Democracy Promotion and Electoral Quality: A Disaggregated Analysis

Carie A. Steele
Northern Arizona University

Daniel Pemstein
North Dakota State University

Stephen A. Meserve
Texas Tech University

Abstract

The international community spends significant sums of money on democracy promotion, focusing especially on producing competitive and transparent electoral environments. In theory, aid empowers a variety of actors, increasing competition and government responsiveness. We argue that to fully understand the effect of aid on democratization one must consider how democracy aid affects specific country institutions. Building on theory from the democratization and democracy promotion literature, we specify more precise causal linkages between democracy assistance and elections. Specifically, we hypothesize about the effects of democracy aid on the implementation and quality of elections. We test these hypotheses using V-Dem's detailed elections measures, using Finkel, Perez-Linan & Seligson's (2007) data and modeling strategy, to examine the impact of democracy aid. Intriguingly, we find that there is no consistent relationship between democracy and governance aid and the improvement of disaggregated indicators of election quality, but aggregate measures still capture a relationship. We suggest that current evidence is more consistent with election-enhancing aid following democratization than with democratization following such aid.

1 Introduction

In the post-Cold War era, democracy promotion has become a key foreign policy objective of developed democracies (Burnell 2005, Carothers 1999, Collins 2009, Ikenberry 2000, Youngs 2002). Yet, the question of whether external stimuli can prompt meaningful democratic change remains a matter of scholarly and public debate. Democracy promotion may take a variety of forms, including economic sanctions and rewards—often in the form of preferential trade agreements or economic aid—diplomatic pressure, and even military action. Here, we focus on the effectiveness of foreign aid as a tool to promote democracy.

A growing literature has found that foreign aid is associated with higher levels of democracy under some conditions (Goldsmith 2001, Bermeo 2011, Dunning 2004, Finkel, Perez-Linan & Seligson 2007, Scott & Steele 2011). While the literature has focused on the relationship between democracy promotion and regime quality, we attempt to examine the micro-foundations of this relationship. Specifically, following Finkel, Perez-Linan & Seligson's (2007) influential and highly cited paper establishing the empirical connection between USAID democracy and governance aid and democratic governance improvements, we examine whether democracy promotion works through the empowerment of agents and the building of nut-and-bolts institutions that support democratic processes. Leveraging recent improvements in disaggregated measurement, we examine the relationship between USAID democracy aid and the quality of electoral institutions like voting registries and electoral management boards, as well as between aid and aspects of the electoral process such as suffrage, vote buying and irregularities, voter intimidation, and electoral violence.

While we successfully use new measures to replicate earlier findings that show a positive relationship between democracy aid and aggregate levels of democratic quality and election quality, we find surprisingly little evidence that democracy promotion works by building the specific institutional capacities necessary for conducting clean and safe elections. Our models

cannot establish a robust association between USAID spending on democracy and governance aid and even basic technical capacities such as improved or more autonomous election management.[1] The mechanisms through which technical foreign aid promotes democracy remain, therefore, troublingly elusive. While our panel results do not represent a challenge to the core relationship between electoral aid and improved democracy posited by the literature, we nevertheless remain unable to pin down a robust connection between election aid and changes in the electoral institutional targets of that aid.

As a possible answer explaining this puzzling result, we suggest that our inability to find a relationship between governance aid and democracy except at the broadest aggregate level (e.g. Polity scores, free and fair election indicators, highly aggregate V-Dem indices) may reflect endogenous processes in aid distribution. Specifically, aid-providing countries may be able to identify democratizing targets and distribute funds, but may not induce democratization themselves with their programs. We perform analyses using panel techniques and synthetic control methods that suggest that, indeed, aid may follow broad changes in aggregate democracy rather than building democratic changes from the ground up. While our results are not based on airtight causal tests, we find our explanation plausible theoretically and empirically: aid and democracy timing patterns are more consistent with a United States that finds budding democratizers and steps in with support rather than building their electoral systems from the ground up with targeted aid to trigger democratization.

2 Foreign Aid and Democratic Change

Evidence that aid can have a meaningful impact on democratization is inconsistent. Notably, while some scholars provide causally plausible evidence that aid promotes democracy (Carnegie & Marinov 2017), a variety of studies have found that aid has relatively little effect

[1] Nor can we find a micro-level relationship in additional analyses on a different dataset, from 2001-2018, whose results we discuss in the online appendix.

(Knack 2004), or even a detrimental impact (Brautigam & Knack 2004, Djankov, Montalvo & Raynal-Querol 2008, Knack 2001, Licht 2010) on democratic change and institutional development.

Variation across these findings reflect the diversity of approaches researchers use to identify causal mechanisms through which aid might promote democratic change. Traditionally, theories of democracy promotion attempt to meld foreign policy and democratization theories in the hope of providing a convincing causal story of how external stimuli influence internal political processes. Generally, democratization scholars have focused on power relations between incumbent governments and other societal actors (Acemoglu & Robinson 2006, Moore 1966, Ansell & Samuels 2014) and, following that lead, theories of democracy promotion often suggest that aid could be used to affect the balance of power between domestic groups. Similarly, other foreign aid scholars use results establishing an empirical link between democratization, economic development and the nature of a state's wealth to theorize about the impact of aid (Moore 1966, Acemoglu & Robinson 2006, Przeworksi, Alvarez, Cheibub & Limongi 2000). If foreign aid were to effectively improve economic development, it would be expected to have the indirect effect of promoting democracy. Indeed, several studies suggest that economic aid is correlated with greater democratization. Goldsmith (2001), for example, found that aid is associated with higher levels of democracy. Bermeo (2011) and Dunning (2004) find that, while aggregate aid is not associated with democratic change, aid from democratic donors has a positive impact on regime change and democratic improvements, especially in the post-Cold War era. Similarly, in arguments which echo the resource curse comparative literature (Bueno de Mesquita, Smith, Siverson & Morrow 2003, Stasavage 2003, Robinson 2006, Haber & Menaldo 2011), the financial independence of the government created by foreign aid may help stabilize and entrench authoritarian governments (Djankov, Montalvo & Raynal-Querol 2008, Licht 2010). By contrast, other studies have found that the "free money"

effect is conditioned by domestic political factors and how aid is delivered (Altincekic & Bearce 2014, Bader & Faust 2014, Kono & Montinola 2009). Aid delivered through NGOs or third party partners is likely to have a substantially different impact than direct budgetary assistance (Wright & Winters 2010, Dietrich 2013, Dietrich & Wright 2015). Finally, the literature does find that aid can encourage more democratic behavior simply by using direct conditionality tools, demanding democratic change, but the length and permanence of such changes also only lasts as long as the donor's leverage does (Carnegie & Marinov 2017). Thus, the foreign aid literature directly using the logic of comparative democratization finds significantly different results depending on the conditions on the ground and the details of the foreign aid itself, and finds that simply demanding democratization may not create long-term effectiveness.

Scholars increasingly focus on ways foreign aid might be used to give resources to societal actors in order to spur democratization. Democracy assistance is aid that is designed and allocated specifically to empower specific societal actors and build institutional knowledge and capacity for the purposes of creating democratic change. This logic is both theoretically important and appealing to donors, because it suggests ways in which donor countries can directly induce lasting democratization in their targets. It suggests that foreign donors can find the right targets, underneath the regime's nose, and create democratization that is more than momentary acquiescence in exchange for funds. Finkel, Perez-Linan & Seligson (2007) explains: "Targeted democracy assistance, by contrast, works to educate and empower voters, support political parties, labor unions, and women's advocacy networks, strengthen human rights groups, and otherwise build 'constituencies for reform'; it thus attempts to influence democratic outcomes in both the short term and the medium term." By empowering domestic actors, institutions, and organizations, democracy assistance attempts to directly alter the power relationship between an incumbent government and key domestic actors, prompting liberalization and democratic opening.

The empowering agents logic is controversial, however. While Finkel, Perez-Linan & Seligson (2007) argue that democracy aid works through "agent empowerment," Scott & Steele (2011) suggest "anticipated reactions" may also directly influence democratic change. Their argument suggests that democracy assistance encourages recipient governments to implement democratic changes in order to secure further funding from democratic donors. The difference between these two theoretical logics is critical: if agent empowerment is true, countries can create durable democracy by building up agents and institutions. By contrast, if anticipated reactions is true, any democratic improvements by the regime are a consequence of future anticipation of aid and, potentially, subject to roll-back if future aid does not come.

A variety of studies suggest that relationship between democracy assistance and democratic change is more complex than the simple "agent empowerment" and "anticipated reactions" mechanisms imply. Wright (2009) argues that democracy assistance should only bolster democratization in instances where the risk of an incumbent losing office is low because democracy assistance aid will likely be used by the government in a manner in which it will have the least impact: avoiding elections. Bush (2015) argues that the nature of democracy assistance has changed dramatically, making it both more acceptable to authoritarian recipients and less effective. Reflecting this, aid for what is known as "good governance" has made up an increasing proportion of democracy assistance aid versus aiding dissidents and opponents of the regime. Aid for good governance includes technical support for elections and electoral institutions, support for legislative bodies and training of legislative staff, and promotion of women's groups. Aid designed to improve governance is less confrontational towards dictators, and focuses on clearly measurable outcomes.

