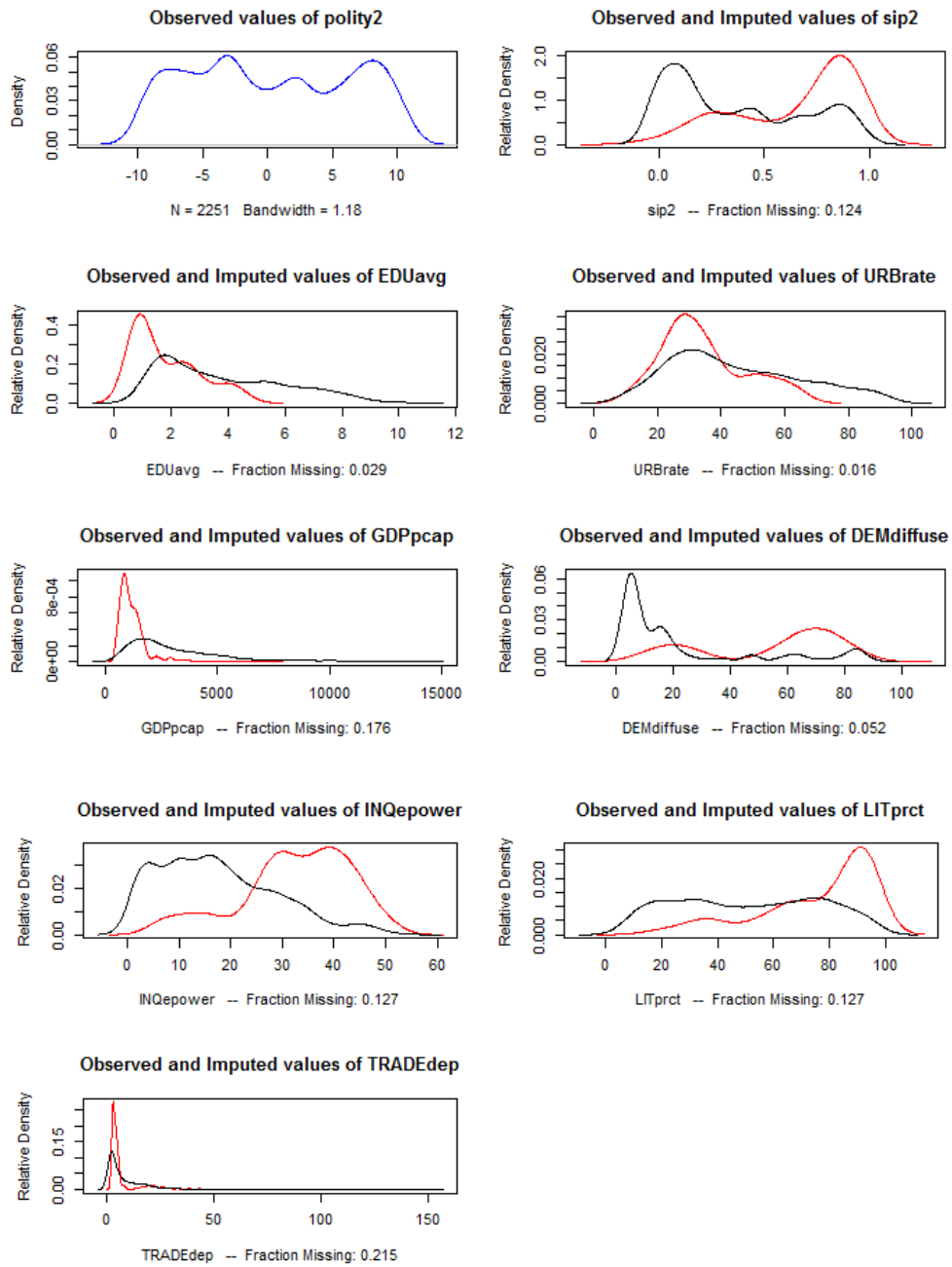
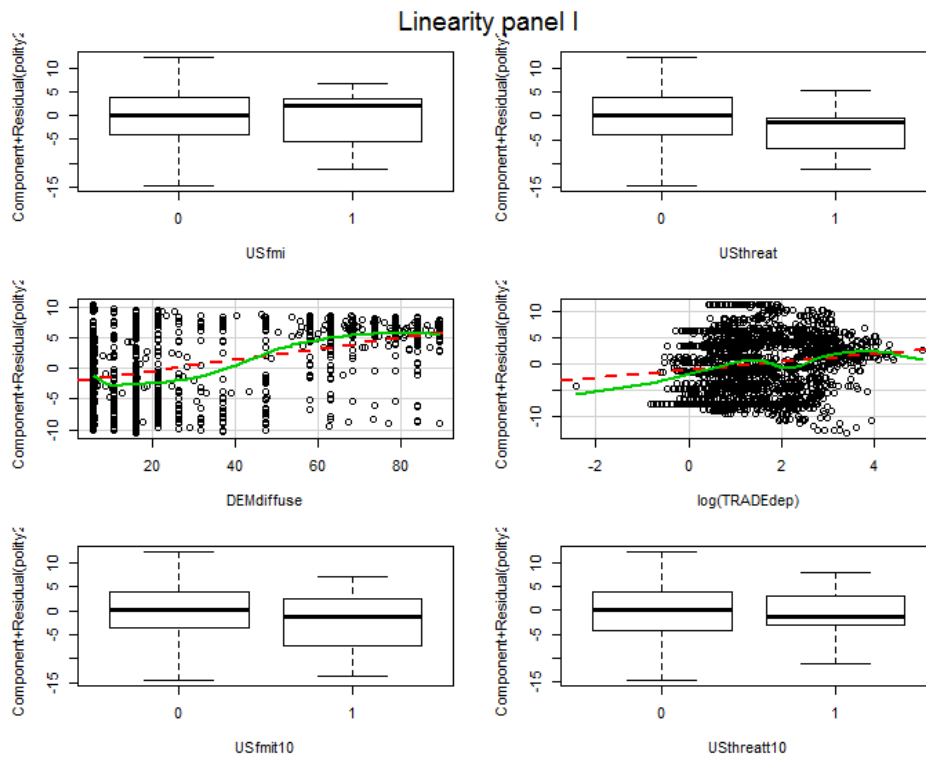


