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The Pseudo-Democrat's Dilemma

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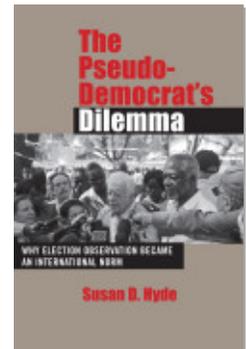
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CONCLUSION

Constrained Leaders and Changing International Expectations

Prior to the 2006 Belarusian election, President Aleksander Lukashenko invited observers from the Organization for Security and Cooperation in Europe (OSCE), the National Democratic Institute, and the Commonwealth of Independent States. Reportedly a popular incumbent, Lukashenko nevertheless engaged in many forms of electoral manipulation, including vote buying, intimidation, mass arrests, and monopolization of the media. The OSCE criticized the electoral process, saying that it was “severely flawed due to arbitrary use of state power and restrictions on basic rights.”¹ The United States responded to the fraudulent elections by declaring the results invalid, refusing to accept Lukashenko as the winner, and calling for a new election.² The European Union barred President Lukashenko and thirty of the country’s officials from entering EU member states, and vowed to support Belarus’s opposition movement and the development of an independent press.³

This international involvement in the Belarusian election is not unique. In fact, the elections are typical in that an incumbent who planned on manipulating the election willingly invited high-quality international observers. Predictably, the fraudulent elections were denounced by international observers, the international community responded by attempting to delegitimize the elections, and pro-democracy actors used the reports

1. OSCE/ODIHR, “Belarusian Election Severely Flawed Due to Arbitrary Use of State Power and Restrictions on Basic Rights,” news release, Minsk, March 20, 2006.

2. C. J. Chivers and Steven Lee Myers, “U.S. Calls Belarus Vote for Leader Invalid,” *New York Times*, March 20, 2006.

3. “Europe Bars Its Doors to Belarus President and 30 Officials,” *New York Times*, April 22, 2006; “Election in Belarus Did Not Meet Standards, Observers Say,” *New York Times*, March 20, 2006.

of observers to justify the imposition of costs on the government. In some cases, similar scenarios following fraudulent elections have resulted in massive domestic uprisings and the eventual removal of the incumbent government. In other cases, the parallel vote tabulations organized by domestic and international observers have prevented the incumbent government from falsifying the results during the tabulation process, also resulting in the ouster of the incumbent government.

Over the past fifty years, the trajectory of election observation reflects a widespread increase in global support for democracy. Democracy has become the world's most popular form of government. Long-standing democracies devote significant resources toward encouraging the development of democratic political institutions in other countries, and regimes not already perceived as consolidated democracies face direct and indirect pressure to liberalize their political institutions. How do leaders react to this pressure? More generally, when the preferences of powerful states change, how do other governments respond and what are the lasting consequences? Motivated by these questions, this book examines how the movement toward democracy and international pressure on states causes behavioral changes among governments seeking foreign support. I argue that an important outcome of this pressure is that efforts by regimes to increase their share of international benefits can generate lasting changes in global governance through the creation of new and self-enforcing international norms.

This book opened with an empirical puzzle. Leaders throughout the developing world are now expected to invite international observers and receive their endorsement, and those few leaders who refuse now send an unambiguous signal to international and domestic audiences that they are holding undemocratic elections and they reject international engagement. Strikingly, even the majority of leaders planning to commit widespread election fraud comply with the norm, risking international condemnation of their elections. Many leaders now face "the pseudo-democrat's dilemma," in which they must choose between two undesirable outcomes: inviting observers and risking the consequences of a negative report or refusing to invite observers and sending an unambiguous signal that their country's elections will not be democratic.

Now tied to broader international support for democracy, good governance, and political stability, inviting foreign observers has become linked to a variety of internationally allocated benefits, including membership in international organizations, foreign aid, international investment, increased trade, tourism, normal diplomatic relations, and international legitimacy. Similarly, refusing foreign observers or earning their criticism now leads to reduced or eliminated international support.

The case of international election monitoring illustrates why states invite potentially costly foreign intrusions into their domestic affairs and how actions intended to signal a government's type become international norms. Increasing global integration and the widely held view that states can and should influence the domestic politics and policies of other states make this argument particularly relevant to modern international relations theory. Norms help govern international interactions in the absence of global government. The international relations literature to date has focused almost exclusively on two types of international norms: those that facilitate cooperation within international institutions or that are imposed by powerful states and those that result from the work of norm entrepreneurs, motivated by principled ideas, whose efforts bring about desired change in the state behavior.