Technical assistance, "the provision of donor funded personnel to supply missing skills and train local people" (Arndt, 2000, p. 159) is regarded by various aid organizations as a key instrument that enhances governance. Three types of technical assistance predominate. Aid agencies work to fill knowledge gaps through consultants and advisors,

help with the creation and strengthening of institutions, and agencies train recipient country officials, usually to support oversight or capacity building activities (Arndt, 2000). Technical assistance is believed to create a monitoring effect, giving donors greater oversight when they cannot trust funding and implementation to recipient government agencies (Arndt 2000, Berg 2000, Maipose 2000) or giving citizens and foreign audiences more belief in the integrity of elections (Norris 2017, Norris & Nai 2017). Whether the "taming" of aid produced more or less effective democracy assistance is up for debate. Bush suggests that the taming of democracy assistance has made it less effective in promoting democracy while Gibson, Hoffman & Jablonski (2015) offer evidence that technical aid can be effective.

The inconclusive findings within the democracy assistance literature suggest a variety of difficulties for evaluating the impact of democracy assistance aid. First, while there has been some effort to identify causal linkages between aid and the process of democratization, further theoretical development is needed to better incorporate domestic factors, including strategic calculations by recipient governments. Finkel, Perez-Linan & Seligson (2007) provided one of the most detailed theoretical explanations for how democracy assistance might affect democratization. However, in the nearly ten years since its publication, limited effort has been made to flesh out the dynamics among donors, recipient governments, and key domestic democratic agents.

Technical theories generally focus on the mobilization and empowerment of a variety of domestic actors and agents, including opposition forces, civil society, voters, minorities and under-represented groups, and the media. However, most quantitative studies rely on higher level measures of democracy to evaluate the impact of aid. Only a small portion of the literature attempts to tie democracy assistance to mid-level changes as Finkel, Perez-Linan & Seligson (2007) do. Fewer still attempt to tie democracy assistance to disaggregated changes or to trace disaggregated changes to higher order measures of democratic change. Using new data, our study attempts to fill this gap.

A test of agent empowerment, as described by Finkel, Perez-Linan & Seligson (2007), forms the foundation of our work. We start by considering whether democracy assistance promotes democracy by empowering key domestic agents, thereby altering the calculations of the incumbent government. We add empirical depth to a well-established argument by incorporating disaggregated explanations. As Wright (2009) suggests, recipient governments are active participants in the aid process and may accept or reject democracy assistance. It is unlikely that incumbent governments accept democracy assistance packages that will seriously undermine their political power.

This does not mean that an incumbent authoritarian will reject all democracy assistance, only aid that may pose a threat to their power. Indeed, some democracy assistance may even support the regime (Dietrich & Wright 2015). Democracy assistance in its current form is rarely of a kind that directly confronts autocrats through the funding of dissidents. As a result, the vast majority of democracy assistance is technical assistance directed at small measurable outcomes. These small measurable objectives are less threatening to autocratic incumbents than opposition cultivation, yet technical assistance that supports voter registration, enables the formation of additional parties, strengthens the electoral management board, and increases the cost of electoral fraud may all increase the likelihood of political reform (Faye & Niehaus 2012, Hyde & Marinov 2014, Resnick & van de Walle 2013).[2] If it does so, low level electoral aid provides an acceptable way for foreign governments to enhance democracy, regardless of regime preferences.

Agent empowerment may take any of several forms. The U.S. Agency for International Development (USAID) identifies two democracy-specific development objectives within their "Democracy, Human Rights, and Governance" strategy framework. The first objective is to "promote participatory, representative and inclusive political processes and government institutions" (United States Agency for International Development 2013). This includes

[2]But note work by von Borzyskowski (2016), who finds that even technical election assistance can be refused by regimes.

activities that support the implementation of participatory political processes by state institutions, including advising, training, and financial support for electoral management boards. The second objective is to "foster greater accountability of institutions and leaders to citizens and to the law" (United States Agency for International Development 2013) This objective focuses on activities that support citizen participation, such as voter registration, and develop of institutions and systems that promote political competition through institutional reform.

We use these strategic objectives and their corresponding activities to propose a series of disaggregated outcomes that we can examine to test the impact of democracy assistance. If "agent empowerment" is the primary mechanism through which democracy assistance promotes democratic change in recipient countries, one should expect to observe changes in disaggregated measures of democratic agents' power in addition to previously observed macro-level shifts in aggregate level of democracy. Specifically, we focus on electoral institutions and agents. One would expect democracy assistance to be correlated with improvements in voter registration, stronger and more autonomous electoral management boards, growth in legal political parties, and less electoral fraud. On the other hand, if democracy aid works primarily through "anticipated reactions" or some other form of conditionality we might expect to see macro-level shifts in democracy in the absence of such micro-foundations. Similarly, if the relationship between democracy aid and aggregate democratic quality is endogenous and aid agencies reward states for improvements in democratic function rather than build democracy, we might also see a positive aggregate relationship between aid and democracy without also observing a relationship between aid and the effectiveness of the agents and institutions that democracy aid is thought to support.

3 Data and Methods

We replicate Finkel, Perez-Linan & Seligson's (2007) modeling strategy as a starting point for our analysis. Building on their dataset, which contains detailed cross-national information on US democracy assistance and recipient country characteristics for the period between 1990 and 2004, we examine the relationship between democracy aid and changes in the quality of the set of disaggregated outcomes that we described in the previous section. We specify models that replicate Finkel, Perez-Linan & Seligson's (2007) specifications using new dependent variables. In particular, we fit hierarchical growth models that are meant to capture and predict differences in the timing and trajectories of recipient country regime characteristics. These models use random intercepts for recipient country with an accompanying year random slope, along with a linear year term. They also adjust errors for heteroscedasticity and a time dependent AR1 error structure. The models contain a set of dynamic, time-varying variables (including the critical measures of U.S. aid behavior), in addition to a series of static country characteristic variables which are allowed to interact with the linear time trend. Instead of predicting traditional democracy variables like Freedom House or Polity, however, we instead begin by examining how both election assistance and aggregate governance aid predict measures of a variety of agent capacities and electoral characteristics. We finish by predicting dependent variables which closely resemble aggregate measures like Policy and Freedom House, replicating Finkel, Perez-Linan & Seligson's (2007) results.[3]

In order to test the effects of U.S. democracy and governance aid on the empowerment of electoral agents/characteristics, we use newly released data from the Varieties of Democracy (V-Dem) project (Coppedge, Gerring, Lindberg, Skaaning, Teorell, Altman, Bernhard, Fish, Glynn, Hicken, Knutsen, Marquardt, McMann, Miri, Paxton, Pemstein, Staton, Tzelgov, Wang & Zimmerman 2018). V-Dem data represent expert rated observations at the country level for virtually all countries, with an extensive timespan. V-Dem

[3]All variable descriptive statistics are available in the appendix.

uses the assessment of many country expert raters for each observation, scaled together using a Bayesian measurement model (Pemstein, Marquardt, Tzelgov, Wang & Miri 2015, Marquardt & Pemstein 2018), to provide assessments of hundreds of individual country, regime, and election characteristics. Of particular interest for this project, V-Dem coded a number of variables that measure plausible electoral agents/policies that could be directly affected using foreign aid to improve electoral democracy (e.g. election management boards). V-Dem simultaneously incorporates indices measuring high-level, aggregated, characteristics like strength of party competition or free and fair elections indices, allowing us to compare the effect of aid on specific characteristics of electoral democracy along with the effect on high-level assessments of democracy level. In short, the granularity of the data allow us to find out which agents are being empowered and if that empowerment is associated with aggregate level changes in electoral quality and better competitive, multiparty, democracy.[4]

We focus on electoral agent empowerment because the prominence given to findings and centrality of election related empowerment in the aforementioned literature, and in actual aid policy when examining specific projects. It is possible that the agents empowered by democracy and governance aid may not show up in improvements to low-level measure of elections but instead through other agents like media or civil society, though that would not explain the findings in models predicting electoral agent improvements with the specific category of electoral USAID funds.[5] We suggest that finding that democracy and governance aid does not empower electoral agents, nor does narrowly targeted electoral strengthening democracy and governance aid, would be substantively a troubling result on its own.

First, we use as dependent variables V-Dem's measurements of several specific electoral

[4]Note that a number of variables at the election level are only measured for each election (quality voter registry, vote buying, vote irregularities, government election intimidation, other election violence, level of multiparty competition). We repeat observations of the last election for any characteristic measured only at election year and repeat it until the next election. We tried several other aggregation strategies to ensure robustness, including only using the non-missing observations unaltered and calculating per-election averages. Both yielded almost identical results to those presented.

[5]Doing similar analysis with other agents is a worthwhile research direction for future study.

institutions that should be directly tied to technical democracy assistance aid. We use V-Dem variables measuring the accuracy of voting registries (interval assessment of accuracy), de facto suffrage (%), election management board (EMB) autonomy (interval measure of level of autonomy), and electoral management board capacity (interval measure of capacity).[6] These are the types of observable, nuts and bolts, improvements to democracy that could be directly empowered by technical foreign aid for democracy. They are logical targets for modern, measurable, foreign aid improvements in democracy that empower agents. Most of these variables are all what V-Dem refers to a "C" variables. V-Dem constructs "C" variables by surveying subject experts—typically PhD-holding academics, but sometimes also NGO staff or other policymakers—and asking them to rate each variable on a Likert scale. Generally, five or more experts rate each observation and the V-Dem team uses a Bayesian measurement modeling framework (Pemstein et al. 2015) to aggregate exert ratings into interval-valued scores, adjusting for variation in expert strictness (differential item functioning) and reliability. The modeling framework also makes use of bridging observations—experts who rate multiple countries—and anchoring vignettes (King & Wand 2007) to help ensure that scores are comparable across space and time. De facto suffrage is an exception here; research assistants coded this variable from historical records.