Figure 14 'Linearity Model 1'



R CODE

"*=====|| Packages and logistics ||=====*"

"<http://libguides.princeton.edu/dss/R>"

R.version

if(!require(installr)) {

install.packages("installr"); require(installr) #load / install+load installr

updateR()

rm(list=ls())

setwd("C:/Users/Matias/Documents/R")

library(foreign)

library(moments)

library(stargazer)

library(plyr)

library(corrgram)

library(xtable)

```

library(ltm)

library(car)

library(MASS)

library(ggplot2)

library(dummies)

library(plm)

library(pcse)

library(prais)

library(panelAR)

library(lmtest)

library(Amelia)

"=====|| Creating the dataset - Panel ||=====*"

#SEPARATED BY VARIABLE AND CHRONOLOGICALLY

#Merging variables was done in excel as it was simpler with datasets of such varying length.

#This reduces reliability and replicability!

panelI <- read.csv(file="C:/Users/Matias/Documents/R/main3.csv", header=TRUE)

panelI$X <- NULL

panelI <- rename(panelI, c("e_REGION_DEM_DIFFUSE"="DEMdiffuse", "e_migdppc"="GDPpcap",
"e_migdpgro"="GDPgrowth",
                        "e_Vanhanen_epower_ipo"="INQepower", "e_peaveduc"="EDUavg",
"e_miurbani"="URBrate",
                        "e_Vanhanen_literate_ipo"="LITprct"))

#TRADEdep trade as percentage of total GDP

panelI$TRADEdep <- ((panelI$e_cow_exports + panelI$e_cow_imports) * 1000000) / (panelI$GDPpcap *
panelI$e_population)

panelI$TRADEdep <- panelI$TRADEdep * 100

"=====||Initial recoding ||=====*"

#Order the data

panelI<-panelI[with(panelI, order(country,year)), ]

#Recoding -66 (NA) to 0 in dependent variable

```

```

which(is.na(panelI$polity2))
panelI$polity2[is.na(panelI$polity2)] <- 0
sum(panelI$USthreat)
sum(panelI$USinfluence, na.rm = TRUE)
sum(panelI$USforces)
#Dropping variables not included in the analysis
panelI$e_peginiwi <- NULL
panelI$e_migovdeb <- NULL
panelI$e_cow_imports <- NULL
panelI$e_cow_exports <- NULL
panelI$e_population <- NULL
panelI$USinfluencet10 <- NULL
panelI$GDPgrowth <- NULL

"=====|| Univariate analysis & initial graphics || ====="

#Trendline
plot(INQepower ~ year, data = panelI, type = "l")
plot(USfmi ~ year, data=panelI, type="h")

#Argument for fixed effects -> intergroup variability
xx <- levels(panelI$score)

boxplot(panelI$polity2 ~ panelI$country, , col=rainbow(length(unique(panelI$country))), names = xx, main =
"Mean democracy level across countries", ylab = "Polity score",

      xlab = "Country")

rm(xx)

?rainbow

#Or
library(gplots)

plotmeans(polity2 ~ score, main="Heterogeneity across countries", data=panelI)

detach("package:gplots")

library(gplots)

plotmeans(polity2 ~ year, main="Mean democracy score ~ years", data=panelI)