At least one other class of norms is important in global governance, and it does not fit neatly into either of the previous categories. Signaling norms are distinct both because of the mechanism that creates them and because of their consequences, as I have argued throughout this book and as I summarize below. Signaling norms are diffusely motivated behaviors that are initiated as a strategic response to changes in the international environment but that become widely shared—and enforced—“standards of appropriate behavior for actors with a given identity.”⁴ In explaining the norm of international election monitoring, I have argued that the global movement toward democracy triggered a game between leaders seeking international benefits and democracy-promoting actors, ultimately resulting in the widely held expectation that leaders holding credible elections should invite international election monitors to judge them. In the remainder of this chapter, I summarize my theory and the findings presented in the book and evaluate the implications of my argument, including the implications for theories of international norm formation, the quality of elections, the behavior of pseudo-democrats, and the policies related to election observation and democracy promotion.

Theory in Brief

My central argument is that that states seeking international benefits can generate unintended yet consequential international norms. In my model of norm development, states are divided into two groups: those

4. Finnemore and Sikkink, “International Norm Dynamics and Political Change,” 891.

seeking foreign support and those allocating international benefits. Actors within each group behave independently, without explicit coordination with other actors in their group. Benefit-seeking states are further divided into “good” types of regimes, which are preferred by benefit-giving states, and “bad” types of regimes, which international actors would prefer not to support. In explaining the norm of election monitoring, good types of leaders or regimes are committed to democratization and bad leaders are pseudo-democrats, or leaders who hold elections but who are willing to violate the rules of democracy.

Leaders of many states in the international system work to maximize their share of international benefits. These international benefits are targeted toward states possessing desirable characteristics and withdrawn from states that are revealed not to possess them. Information between states is asymmetric: governments possess accurate information about their own type, but other international actors can have difficulty judging whether another state is a desirable type. Thus, even when international actors prefer to interact with specified types of states, they cannot always distinguish good from bad regime types and, all else equal, prefer to avoid states of uncertain value that might possess undesirable characteristics. Benefit-seeking states with desirable characteristics are thus motivated to find credible signals of their type to other international actors.

If an attempted signal is successful in communicating a state's valued characteristic to international audiences, it is rewarded. Mimicry of successful signals causes the new behavior to spread. The behavior becomes an international norm when benefit-giving actors believe that all good governments send the signal. More states are motivated to adopt the signal, even those that must fake it, and the behavior becomes widespread and expected, even in the absence of explicit advocacy or pressure on states to adopt the new behavior. Acceptance of the signal as an internationally held norm reinforces the incentives for states to continue the signaling behavior.

The normalization of a signal also ties the behavior more closely to a characteristic that is valued by powerful international actors. Initially, these benefit-giving international actors may be indifferent to the signal, but once it is accepted as a means by which they can more efficiently target their support to states possessing desirable characteristics, they are motivated to invest in the quality of the signal, making it more difficult for undesirable types to fake it. Therefore, when a signal becomes a norm, it increases the costs for leaders who refuse to signal and simultaneously makes it riskier for undesirable types to attempt to signal.

Although this theory can be applied to other signaling-based norms, I have developed and evaluated it using international election observation.

Reacting to increases in international benefits tied to democracy, governments seeking increased Western support were motivated to find a signal that demonstrated their commitment to democracy. Although other signals were attempted, government invitations to nonpartisan foreign election monitors became a successful—and therefore widely imitated—signal of a government’s commitment to democratic elections. Foreign observers are not perfect judges of election quality, but because they are frequently willing to condemn elections that are stolen, their reports are a valuable source of information to democracy-promoting actors, and inviting observers and receiving their endorsement became recognized as a credible signal that a government was committed to democratization. Because election observation was initiated by state leaders and observers continue to be invited by host governments, the practice evaded concern among democracy promoters regarding the issue of international intervention in the domestic affairs of sovereign states.

My theory also provides a direct theoretical link between the causes and consequences of signaling norms. More than arguing that norms matter, I show that the fact that election monitoring is risky for electoral autocrats is not only an interesting feature of international election monitoring, but it is also a central reason why inviting observers became a widely accepted international norm. This feature of signaling norms is counterintuitive because it implies that the bad types who would least prefer a signal to become a widely held norm—in this case the pseudo-democrats—are the driving force in spreading the behavior and in demonstrating to international actors that the signal is informative. To illustrate, if inviting monitors was costless for pseudo-democrats, it would be cheap talk and easier for them to mimic, but the potential rewards of signaling would be diminished. If election observation were not riskier for pseudo-democrats, the practice would not have become an informative signal of a government’s commitment to democracy, inviting observers would not have been rewarded by pro-democracy actors, and pseudo-democrats would not have had the incentive to mimic the signal. Thus, the fact that election monitoring is a useful but imperfect tool to separate true democrats and pseudo-democrats is both a consequence of the norm and a central reason why it became an international norm at all.