We move next to modeling changes in disaggregated characteristics of elections themselves. We model changes in the quality of elections using specific characteristics of a country's last election measured by the V-Dem "C" variables: extent of vote buying behavior, incidence of voting irregularities, amount of government intimidation, and level of overall electoral violence.[7] Here, we can see if foreign aid affects the propensity of specific maladies that often plague elections in new and developing democracies.

Finally, we model changes in V-Dem's aggregate indices of the quality of democracy in countries. Specifically, we predict how multiparty and competitive a country's last election

[6]Variables 3.1.12, 3.1.74, 3.1.6, 3.1.7, respectively.
[7]Variables 3.1.21, 3.1.24, 3.1.27, 3.1.30, respectively

was, how free and fair, overall, its elections are, and its aggregate quality of electoral democracy using both an institutional and liberal concept of democracy.[8] The final two variables are of interest because they correspond most closely with the literature at large's aggregate democracy dependent variables represented by Polity or Freedom House.[9]

4 Results

Table 1 shows a consistent, surprising trend: democracy and governance aid is not associated with improvements in the specific electoral institutions we might expect to benefit from democracy and governance aid projects.[10] By contrast, democracy measured in its broadest sense does appear to covary positively with aid disbursements. In fact, the more disaggregated and technically we measure the dependent variable, the more ambiguous the results. Money donors spend to improve electoral democracy may be associated with changes in, for example, a broad liberal conception of democracy, but shows no statistically significant relationship with improvements in specific institutions that describe the conduct of elections.[11]

To begin, Models 1-3 trace the most disaggregated possible connection between aid and democracy. Specifically, these models include an independent variable from Finkel, Perez-Linan & Seligson (2007) that granularly tracks money disbursed by USAID for projects

[8]Variables 3.21, 2.2.6, 2.1.1, 2.1.2 represent indices scaled together from a number of other extant V-Dem variables to measure a bigger picture concept.

[9]These last two variables are V-Dem indices. V-Dem constructs these variables by combining information from various expert-coded indicators, including many of the "C" variables that we analyze here. Note that the liberal democracy index includes the Polyarchy index in its aggregation equation. See the V-Dem codebook for details. Changes in these variables are simultaneously the most important but also the most causally distant from actual democracy improvement projects.

[10]For brevity, we simply present the coefficient and standard errors for the democracy and governance aid variables of interest in these tables. We include Finkel et al's controls for non-U.S. aid, prior democracy, violence, democratic diffusion, state failure, GDP growth, and a variety of static country indicators. See online appendix for full results.

[11]Note that all V-Dem "C" variables (most dependent variable measures) in the paper are coded such that positive changes correspond to normatively desirable changes.

Table 1: Predicting Electoral Quality Characteristics with U.S. Elections Aid

Dependent Variable	US Elect Aid	US Election Aid Std Error	US DG Aid	US DG Aid Std Error
Voter Registry (Model 1)	-0.0025	(0.0084)		
EMB Autonomy (Model 2)	0.0231	(0.0169)		
EMB Capacity (Model 3)	0.0212	(0.0131)		
Voter Registry (Model 4)			0.0021	(0.0028)
Suffrage (Model 5)			0.1249	(0.0980)
EMB Autonomy (Model 6)			0.0027	(0.0051)
EMB Capacity (Model 7)			0.0030	(0.0026)
Vote Buying (Model 8)			-0.0030	(0.0022)
Vote Irregularities (Model 9)			-0.0008	(0.0037)
Gov Intimidation (Model 10)			0.0108**	(0.0045)
Election Violence (Model 11)			0.0001	(0.0047)
Multiparty (Model 12)			0.0121**	(0.0044)
Free & Fair (Model 13)			0.0022*	(0.0013)
Polyarchy Index (Model 14)			0.0016**	(0.0007)
Lib Dem Index (Model 15)			0.0016**	(0.0006)

Coefficients and standard errors for democracy and governance aid extracted from full specification tables presented in the appendix. Models 1-3 use a granular independent variable of democracy and governance aid used for election projects, while Models 4-15 use democracy and governance aid overall as the key explanatory variable.

** p-value less than .05

* p-value less than .10

to assist in the conduct of elections and its covariance with three measures of electoral quality: quality of voter registry, and autonomy and capacity of electoral management boards (EMB). These measures are relatively non-political and represent the sort of aid that could be considered purely technical at the project level. The results are inconclusive; electoral project aid is almost completely unrelated to quality of voter registry changes while it is positively but insignificantly correlated with better quality electoral management institutions.

Because it is possible that all kinds of democracy and governance aid, not just election aid, could bolster core electoral functions and institutions, Models 4-7 expand on the previous modelling approach by using a less granular independent variable, all USAID democracy and governance aid. Models 4, 5, and 7, in fact, replicate Models 1-3 using aggregated USAID democracy and governance aid as the key independent variable rather than just elections aid. The results of these models suggest that the quality of election registry, the openness

of suffrage, and the autonomy and capacity of the electoral management board were not improved by any type of USAID democracy and governance spending. In fact, the measures tracking these agents show few statistically significant improvements from any type of foreign aid, technical or non-technical.[12]

Moving to our second type of dependent variable — potential impediments to fully democratic elections — we model the occurrence of vote buying, voting irregularities, government intimidation during elections, and electoral violence using U.S. foreign aid flows and USAID democracy and governance aid in particular. One explanation for our previous results is that while democracy and governance aid may not bolster the agents running the specific institutions we have solid measurements for, perhaps other agents are being empowered to improve democracy. If that is so, we might expect that democracy and governance aid tracks closely with the containment of types of non-democratic behavior associated with tainted elections but does not move assessments of electoral capacity. This might allow us to pinpoint which maladies democracy and governance aid treats. Models 8-11 on table 1 yield only one clear result, and even that result may not be wholly supportive of the empowering agents approach suggested by the literature that justifies technical aid strategies. USAID democracy and governance aid is not statistically associated with any type of electoral improvements save for a reduction in government intimidation around elections. But if USAID democracy and governance aid is improving democracy by empowering agents to prevent cheating, disorder, and misconduct, it is confusing that the only measured behavior changed by aid is the incumbent government's willingness to alter election results through repression, intimidation, violence, or harassment. Indeed, these results may be more consistent with an "anticipated reaction" story in which incumbent governments receiving governance aid may be afraid of cracking down too hard during elections to ensure desirable results due to reputation effects with donors (Scott & Steele 2011). Regardless of the salience of sanction,

[12]See the full model results in the appendix for non-democracy and governance aid effects and a myriad of other variables.

it is fair to say that there is little evidence from these models that democracy and governance aid significantly alters the incidence of specific types of misconduct in elections, and at the polls, as its proponents expect.

On the other hand, when we return to the aggregate picture, our results bear out Finkel, Perez-Linan & Seligson (2007) and others' findings on the relationship between governance aid and the overall quality of democracy. Models 12-15 show a reasonably robust and statistically significant positive relationship between governance aid and the overall level of democracy within countries. Elections are more competitive and multiparty, elections are freer and fairer, similar results to both the core DG models and slightly disaggregated models using election aid on overall election quality in Table 5 of Finkel, Perez-Linan & Seligson (2007). Moreover, democracy, on aggregate, is positively associated with democracy and governance aid. Countries that receive technical USAID democracy and governance aid are more democratic, as Finkel, Perez-Linan & Seligson (2007) found previously with Polity, and we find again here with V-Dem's analogous Polyarchy indicator. Moreover, the more aggregate the dependent variable, and the more we pull away from measures of specific institutions—see the V-Dem liberal democracy measure, which emphasizes less tangible human rights and other considerations—the stronger the relationship between aid and democracy becomes.[13] The online appendix, similarly, presents a replication of this pattern of findings using new data from 2001–18.

4.1 Explaining Indicator Patterns

In sum, although democracy aid appears to be correlated with increases in higher level measures of democracy, it does not appear to be correlated with improvements in agent empowerment and institutional governance, the theorized mechanisms through which governance

[13]Note also that since these aggregate democracy indices are themselves aggregates of sub-indices measuring different dimensions of democracy, democracy and governance aid may be improving something other than electoral characteristics and agents, perhaps indirectly, an area worthy of future work.

aid is supposed to improve democracy for the empowering agents story. In order to better understand this discrepancy, we examined the data to determine which cases were driving the results to generate alternate hypotheses about how elections and governance aid might be affecting democracy in the sample. We specifically examined cases where substantively significant increases in democracy aid preceded significant increases in democracy measures. Within our sample, only 45 cases experienced a greater than one standard deviation increase in democracy aid one year and a greater than one standard deviation increase in democracy the following year. These cases, in which aid might reasonably be argued to have influenced democracy in the broadest sense, are a collection of relatively unique instances in which other mechanisms may be at play. For example, 10 of the cases represent improvements to democracy in eastern European states following the dissolution of the Soviet Union. Likewise, several cases are the result of the separation of an existing state or creation of a new state, such as the dissolution of Czechoslovakia and creation of the Czech Republic and Slovakia, or the independence of Eritrea, both in 1993. In addition, several cases reflect other unique and tumultuous circumstances. For example, South Africa's 1994 transition from apartheid and the end of Sierra Leone's civil war in 2003 are both influential cases in our sample. Similarly, the end of the UN Mission to Haiti in 1996, and the establishment of Palestinian interim self-government in West Bank and Gaza under the Oslo Accords in 1995 also coincide with improvements in democracy in both cases.