```

```

detach("package:gplots")

library(gplots)

plotmeans(DEMdiffuse ~ year, main="Democratic diffusion ~ years", data=panelI)

detach("package:gplots")

"=====|| Recoding & Transformations ||=====*"

#Transform URBrate from ratio to percentage so that it is easier to interpret in the regression
panelI$URBrate <- panelI$URBrate*100

#Graphics for logtransform of GDPpcap
hist(panelI$GDPpcap, main="GDP per capita before transformation")
hist(log(panelI$GDPpcap), main="GDP per capita after log transformation")
scatterplot(panelI$GDPpcap, panelI$polity2)
scatterplot(log(panelI$GDPpcap), panelI$polity2)
scatterplot(panelI$EDUavg, panelI$polity2)

#Graphics for another candidate for logtransformation? Following Tukey's budge rule: Yes!
scatterplot(panelI$TRADEdep, panelI$polity2)
scatterplot(log(panelI$TRADEdep), panelI$polity2)
hist(panelI$TRADEdep)
hist(log(panelI$TRADEdep), main="Trade dependency after log transformation")

##### Handling NA's imputation and subsetting data #####

#Before doing my analysis I want to remove all NA's
#There are a great deal of NA's in my dataset.
#Deleting all cases is not an option as I would end up with too few observations
#Because I am missing observations on my most important variables for intervention from 2010
#it makes sense to subset the dataset accordingly.
panelI <- subset(panelI, panelI$year < 2011)

#I also create two copies for use in graphical representations of the data as it does not handle factors well
gfxpanelI <- panelI
gfxpanelII <- subset(gfxpanelI, gfxpanelI$year > 1946)

```

```

gfxpanelII <- subset(gfxpanelIII, gfxpanelII$year < 1990)

#Classify dummies as factor !! This causes some issues for graphing because 1's are interpreted as 2's

panelII$USfmi <- as.factor(panelII$USfmi)

panelII$USthreat <- as.factor(panelII$USthreat)

panelII$NSthreat <- as.factor(panelII$NSthreat)

panelII$NSfmi <- as.factor(panelII$NSfmi)

panelII$USforces <- as.factor(panelII$USforces)

panelII$USinfluence <- as.factor(panelII$USinfluence)

panelII$OAS <- as.factor(panelII$OAS)

panelII$USfmit10 <- as.factor(panelII$USfmit10)

panelII$USthreatt10 <- as.factor(panelII$USthreatt10)

panelII$NSthreatt10 <- as.factor(panelII$NSthreatt10)

panelII$NSfmit10 <- as.factor(panelII$NSfmit10)

panelII$USforcest10 <- as.factor(panelII$USforcest10)

#I use AmeliaII to impute data for the missing values, with respect to the panel structure of the data

#allowing for trends specific to each cross-sectional unit

#I start with a matrix to bound the variables as I have already examined a first run and found that they are out
#of bounds (i.e. negative percentages)

summary(panelII$EDUavg)

summary(panelII$URBrate)

summary(panelII$DEMdiffuse)

Bound = matrix(c(14, 15, 17, 18, 19, 0.49, 7.722, 5.263, 1, 5.6, 10.27, 94.04, 89.47, 54, 96), nrow=5, ncol=3)

Bound

a.out <- amelia(panelII, m = 5, ts = "year", cs = "country",

               idvars = c("scode"), noms = c("NSthreat", "NSfmi", "USthreatt10", "NSthreatt10",

               "NSfmit10", "USforcest10", "USthreat", "USinfluence", "USforces",

               "USfmit10", "USfmi", "OAS"), logs = c("GDPpcap", "TRADEdep"), polytime = 2,

intercs = TRUE, bounds = Bound, ntercs = TRUE, empri = 23)

dev.off()

#See if amelia generated any missing values