Total democracy and governance aid to these countries accounts for nearly 51% of all democracy and governance aid in our study. These cases illustrate key problems with many explanations of how aid influences democratic change: donor uncertainty and recipient selection. The previously outlined explanations of how democracy promotion aid contributes to democratization begin with the assumption that donors are able to identify promising recipients, critical actors and institutions that can be supported at key moments, and design effective aid programs in order to support democratization. However, unlike the cases de-

scribed above, where both internal and external pressures are easily observed from outside the recipient state, the process of democratization is often more incremental and driven by domestic forces that are difficult to observe.[14]

Some autocracies may appear willing to accept democracy assistance while also skillfully being able to subvert governance programs. Likewise, identifying key actors to empower may be difficult. While donors may attempt to assist the process, in most cases identifying potential democratizers is more akin to reading tea leaves than the systematic selection of recipients. Indeed, within our data, donors only pick democratic "winners" about half of the time; and many of those cases were identifiable because of easily observed events that favored democratic improvements.

Donors' difficulty in identifying targets where democracy aid will effectively promote democracy may help explain our unexpected findings. The previously discussed cases include clearly identifiable movements or changes that preceded changes in democracy and may have served as cues to donors to increase aid. Such cues are not present in all cases. Without such signals, donors may attempt to observe and interpret other signs of democratic promise—a difficult task with greater levels of uncertainty. As a result of this uncertainty, donors target many recipients with varying levels of aid, depending on what a donor observes about and within a potential recipient. Providing low levels of aid to many countries that are slowly democratizing may provide a positive correlation between aid and higher level

[14]Even among cases where observable events may lead donors to believe they are observing (or creating) a democratizing moment — such as intervention in Afghanistan and Iraq — donors' abilities to assess democratic potential and design programs to effectively promote democratization is limited. Cases like Afghanistan and Iraq have resulted in more than a decade of larger than average investments in democracy promotion while producing limited democratic change. These cases illustrate the problem with assuming that donors are not only able to, but do purposely select recipients where aid can be effectively used to empower actors and build institutions that lead to democracy. The difficulty of democracy promotion in these cases illustrate donors' uncertainty about how to identify promising recipients and design effective democracy promotion programs, as well as a willingness to allow other objectives to influence recipient selection. The distinction between these more difficult cases where larger aid contributions produce limited changes in democracy point to potential contextual variables that might affect the ease of democracy promotion. Examining variation in level of difficulty across cases is a potential area for further research but is outside the scope of the current project.

measures of democracy, regardless of whether that aid is targeting a particularly promising recipient or contributing to the creation of democracy domestically. This still leaves us with questions regarding if, and by what mechanisms, low levels of technical aid are contributing to improvements in democracy if not through these institutional mechanisms.

As an alternative explanation for our results, if donors are attempting to pick future democratizers in the absence of clear cues—such as the end of a civil war or the creation of an independent states—they need a means of distinguishing promising recipients from the rest of the pool. Specifically, donors seek to differentiate recipients in which the support of domestic actors and institutions will successfully contribute to democratization from those in which domestic factors are too weak or autocrats too skilled at subverting such efforts to allow for democracy to be successfully promoted. One means of differentiating promising cases would be to identify potential recipients' demonstrable improvements in democratic norms and institutions. Greater democratic changes within a potential recipient are both more easily observed by donors and also induce greater confidence among donors that the recipient will be a democratic "winner." Thus, donors may give more aid, especially technical aid, to recipients with more observable broad changes in democracy. If this is the case, aid may follow, rather than lead, democratic improvements.

To address this possibility, we first run similar models to those presented in Models 1-15 with a reversed dependent variable and key independent variable. In table 7 in the appendix, changes in aid are predicted by changes in overall democracy level using the previously discussed hierarchical growth setup. The reversed model would, ideally, indicate that aid levels do not respond to changes in democracy, which would suggest a clear causal interpretation of aid leading to democracy changes but not the reverse. Instead, our panel results suggest that USAID figures are predicted by democracy with a positive and statistically significant sign. Democracy appears to predict aid, in addition to the opposite. As a consequence, timing may be important in the causal interpretation of the relationship between aid and

Table 2: Generalized Synthetic Control Estimates

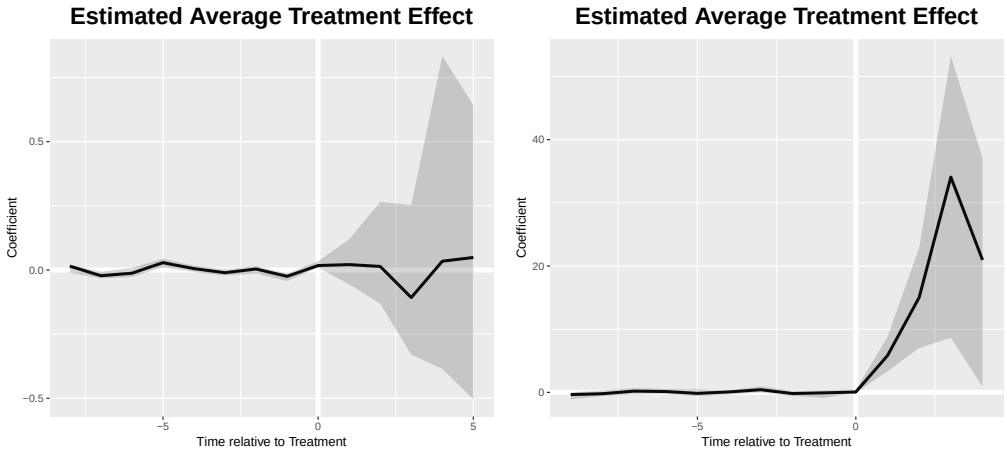
	Δ Aid +1 SD	**Δ Polyarchy +1 SD**	**Δ Polyarchy +2 SD**
Avg. ATT $t \geq 0$	-0.01 (0.08)	0.72 (1.76)	14.70 (3.90)
ATT t=0	0.02 (0.01)	0.00 (0.19)	0.06 (0.13)
ATT t=1	0.02 (0.05)	0.18 (1.67)	5.82 (1.40)
ATT t=2	0.01 (0.09)	1.99 (2.29)	15.02 (3.71)
ATT t=3	-0.11 (0.14)	-0.06 (4.13)	34.07 (11.84)
ATT t=4	0.03 (0.30)	-0.15 (2.78)	20.96 (9.45)
ATT t=5	0.05 (0.28)		

ATT = average treatment effect on the treated.
Shock occurs at t=0.
Bootstrapped standard errors in parentheses.

democracy. In order to explore the timing elements further, we turn to other statistical methods to explore the correlation between aid and democracy in the 1990-2004 sample. Specifically, we use generalized synthetic control (GSC) methods (Xu 2017) to examine the plausibility of this reverse causal process. GSC methods require less stringent assumptions than common panel data techniques, including the growth models that we use throughout this paper. Notably, GSC techniques are robust to a general class of unobserved unit and time heterogeneities. In particular, GSC relaxes the strong assumption that, conditional on information explicitly included in the model, treated and control units follow parallel time trends. The GSC approach also sidesteps a difficulty in standard panel models—choosing appropriate lags—because it tests for differences in trajectories between treated and synthetic control cases, and does not require the analyst to pre-specify a particular temporal relationship between dependent and independent variables, a priori.

We use GSC techniques to model how shocks to a country's total democracy and governance aid predict changes in V-Dem's Polyarchy measure, and vice-versa. All models include the dynamic political predictors from the growth models—annual growth in GDP per capita, democracy diffusion, U.S. military assistance priority, political violence, and state failure—and a lagged measure of the relevant dependent variable. We examine how one and

Figure 1: How Aid and Democracy Shocks Predict Changes in Each Other



(a) Total DG Aid Shock

(b) Polyarchy Shock

two-standard deviation above average positive changes[15] in the key predictor variables—total DG aid and Polyarchy—predict future trends in the level of the other variable. While our panel models posit a linear relationship between aid dollars spent and democracy outcomes, here we focus on whether large investments in democracy aid predict changes in democratic institutions, and vice-versa. We therefore focus on the sorts of aid programs that most plausibly might affect institutions.

Table 2 presents the results of the GSC analysis. We could only evaluate one standard deviation DG aid shocks, because too few cases experienced shocks of two standard deviations above the mean, or more. We find statistically insignificant average treatment effects on treated cases (ATTs) for one standard deviation shocks in either direction. On the other hand, large shocks to Polyarchy, exceeding two standard deviations above average yearly changes, are strongly, and statistically significantly associated with positive increases in total DG aid in the four years following the shock. Table 2 shows that such a shock is followed by an average ATT of an increase of roughly $15 million per year. This increase is concentrated

[15]In other words, countries enter the treatment group in any year that they experience an increase in the predictor at least one (or two) standard deviation(s) above the average yearly change in that predictor.

between two and four years after the Polyarchy shock. Panel (b) in figure 1 illustrates the ATT trajectory graphically: the shock quickly grows to almost $40 million by the third year after the shock, although uncertainty around the ATT trajectory is substantial. Panel (a) shows the contrasting ATT trend for a one standard deviation shock in aid, which has no appreciable effect on post-treatment Polyarchy levels.

In sum, using GSC methods, we find evidence consistent with the idea that large shocks to Polyarchy affect aid disbursements, but no evidence consistent with the argument that DG aid affects Polyarchy.[16] This finding contrasts with the growth models that find evidence in both directions. Given GSC's robustness to unobserved temporal heterogeneity in the data, these findings call the results of the growth model analysis—and in particular the finding that DG aid improves democratic institutions—into question. Nonetheless, our finding that Polyarchy shocks precede DG aid disbursements is potentially sensitive to specification[17] and the 1990–2004 panel upon which we and Finkel, Perez-Linan & Seligson (2007) contains relatively few cases that both exhibit large democracy aid infusions (i.e., were "treated") and have sufficiently long pre-treatment periods to be included in the analysis. The GSC approach is substantially more conservative than the growth model analysis. It calls into question the argument that these data clearly support the contention that DG aid strengthens democratic institutions. Yet, although it provides some evidence that USAID tended to send democracy aid to places that had experienced large, positive, democratic shocks, these finding may not generalize beyond the set of cases that experienced such shocks with sufficiently long pre- and post-treatment observations periods to be included as treated cases in the GSC analysis.

[16]But note that we are not making a strong claim of causal identification here. We simply show that, after relaxing some of the assumptions in the panel data analysis, we find evidence consistent with democratization causing aid, but not with aid causing democratization.

[17]We also tried specifications without lagged dependent variables. While we argue that the specifications with lagged dependent variables are more appropriate, we nonetheless note that both one and two standard deviation shocks to Polyarchy predict statistically significant DG aid increases in models without lags. On the other hand, we find no evidence for the reverse causal process in any specification.

5 Conclusion

We find the results here tantalizing. How are improvements in democracy being created using technical election aid if not by improving specific, identified capacities or improving aspects of elections? Returning to our results (Models 1-11), we find only a single significant association between typical targets of specific democracy and governance USAID projects and aid levels, one that could also be explained by a different, non-agent empowerment, mechanism. We can think of several possible explanations. The most straightforward is that democracy and governance aid does not, on average, improve the electoral components of democracy within countries. It does not improve capacity, voter registration, or reduce a variety of misconduct in elections. In fact, the only disaggregated result we find, that democracy and governance aid is associated with a reduction in government intimidation during elections, is more consistent with a reputational explanation of aid's democratizing effect than the importance of meaningful technical improvements.

If this is the case, then what is the United States spending its democracy and governance aid on? In Models 12-15, we find evidence that supports previous accounts of foreign aid, that aid does covary with important higher order measures of democracy level. While we cannot conclude with finality based on the data, we find some evidence that democracy and governance aid flows into countries when the fundamentals of democracy improve, not vice versa. Democracy and government aid chases democracy but does not create it, which appears as over-time covariance with aggregate democracy changes in models. Substantively, one can interpret this pattern several ways. Cynically, bureaucrats at aid agencies seek out democratizing countries to support with their foreign aid, attempting to find "winners" that make their performance appear better and justifies their agency and its strategies. Alternatively, the same facts could suggest that agencies know, in practice, that despite their stated goals of creating democracy, they instead do the most good by bolstering countries

that already show democratic progress. Either interpretation, however, does suggest that democracy and governance aid does not induce democracy, a finding consistent with the idea that modern authoritarians would choose not to accept aid that could endanger their regimes.

Alternatively, there could be more mundane reasons for our non-findings. We may not have identified (or do not possess) the proper variables to measure the strength of the correct empowered agents. In particular, perhaps aid works through non-electoral, civil society, human rights, or media freedom, means. Extant theory, for example, does suggest that democracy could be strengthened through the solidification of civil society using foreign aid monies. Our results leave open the possibility that this aid is successful in a way election support is not. Finkel, Perez-Linan & Seligson (2007) find that specific election aid is positively associated with improvements in broad measures of human rights, civil society, and free media and reductions in governance level in addition to the overall freedom of elections. USAID, however, identifies the conduct of clean elections as one of its primary goals and allocates technical projects accordingly—if other measures are the source of democratic improvement, it calls into question projects focused on electoral institutions and agents. It may also be possible that the V-Dem measures provide poor proxies for the individual aspects of electoral quality that we wish to measure. V-Dem's experts may, for instance, not have a clear picture of the completeness of voter registries or the capacity of voter management boards, although many of the measures we use here have been extensively validated in other work (see e.g., Bizarro, Gerring, Hicken, Bernhard, Skaaning, Coppedge & Lindberg (2018), McMann, Pemstein, Seim, Teorell & Lindberg (2016), and Knutsen, Gerring, Teorell, Maguire, Coppedge & Lindberg (2019)). Another possibility is that foreign aid democracy and governance programs generate democratic outcomes, but primarily do so through other mechanisms than the proposed agent empowerment framework. Of course, then we might ask why so many individual projects themselves are premised upon empowering various democratic institutions

and agents. What is the purpose of an elaborate democracy and governance smokescreen if the real democratizing impact of aid comes from traditional sources of power mostly related to international political circumstances?

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Table 3: Online Appendix: Predicting Disaggregated Electoral Agent Quality with U.S. Elections Foreign Aid

	Registry Model 1		EMB Autonomy Model 2		EMB Capacity Model 3	
Dynamic Variables						
USAID Elections DG	-0.0025	(0.0084)	0.0231	(0.0169)	0.0212	(0.0131)
USAID Non-DG	-0.0004	(0.0003)	0.0000	(0.0002)	0.0002	(0.0002)
Non-USAID US	-0.0000	(0.0001)	-0.0000	(0.0002)	-0.0002	(0.0001)
Subregional DG	-0.0014	(0.0037)	0.0026	(0.0028)	-0.0014	(0.0058)
Subregional Non-DG	0.0006	(0.0004)	-0.0005	(0.0005)	0.0006*	(0.0004)
ODA DG	-0.0003**	(0.0001)	-0.0003	(0.0002)	-0.0001	(0.0001)
ODA Non-DG	0.0000	(0.0000)	-0.0000	(0.0000)	0.0000	(0.0000)
GDP Growth/Capita	-0.0022	(0.0017)	-0.0019	(0.0018)	0.0032*	(0.0018)
Democracy Diffusion	0.0353	(0.0384)	0.1744**	(0.0440)	0.0636*	(0.0334)
U.S. Military Assistance	0.0026	(0.0037)	-0.0046	(0.0055)	-0.0004	(0.0022)
Political Violence	-0.0002	(0.0002)	-0.0001	(0.0001)	0.0001	(0.0001)
State Failure	-0.0406	(0.0289)	0.0773	(0.0681)	-0.0532	(0.0433)
Year trend	-0.0754	(0.0468)	-0.0670	(0.0534)	-0.0021	(0.0254)
Static Variables						
Prior Democracy	1.3865	(2.6023)	5.2597**	(2.2244)	1.8908	(1.6185)
Pre-1990 USAID	0.0012*	(0.0007)	-0.0024	(0.0016)	0.0001	(0.0008)
Population	-0.0001*	(0.0000)	0.0000	(0.0001)	0.0000	(0.0000)
Size in km^2	0.0132**	(0.0030)	0.0040	(0.0028)	-0.0007	(0.0018)
Income/Capita	-1.1610	(2.5864)	-1.7541	(2.1088)	0.1194	(1.2767)
Ethnic Fraction	-159.5564**	(65.1053)	-76.5714	(56.3780)	-41.6680	(37.0712)
Income Inequality	-2.9971*	(1.5758)	-2.9012	(2.0507)	-0.7274	(1.0087)
Intercept	150.0734	(93.4975)	131.3232	(106.6479)	4.4734	(50.8971)
Static*Year trend						
Prior Democracy	-0.0007	(0.0013)	-0.0026**	(0.0011)	-0.0009	(0.0008)
Pre-1990 USAID	-0.0000*	(0.0000)	0.0000	(0.0000)	-0.0000	(0.0000)
Population	0.0000*	(0.0000)	-0.0000	(0.0000)	-0.0000	(0.0000)
Size in km^2	-0.0000**	(0.0000)	-0.0000	(0.0000)	0.0000	(0.0000)
Income/Capita	0.0006	(0.0013)	0.0009	(0.0011)	-0.0000	(0.0006)
Ethnic Fraction	0.0792**	(0.0326)	0.0385	(0.0282)	0.0205	(0.0185)
Income Inequality	0.0015*	(0.0008)	0.0015	(0.0010)	0.0004	(0.0005)
N	1,814		1,836		1,836	

Coefficients with standard errors in parentheses. Models contain random intercept and year random slope for receiving country. Errors adjusted for AR1 process and robust to heteroscedasticity. Model 1 DV repeats observations from last election between election periods.