```



```

missmap(a.out)

#Plots of the density of imputed values compared with observed

plot(a.out, which.vars = 6:27)

hist(a.out$imputations[[3]]$DEMdiffuse, col="grey", border="white")

dev.off()

summary(panelI)

#Now that I have imputed values for the missing observations I replace them in the original dataset

#!I leave out the dependent variable for now

cor(a.out$imputations[[3]]$TRADEdep, panelI$TRADEdep, use = "pairwise.complete.obs")

panelI$EDUavg <- a.out$imputations[[3]]$EDUavg
panelI$URBrate <- a.out$imputations[[3]]$URBrate
panelI$GDPpcap <- a.out$imputations[[3]]$GDPpcap
panelI$DEMdiffuse <- a.out$imputations[[3]]$DEMdiffuse
panelI$INQepower <- a.out$imputations[[3]]$INQepower
panelI$LITprct <- a.out$imputations[[3]]$LITprct
panelI$TRADEdep <- a.out$imputations[[3]]$TRADEdep

summary(panelI)

#USinterventions runs from 1947-1989 and will make up a separate subset

panelII <- subset(panelI, panelI$year > 1946)

panelIII <- subset(panelII, panelIII$year < 1990)

#NAs have been removed across the board, apart for an observation for Haiti 1989. While I am reluctant to code
it as 0

#since there was a coup in 1988 which persisted until 1990. However 1988 is coded 0, so I feel relatively safe
coding

#Haiti1989 as 0 as well. I want amelia to treat it as a nominal variable so I do this afterwards.

which(is.na(panelIII[c(-12,-13)]))

which(is.na(panelIII$USinfluence))

panelIII$USinfluence <- gfxpanelIII$USinfluence

panelIII[516, c(13)] <- 1

panelIII$USinfluence <- as.factor(panelIII$USinfluence)

```

```

#=====
##### MAIN ANALYSIS, REGRESSION MODELS /w notes #####  $\Gamma \sim J(\circ - \circ J)$ 
#=====

#|_____ / Model 1 \_____ | OLS BASELINE

#The first model is pooled and ignores unit-specific intercepts

summary(reg01 <- lm(polity2 ~ USfmi + USthreat + DEMdiffuse + log(TRADEdep) + USfmit10 + USthreat10,
data=panelI))

#Time to check for linearity and leverage

#linearity

crPlots(reg01, main = "Linearity panel I")

#Assessing collinearity

vif(reg01)

#Residuals v fitted values - unequal variance

residualPlots(reg05, ~ 1, fitted=TRUE)

#Normality, do this before moving on to controlling for heterogeneity

qqPlot(reg01)

#Checking influence

#Cuba exerts a great pressure on the regression line, removing it changes the direction of USfmi

influenceIndexPlot(reg01, id.n=10, main = "Influence 'Model 1'")

### CREATE PANEL I & PANEL II FE FOR USE IN FIXED EFFECTS MODEL

panelIFE <- pdata.frame(panelI, index = c("country", "year"), drop.index = TRUE, row.names = TRUE)

panelIIIFE <- pdata.frame(panelII, index = c("country", "year"), drop.index = TRUE, row.names = TRUE)

#Testing for autocorrelation in the pooled OLS, Bhargava test for panel models

pdwtest(plm(polity2 ~ USfmi + USthreat + DEMdiffuse + log(TRADEdep) + USfmit10 + USthreat10,
data=panelIFE, index = c("country", "year"), model="within"))

pdwtest(plm(polity2 ~ USfmi + USthreat + DEMdiffuse + log(TRADEdep) + USfmit10 + USthreat10,
data=panelIFE, index = c("country", "year"), model="pooling"))

#|_____ / Model 2 \_____ | FE BASELINE

reg02 <- plm(polity2 ~ USfmi + USthreat + DEMdiffuse + log(TRADEdep) + USfmit10 + USthreat10,
data=panelIFE, index = c("country", "year"), model="within")