** p-value less than .05

* p-value less than .10

Table 4: Online Appendix: Predicting Disaggregated Electoral Agent Quality with U.S. Foreign Aid

	Registry Model 4		Suffrage Model 5		EMB Autonomy Model 6		EMB Capacity Model 7	
Dynamic Variables								
USAID DG	0.0021	(0.0028)	0.1249	(0.0980)	0.0027	(0.0051)	0.0030	(0.0026)
USAID Non-DG	-0.0005	(0.0004)	0.0148*	(0.0084)	0.0000	(0.0002)	0.0002	(0.0002)
Non-USAID US	0.0000	(0.0001)	0.0023	(0.0062)	-0.0001	(0.0002)	-0.0002	(0.0001)
Subregional DG	-0.0010	(0.0038)	-0.0811	(0.1845)	0.0024	(0.0027)	-0.0017	(0.0057)
Subregional Non-DG	0.0007	(0.0005)	0.0212	(0.0155)	-0.0005	(0.0005)	0.0007*	(0.0004)
ODA DG	-0.0003**	(0.0001)	-0.0032	(0.0070)	-0.0003	(0.0002)	-0.0001	(0.0001)
ODA Non-DG	0.0000	(0.0000)	0.0015	(0.0015)	-0.0000	(0.0000)	0.0000	(0.0000)
GDP Growth/Capita	-0.0020	(0.0017)	0.0962	(0.1426)	-0.0016	(0.0018)	0.0034*	(0.0020)
Democracy Diffusion	0.0569	(0.0400)	3.2447**	(1.2295)	0.1749**	(0.0438)	0.0644*	(0.0334)
U.S. Military Assistance	0.0024	(0.0041)	0.1593	(0.1146)	-0.0049	(0.0057)	0.0000	(0.0026)
Political Violence	-0.0002	(0.0002)	-0.0034	(0.0064)	-0.0001	(0.0001)	0.0001	(0.0001)
State Failure	-0.0426	(0.0284)	-9.7697**	(4.1694)	0.0765	(0.0688)	-0.0543	(0.0447)
Year trend	-0.0644	(0.0477)	0.5262	(1.4424)	-0.0645	(0.0533)	-0.0002	(0.0254)
Static Variables								
Prior Democracy	1.6646	(2.5731)	12.7169	(45.2925)	5.2430**	(2.2248)	1.8653	(1.6224)
Pre-1990 USAID	0.0012*	(0.0007)	0.0084	(0.0213)	-0.0023	(0.0017)	0.0001	(0.0008)
Population	-0.0001*	(0.0000)	0.0004	(0.0015)	0.0000	(0.0001)	0.0000	(0.0000)
Size in km^2	0.0133**	(0.0032)	0.0017	(0.0824)	0.0041	(0.0028)	-0.0006	(0.0018)
Income/Capita	-0.6904	(2.5966)	37.7136	(51.0432)	-1.7118	(2.1056)	0.1480	(1.2726)
Ethnic Fraction	-131.1587*	(66.8487)	315.1971	(2077.64)	-79.4856	(56.6611)	-44.1907	(36.9249)
Income Inequality	-2.8967*	(1.5770)	8.5461	(58.0282)	-2.7846	(2.0416)	-0.6328	(1.0061)
Intercept	127.7754	(95.4487)	-982.5505	(2882.762)	126.2995	(106.4569)	0.6618	(50.7400)
Static*Year trend								
Prior Democracy	-0.0008	(0.0013)	-0.0063	(0.0226)	-0.0026**	(0.0011)	-0.0009	(0.0008)
Pre-1990 USAID	-0.0000*	(0.0000)	-0.0000	(0.0000)	0.0000	(0.0000)	-0.0000	(0.0000)
Population*trend	0.0000*	(0.0000)	-0.0000	(0.0000)	-0.0000	(0.0000)	-0.0000	(0.0000)
Size in km^2	-0.0000**	(0.0000)	-0.0000	(0.0000)	-0.0000	(0.0000)	0.0000	(0.0000)
Income/Capita	0.0004	(0.0013)	-0.0189	(0.0255)	-0.0009	(0.0011)	-0.0000	(0.0006)
Ethnic Fraction	0.0650*	(0.0335)	-0.1576	(1.0393)	0.0399	(0.0284)	0.0218	(0.0185)
Income Inequality	0.0015*	(0.0008)	-0.0043	(0.0290)	0.0014	(0.0010)	0.0003	(0.0005)
N	1,823		1,835		1,836		1,836	

Coefficients with standard errors in parentheses. Models contain random intercept and year random slope by receiving country. Errors adjusted for an AR1 process and robust to heteroscedasticity. Model 4 and 5 DVs repeat observations from last election between election periods.

** p-value less than .05

* p-value less than .10

Table 5: Online Appendix: Predicting Disaggregated Electoral Characteristics with U.S. Foreign Aid

	Vote Buying Model 8		Irregularities Model 9		Gov Intimidation Model 10		Violence Model 11	
Dynamic Variables								
USAID DG	-0.0030	(0.0022)	-0.0008	(0.0037)	0.0108**	(0.0045)	0.0001	(0.0047)
USAID Non-DG	-0.0001	(0.0002)	-0.0003*	(0.0002)	-0.0010*	(0.0005)	-0.0007	(0.0005)
Non-USAID US	0.0002	(0.0001)	0.0002	(0.0002)	0.0002*	(0.0001)	0.0002	(0.0002)
Subregional DG	-0.0175**	(0.0078)	-0.0104*	(0.0060)	-0.0013	(0.0041)	-0.0004	(0.0043)
Subregional Non-DG	0.0011*	(0.0006)	0.0002	(0.0004)	-0.0012	(0.0008)	0.0000	(0.0004)
ODA DG	-0.0004	(0.0003)	-0.0001	(0.0002)	-0.0004	(0.0003)	-0.0002*	(0.0002)
ODA Non-DG	0.0000	(0.0000)	-0.0000	(0.0000)	-0.0000	(0.0000)	0.0000	(0.0000)
GDP Growth/Capita	0.0012	(0.0016)	0.0007	(0.0014)	-0.0023	(0.0020)	-0.0001	(0.0014)
Democracy Diffusion	-0.0074	(0.0470)	0.0361	(0.0520)	0.1612**	(0.0552)	-0.0525	(0.0586)
U.S. Military Assistance	-0.0016	(0.0028)	0.0068*	(0.0039)	-0.0016	(0.0038)	0.0029	(0.0058)
Political Violence	-0.0002**	(0.0001)	-0.0006**	(0.0002)	-0.0006**	(0.0003)	-0.0004*	(0.0002)
State Failure	-0.0579*	(0.0325)	-0.0517	(0.0429)	-0.0482	(0.0348)	-0.0852**	(0.0389)
Year trend	-0.1626**	(0.0416)	-0.2128**	(0.0543)	-0.0962*	(0.0490)	-0.0670	(0.0418)
Static Variables								
Prior Democracy	1.9307	(2.2286)	2.5412	(2.2377)	5.1532**	(2.3782)	2.4976	(2.1020)
Pre-1990 USAID	-0.0018	(0.0013)	-0.0012	(0.0014)	0.0003	(0.0014)	-0.0009	(0.0009)
Population	-0.0001**	(0.0000)	-0.0002**	(0.0000)	-0.0001	(0.0001)	-0.0001	(0.0001)
Size in km^2	0.0083**	(0.0037)	0.0155**	(0.0041)	0.0068**	(0.0031)	0.0042	(0.0026)
Income/Capita	-6.2913**	(2.1794)	-7.4840**	(2.1392)	-3.3444	(2.1303)	-2.4174	(1.9532)
Ethnic Fraction	15.5719	(62.4537)	-83.2708	(73.1057)	-21.2382	(68.1002)	89.7973	(54.9063)
Income Inequality	-5.2396**	(1.2556)	-6.5162**	(1.7036)	-4.0073**	(1.6736)	-3.8580**	(1.5065)
Intercept	325.6589**	(83.0602)	424.2731**	(108.2725)	189.9121*	(97.6146)	134.8142	(83.6141)
Static*Year trend								
Prior Democracy	-0.0010	(0.0011)	-0.0013	(0.0011)	-0.0026**	(0.0012)	-0.0013	(0.0011)
Pre-1990 USAID	0.0000	(0.0000)	0.0000	(0.0000)	-0.0000	(0.0000)	0.0000	(0.0000)
Population	0.0000**	(0.0000)	0.0000**	(0.0000)	0.0000	(0.0000)	0.0000	(0.0000)
Size in km^2	-0.0000**	(0.0000)	-0.0000**	(0.0000)	-0.0000**	(0.0000)	-0.0000	(0.0000)
Income/Capita	0.0032**	(0.0011)	0.0038**	(0.0011)	0.0017	(0.0011)	0.0013	(0.0010)
Ethnic Fraction	-0.0078	(0.0312)	0.0413	(0.0366)	0.0106	(0.0341)	-0.0452	(0.0275)
Income Inequality	0.0026**	(0.0006)	0.0033**	(0.0009)	0.0020**	(0.0008)	0.0019**	(0.0008)
N	1,814		1,814		1,814		1,814	

Coefficients with standard errors in parentheses. Models contain random intercept and year random slope for receiving country. Errors adjusted for AR1 process and robust to heteroscedasticity. Model 8-11 DVs repeat observations from last election between election periods.

** p-value less than .05

* p-value less than .10

Table 6: Online Appendix: Predicting Macro-level Democratic Characteristics with U.S. Foreign Aid

	Multiparty Model 12		Free+Fair Index Model 13		Polyarchy Index Model 14		Liberal Democracy Index Model 15	
Dynamic Variables								
USAID DG	0.0121**	(0.0044)	0.0022*	(0.0013)	0.0016**	(0.0007)	0.0016**	(0.0006)
USAID Non-DG	-0.0002*	(0.0002)	0.0001	(0.0001)	0.0000	(0.0001)	0.0000	(0.0000)
Non-USAID US	-0.0002	(0.0003)	-0.0001	(0.0000)	-0.0000	(0.0000)	-0.0000	(0.0000)
Subregional DG	0.0141	(0.0087)	0.0009	(0.0011)	0.0014	(0.0011)	0.0008	(0.0008)
Subregional Non-DG	-0.0013	(0.0010)	-0.0002*	(0.0001)	-0.0003**	(0.0001)	-0.0003*	(0.0001)
ODA DG	-0.0001	(0.0003)	-0.0000	(0.0000)	-0.0000*	(0.0000)	-0.0000	(0.0000)
ODA Non-DG	-0.0001	(0.0000)	-0.0000	(0.0000)	0.0000	(0.0000)	0.0000	(0.0000)
GDP Growth/Capita	-0.0020	(0.0025)	0.0005	(0.0007)	-0.0000	(0.0003)	-0.0000	(0.0002)
Democracy Diffusion	0.1955**	(0.0594)	0.0434**	(0.0125)	0.0303**	(0.0073)	0.0197**	(0.0060)
U.S. Military Assistance	0.0005	(0.0063)	0.0012	(0.0022)	-0.0014**	(0.0005)	-0.0013**	(0.0003)
Political Violence	-0.0004	(0.0003)	0.0000	(0.0000)	-0.0001**	(0.0000)	-0.0000*	(0.0000)
State Failure	-0.0051	(0.0736)	0.0127	(0.0154)	-0.0115	(0.0089)	-0.0148*	(0.0076)
Year trend	0.0655	(0.0460)	-0.0181	(0.0118)	-0.0078	(0.0077)	-0.0082	(0.0067)
Static Variables								
Prior Democracy	4.7219**	(2.0450)	1.1261**	(0.5663)	1.2922**	(0.4172)	1.3311**	(0.4495)
Pre-1990 USAID	0.0017	(0.0011)	0.0000	(0.0002)	0.0001	(0.0002)	-0.0001	(0.0002)
Population	0.0001	(0.0001)	-0.0000	(0.0000)	-0.0000	(0.0000)	-0.0000	(0.0000)
Size in km^2	0.0022	(0.0047)	0.0024**	(0.0007)	0.0018**	(0.0005)	0.0014**	(0.0005)
Income/Capita	2.1865	(2.0375)	-0.6928	(0.4870)	-0.4411	(0.3818)	-0.6358	(0.3955)
Ethnic Fraction	-172.8376**	(54.0507)	-17.9644	(13.8860)	-20.1667**	(8.7298)	-15.9154**	(7.8062)
Income Inequality	2.0374	(1.6267)	-0.7100	(0.4521)	-0.4150	(0.2882)	-0.4257*	(0.2383)
Intercept	-133.3136	(92.1096)	36.0816	(23.6132)	15.5490	(15.3420)	16.3543	(13.2673)
Static*Year trend								
Prior Democracy	-0.0024**	(0.0010)	-0.0006**	(0.0003)	-0.0006**	(0.0002)	-0.0007**	(0.0002)
Pre-1990 USAID	-0.0000	(0.0000)	-0.0000	(0.0000)	-0.0000	(0.0000)	0.0000	(0.0000)
Population	-0.0000	(0.0000)	0.0000	(0.0000)	0.0000	(0.0000)	0.0000	(0.0000)
Size in km^2	-0.0000	(0.0000)	-0.0000**	(0.0000)	-0.0000**	(0.0000)	-0.0000**	(0.0000)
Income/Capita	-0.0011	(0.0010)	0.0004	(0.0002)	0.0002	(0.0002)	0.0003	(0.0002)
Ethnic Fraction	0.0866**	(0.0271)	0.0090	(0.0070)	0.0101**	(0.0044)	0.0080**	(0.0039)
Income Inequality	-0.0010	(0.0008)	0.0004	(0.0002)	0.0002	(0.0001)	0.0002*	(0.0001)
N	1,814		1,833		1,832		1,832	

Coefficients with standard errors in parentheses. Models contain random intercept and year random slope for receiving country. Errors adjusted for AR1 process and robust to heteroscedasticity. Model 12 DV repeats observations from last election between election periods.

** p-value less than .05

* p-value less than .10

Table 7: Online Appendix: Predicting U.S. DG Foreign Aid with Macro-Democracy Measure

	USAID DG Model 16	
Dynamic Variables		
V-Dem Polyarchy	3.2538**	(1.3318)
USAID Non-DG	0.0153	(0.0101)
Non-USAID US	0.0054	(0.0040)
Subregional DG	0.0217	(0.0396)
Subregional Non-DG	0.0052	(0.0050)
ODA DG	0.0009	(0.0030)
ODA Non-DG	0.0001	(0.0002)
GDP Growth/Capita	0.0091	(0.0074)
Democracy Diffusion	0.1381	(0.1534)
U.S. Military Assistance	0.0860	(0.2471)
Political Violence	-0.0012	(0.0009)
State Failure	0.4301	(0.5746)
Year trend	0.8987**	(0.2304)
Static Variables		
Prior Democracy	6.3783	(11.3882)
Pre-1990 USAID	-0.0289*	(0.0174)
Population	0.0008	(0.0006)
Size in km^2	-0.1205**	(0.0378)
Income/Capita	33.6035**	(9.5637)
Ethnic Fraction	131.3829	(370.1419)
Income Inequality	27.7356**	(8.5857)
Intercept	-1793.071**	(459.5644)
Static*Year trend		
Prior Democracy	-0.0032	(0.0010)
Pre-1990 USAID	0.0000*	(0.0000)
Population	-0.0000	(0.0000)
Size in km^2	0.0001**	(0.0000)
Income/Capita	-0.0169**	(0.0048)
Ethnic Fraction	-0.0665	(0.1854)
Income Inequality	-0.0139**	(0.0043)
N	1,832	

Coefficients with standard errors in parentheses. Models contain random intercept and year random slope for receiving country. Errors adjusted for AR1 process and robust to heteroscedasticity.

** p-value less than .05

* p-value less than .10

Table 8: Online Appendix: Descriptive Statistics for Independent Variables

	Mean	Std. Dev.	Min	Max
USAID Elections DG	0.3218	1.0502	0	15.6942
USAID DG	2.5794	5.6135	0	57.4010
USAID Non-DG	36.0899	139.9306	0	1836.259
Non-USAID US	20.4412	55.9844	0	855.6337
Subregional DG	0.9803	2.3632	0	15.3483
Subregional Non-DG	15.6707	27.0387	0	258.4774
ODA DG	25.5902	56.6873	0	646.1518
ODA Non-DG	300.0931	533.7151	0	4630.377
GDP Growth/Capita	1.5022	5.9014	-44.0664	89.4101
Democracy Diffusion	7.8298	1.2034	4.9245	10.4315
U.S. Military Assistance	0.7791	4.6448	0	48.6731
Political Violence	28.1202	54.4037	0	770.37
State Failure	0.1706	0.3763	0	1
Prior Democracy	5.2178	7.3447	0	18
Pre-1990 USAID	4026.117	8381.329	0	47454.64
Population	43643.68	141172.1	147.6215	1221535
Size in km^2	951.3165	2343.811	0.616	17455.5
Income/Capita	8.4531	9.0241	0.5317	36.9833
Ethnic Fraction	0.4472	0.2526	0.0040	0.9440
Income Inequality	47.7106	8.7028	31.1357	78.6787

Descriptive statistics variables calculated for 1,852 observations when all independent variables were non-missing.

Table 9: Online Appendix: Descriptive Statistics for Dependent Variables

	Mean	Std. Dev.	Min	Max
Registry	0.5183	1.2422	-3.0063	2.5543
Suffrage	96.1079	19.2072	0	100
EMB Autonomy	0.8698	1.4684	-2.5485	3.7533
EMB Capacity	0.8491	1.2650	-2.8982	3.4442
Vote Buying	0.0779	1.3539	-2.9775	3.1928
Irregularities	0.1868	1.3909	-2.8876	2.5248
Gov Intimidation	0.2538	1.3433	-3.4416	2.2460
Violence	0.2356	1.3247	-3.6970	2.1445
Multiparty	0.6165	1.1743	-3.4370	1.9292
Free+Fair Index	0.5780	0.3124	0	0.9849
Polyarchy Index	0.5543	0.2554	0.0844	0.9207
Liberal Democracy	0.4337	0.2685	0.0272	0.8831

Descriptive statistics variables calculated for 1,852 observations when all independent variables were non-missing.

5.1 Online Appendix: 2001-2018 Replication Results

In order to discover if our concerns about the macro/micro distinction apply only to the sample from 1990-2004 analyzed by Finkel, Perez-Linan & Seligson (2007), we performed original regression analysis on much more recent USAID and foreign aid data from 2001-2018. In particular, we analyzed the data to discover whether the core result of the Finkel replication in the main text, that USAID democracy and governance category aid correlates with aggregate democracy measurements but not with specific and precise measures of electoral quality, holds true in other data. Broadly, we do find results consistent with that difference. We also find, however, that our 2001-2018 results are less robust than the original sample to several dynamic control variables and some standard adjustments to standard errors.