```

```

vcov1 <- vcovHC(reg021, method = "arellano", type = "HC3", cluster = "group")

reg02$vcov <- vcov1

summary(reg02)

#Hausmantest supports the choice of a FE model rejecting the RE as inconsistent

phtest(reg02, (plm(polity2 ~ USfmi + USthreat + DEMdiffuse + log(TRADEdep) + USfmit10 + USthreat10,
data=panelIFE, vcov = NULL, index = c("country", "year"), model="random")))

#|_____/ Model (2.2) \_____| FE BASELINE, controlled for Neighbor states

reg022 <- plm(polity2 ~ USfmi + USthreat + NSfmi + NSthreat + DEMdiffuse + log(TRADEdep) + USfmit10 +
USthreat10 + NSfmit10 + NSthreat10, data=panelIFE, index = c("country", "year"), model="within")

vcov22 <- vcovHC(reg022, method = "arellano", type = "HC3", cluster = "group")

reg022$vcov <- vcov22

summary(reg022)

#|_____/ Model 3 \_____| Alternative intervention variable

reg03 <- plm(polity2 ~ USforces + USthreat + DEMdiffuse + log(TRADEdep) + USforcest10 + USthreat10,
data=panelIFE, index = c("country", "year"), model="within")

vcov3 <- vcovHC(reg03, method = "arellano", type = "HC3", cluster = "group")

reg03$vcov <- vcov3

summary(reg03)

#|_____/ Model 4 \_____| PANELII USfmi

summary(reg04 <- plm(polity2 ~ USfmi + USthreat + DEMdiffuse + log(TRADEdep) + OAS + USinfluence +
USfmit10 + USthreat10, data=panelIFE, index = c("country", "year"), model="within"))

vcov4 <- vcovHC(reg04, method = "arellano", type = "HC3", cluster = "group")

reg04$vcov <- vcov4

summary(reg04)

#influence of Cuba, cannot be estimated in FE. = it is overly reliant on a few influential observations

panelIFEc <- panelII[-c(259:301), ]

panelIFEc <- pdata.frame(panelIFEc[-c(679:787), ], index = c("country", "year"), drop.index = TRUE,
row.names = TRUE)

```

```

panelIIFec <- subset(panelIIFec, panelIIFec$year > 1946)
panelIIFec <- subset(panelIIFec, panelIIFec$year < 1990)
nocuba <- plm(polity2 ~ USfmi + USthreat + DEMdiffuse + log(TRADEdep) + OAS + USinfluence +
             USfmit10 + USthreat10, data=panelIIFec, index = c("country", "year"), model="within")
summary(nocuba)
influenceIndexPlot(nocuba, id.n=10, main = "Influence of Cuba")

#|_____/ Model 5 \_____| PANELII USforces
summary(reg05 <- plm(polity2 ~ USforces + USthreat + DEMdiffuse + log(TRADEdep) + OAS + USinfluence +
                    USforcest10 + USthreat10, data=panelIIFE, index = c("country", "year"), model="within"))
vcov5 <- vcovHC(reg05, method = "arellano", type = "HC3", cluster = "group")
reg05$vcov <- vcov5
summary(reg05)

#|_____/ Model 6 \_____| PANELI controls
summary(reg06 <- plm(polity2 ~ USforces + USthreat + DEMdiffuse + log(TRADEdep) +
                    USforcest10 + USthreat10 + log(GDPpcap) + INQepower + LITprct, data=panelIIFE, index =
                    c("country", "year"), model="within"))
vcov6 <- vcovHC(reg06, method = "arellano", type = "HC3", cluster = "group")
reg06$vcov <- vcov6
summary(reg06)

#|_____/ Model 7 \_____| PANELII controls
summary(reg07 <- plm(polity2 ~ USforces + USthreat + DEMdiffuse + log(TRADEdep) + OAS + USinfluence +
                    USforcest10 + USthreat10 + log(GDPpcap) + INQepower + LITprct, data=panelIIFE, index =
                    c("country", "year"), model="within"))
vcov7 <- vcovHC(reg07, method = "arellano", type = "HC3", cluster = "group")
reg07$vcov <- vcov7
summary(reg07)

```

```

#|_____ / Model 8 \_____ | PANELII SIP

summary(reg08 <- plm(sip2 ~ USforces + USthreat + DEMdiffuse + log(TRADEdep) +
                    USforcest10 + USthreatt10 + log(GDPpcap) + INQepower + LITprct, data=panelIFE, index =
c("country", "year"), model="within"))

vcov8 <- vcovHC(reg08, method = "arellano", type = "HC3", cluster = "group")

reg08$vcov <- vcov8

summary(reg08)

#|_____ / Model 9 \_____ | PANELII SIP

summary(reg09 <- plm(sip2 ~ USforces + USthreat + DEMdiffuse + log(TRADEdep) + OAS + USinfluence +
                    USforcest10 + USthreatt10 + log(GDPpcap) + INQepower + LITprct, data=panelIIFE, index =
c("country", "year"), model="within"))

vcov9 <- vcovHC(reg09, method = "arellano", type = "HC3", cluster = "group")

reg09$vcov <- vcov9

summary(reg09)

#PRINT OF RESULTS AND CODING IS EXCLUDED

```