For our test, we had to recollect new data for all measures and could not simply append more recent data to extend the Finkel, Perez-Linan & Seligson (2007) analysis. In particular, the available data from USAID, taken from the foreign aid explorer, do not correspond with pre-2001 data gathered by hand by the previous paper from the green books (United States Agency for International Development N.d.). There are several areas of mismatch. First, the recent USAID data is slightly recategorized compared to the green book codings done by Finkel, Perez-Linan & Seligson (2007). Second and perhaps more importantly, Finkel, Perez-Linan & Seligson (2007) were not able to gather disbursement data in for their analysis for data availability reasons. Instead, they use appropriations data and smooth the data over two periods, assuming that appropriations data is spent over the year and the following year. USAID foreign aid explorer, instead, provides disbursement data for the post-2001 era, meaning that our analysis has much more precise measures of which fiscal year money was actually spent. Our analysis does not include countries classified as "high income."

We also made different modeling and operationalization decisions that attempted to parallel but not exactly copy the Finkel, Perez-Linan & Seligson (2007) setup. In terms of modeling, we decided to forego the random intercept for countries and linear year variable interacted with all static, unchanging variables. Instead, we decided to eliminate the need for static control variables (since they are treated as a nuisance controls by the original authors) entirely by including a linear year variable but model static differences between countries and years with a full battery of fixed effect dummies for year and country.

Our key operationalizations of USAID foreign aid and world bilateral aid remain virtually identical to the original models, with USAID democracy and governance and non-democracy and governance measures, non-USAID U.S. aid, and world ODA spending per country only differing due to the improved, more precise disbursement data mentioned previously. Our control variable operationalizations also differ slightly due to the need for data that goes up through 2018. GDP growth per capita and U.S. military assistance % are operationalized identically, coming from the WDI and USAID foreign aid explorer respectively (United States Agency for International Development N.d.). By contrast, the Diffusion, Political Violence and State Failure variables are now operationalized using the V-dem variables of the mean regional electoral democracy level, Physical Violence Index and dichotomized % territory controlled by the government. These dynamic variables, particularly, Diffusion, ultimately confound our findings vis a vis USAID democracy and governance aid and the micro and

macro election and democracy indicators used as dependent variables in the main text.

Tables 10-12 show the results of regressions analogous to tables 4-6. Without dynamic variables and standard error adjustments, our results replicate our findings in the main text from 2001-2018. USAID democracy and governance aid, with the exception of a measure of % suffrage, is not statistically associated with level of micro level agent (Models 17, 19, and 20) or micro-electoral characteristic quality (Models 21, 22, 24) in the positive direction except for a similar positive association between government intimidation levels that we found in the 1990-200 dataset (Model 23). It is only when we reach the aggregate conceptual level, with higher level indices of democracy, in Models 26-28, the positive and significant relationship between USAID democracy and governance aid emerges. In this way, our more recent data does replicate our findings in the main text on a different data set, even with different choices about modeling and operationalization.

That said, the findings in this analysis are not exceptionally robust. In particular, when we include the dynamic variable of Diffusion, most of our findings about USAID democracy and governance aid and any correlation with micro or macro level dependent variables disappears. Even models removing Diffusion but keeping the dynamic controls of Political Violence, State Failure, and GDP per capita growth wipe out most positive associations except at the most aggregate concept of Liberal Democracy. Moreover, if we adjust the standard errors of this model, relaxing independence of errors with more realistic assumptions their structure with clustering or AR1 processes, the results similarly disappear.

It is hard to know exactly what to make of this. On one hand, it is possible that the post-September 11th era of foreign aid simply looked different and democracy and governance aid was allocated drastically differently by the United States. Alternatively, it could be that our modeling approach of crossed fixed effects leaves less variance to explain, to its detriment, than the more elaborate year interactions and random intercept models. Finally, it could be that the relationship does not exist at all under more stringent assumptions. We must, necessarily, leave these questions to future research but remain convinced that the data do support our observation regarding measurement, that correlations between macro indicators and democracy and governance aid exist but there is a puzzling lack of correlation with the more specific measures of improved electoral agents and characteristics, an area where the United States and other countries spend a tremendous amount of time and money.

Table 10: Online Appendix: Predicting Disaggregated Electoral Agent Quality with U.S. Foreign Aid, 2001-2018

	Registry		Suffrage		EMB Autonomy		EMB Capacity	
	Model 17		Model 18		Model 19		Model 20	
USAID DG	0.0003	(0.0004)	0.0455**	(0.1529)	0.0003	(0.0004)	0.0002	(0.0003)
USAID Non-DG	-0.0001	(0.0001)	-0.0082*	(0.0049)	0.0001	(0.0001)	-0.0002*	(0.0001)
Non-USAID US	0.0000	(0.0000)	0.0018	(0.0014)	0.0000	(0.0000)	0.0001**	(0.0000)
Regional DG Split	-0.0506**	(0.0256)	-4.5764**	(1.1601)	0.0664**	(0.0275)	-0.0672**	(0.0212)
Regional Non-DG Split	0.0032	(0.0028)	0.3363**	(0.1277)	0.0022	(0.0030)	0.0004	(0.0023)
ODA DG	-0.0002	(0.0002)	0.0301**	(0.0093)	0.0008**	(0.0002)	0.0001	(0.0002)
ODA Non-DG	-0.0000	(0.0000)	-0.0017**	(0.0007)	0.0000	(0.0000)	-0.0000	(0.0000)
Year trend	0.0056	(0.0034)	0.2523*	(0.1529)	0.0142**	(0.0036)	0.0068**	(0.0028)
N	2,085		2,116		2,116		2,116	

Coefficients with standard errors in parentheses. Models contain fixed effects for country and year, coefficients omitted. Model 17-18 DVs repeat observations from last election between election periods.

** p-value less than .05

* p-value less than .10

Table 11: Online Appendix: Predicting Disaggregated Electoral Characteristics with U.S. Foreign Aid, 2001-2018

	Vote Buying		Irregularities		Gov Intimidation		Violence	
	Model 21		Model 22		Model 23		Model 24	
USAID DG	-0.0007*	(0.0004)	0.0001	(0.0004)	0.0010*	(0.0050)	-0.0007	(0.0005)
USAID Non-DG	0.0003**	(0.0001)	0.0001	(0.0001)	0.0001	(0.0005)	-0.0001	(0.0001)
Non-USAID US	-0.0000*	(0.0000)	0.0001	(0.0001)	0.0001**	(0.0000)	-0.0000	(0.0000)
Regional DG Split	0.0218	(0.0225)	0.0846**	(0.0277)	0.0525*	(0.0318)	-0.1162**	(0.0313)
Regional Non-DG Split	0.0059**	(0.0025)	0.0059*	(0.0031)	0.0023	(0.0035)	0.0121**	(0.0035)
ODA DG	-0.0003	(0.0002)	0.0004*	(0.0002)	0.0006**	(0.0003)	0.0006**	(0.0003)
ODA Non-DG	0.0000**	(0.0000)	0.0000	(0.0000)	-0.0000	(0.0000)	-0.0000**	(0.0000)
Year trend	0.0070**	(0.0030)	0.0130**	(0.0037)	0.0052	(0.0042)	-0.0039	(0.0042)
N	2,085		2,085		2,085		2,085	

Coefficients with standard errors in parentheses. Models contain fixed effects for country and year, coefficients omitted. Models 21-24 DVs repeat observations from last election between election periods.

** p-value less than .05

* p-value less than .10

Table 12: Online Appendix: Predicting Macro-level Democratic Characteristics with U.S. Foreign Aid, 2001-2018

	Multiparty Model 25		Free+Fair Index Model 26		Polyarchy Index Model 27		Liberal Democracy Index Model 28	
USAID DG	0.0007	(0.0004)	0.0002*	(0.0001)	0.0002**	(0.0001)	0.0001**	(0.0001)
USAID Non-DG	-0.0005**	(0.0001)	-0.0001*	(0.0000)	-0.0000	(0.0000)	0.0000	(0.0000)
Non-USAID US	0.0001**	(0.0000)	0.0000	(0.0000)	0.0000	(0.0000)	0.0000	(0.0000)
Regional DG Split	0.0685**	(0.0285)	-0.0045	(0.0069)	-0.0004	(0.0045)	0.0012	(0.0038)
Regional Non-DG Split	0.0025	(0.0032)	0.0018**	(0.0008)	0.0010**	(0.0005)	0.0007	(0.0004)
ODA DG	0.0001	(0.0002)	0.0001*	(0.0001)	0.0001**	(0.0000)	0.0001**	(0.0000)
ODA Non-DG	0.0000	(0.0000)	-0.0000	(0.0000)	-0.0000	(0.0000)	-0.0000**	(0.0000)
Year trend	0.0142**	(0.0038)	0.0031**	(0.0118)	0.0016**	(0.0006)	0.0010*	(0.0005)
N	2,085		2,116		2,115		2,115	

Coefficients with standard errors in parentheses. Models contain fixed effects for country and year, coefficients omitted. Model 25 DV repeats observations from last election between election periods.

** p-value less than .05

* p-value less than .10