By initiating a new and potentially costly signal of an internationally valued characteristic, states seeking democracy-related international benefits generated the norm of election observation. Norm generation was not the explicit goal of democratizing leaders or democracy-promoting actors; yet over time, the response by individual states to changes in the international environment led to an important change in internationally

held expectations about the behavior of governments throughout the developing world.

Findings

I presented a variety of evidence in support of my argument, including cross-national data on the spread of election observation; detailed descriptions of the characteristics of inviting and noninviting countries; evidence of three ways that election monitoring is costly to pseudo-democrats, including several detailed cases demonstrating the existence of democracy-contingent international benefits; micro-level experimental tests showing that observers can deter fraud and otherwise improve the quality of elections (an effect that is more costly to pseudo-democrats than true democrats); and qualitative evidence illustrating the escalating game of strategic manipulation between pseudo-democrats, international monitors, and pro-democracy international actors. Additionally, I rely on diverse sources of documentation, including the rhetoric from leaders who discuss their decision to invite observers, archives of international organizations and nongovernmental organizations (NGOs), reports from individual observers, and a variety of election-based cases, to show that election monitoring was initiated as a signal to international audiences by governments that were committed to holding democratic elections but whose reputations were not well established. As international benefits tied to democracy increased, and as the number of governments inviting observers and receiving international endorsements increased, more governments began to invite international election monitors.

During the Cold War, Western reticence to support governments that were not overtly anti-communist outweighed their relatively weak preference for supporting democratic governments. Consistent with my theory, nearly all early inviters were governments that were already recognized as anti-communist Western allies and who could therefore marginally increase their value by signaling their commitment to democratization. Countries that were not already anti-communist were unable to improve their share of international benefits by signaling their commitment to democracy because of the disproportionate weight given to a country's opposition to communism.

As Cold War politics waned, the relative weight of a country's commitment to democracy increased, as did the overall amount of international benefits devoted to promoting democracy. Governments throughout the world felt international pressure to democratize, and invitations to international

election observers spread rapidly, becoming a widely recognized signal of a country's commitment to democratize. In the 1990s most newly independent states and countries holding their first multiparty elections invited international observers. By the late 1990s, more than 80% of elections in the developing world were internationally monitored. Without pressure from powerful states or morally motivated activism, and at the invitation of leaders seeking international endorsement of their elections, inviting international observers became an international norm.

Using cross-national data on election observation, I explore several observable implications of my theory pertaining to the causes of internationally observed elections. I show that leaders were more likely to invite observers as international pressure for democracy increased, particularly if their regime type was highly uncertain (previous elections were suspended, country was run by transitional leadership, the elections were the country's first for which multiparty competition was allowed); if they were not already recognized as a democratizing country; and if they had invited observers previously. The central alternative explanations for the norm of election observation, including other theories of norm development, the regional and international diffusion of policies, and existing work on election monitoring, are undermined by a lack of evidence. Although norm entrepreneurs were active in promoting democracy and human rights, there is little evidence that activists helped initiate and spread the practice of election observation. Most organizations sending international observers were at first reluctant participants in election observation and declined invitations from leaders of sovereign states to send election monitors. Election monitors sent by human rights NGOs, rather than advocating election monitoring for its own sake, appeared to be exploiting leaders' enthusiasm for election observers in order to gain access to otherwise restricted information on human rights abuses. Evidence of overt pressure on states to invite observers (rather than pressure to democratize), exerted by either international or domestic actors, did not appear until the later stages of norm development, as election monitoring became a widely expected practice. In contrast to the literature on diffusion, I also find that the regional rate of election monitoring does not predict observed elections.⁵

The final alternative explanation that I consider in the book is that it is costless for leaders to invite international election observers, and the norm of election monitoring is therefore entirely inconsequential. I evaluated this alternative explanation by examining the domestic political

5. Simmons, Dobbin, and Garrett, *The Global Diffusion of Markets and Democracy*.

implications of my theory. Evidence of significant domestic consequences of election monitoring refutes the alternative explanation that it is costless for pseudo-democrats, and tests several key empirical implications of my theory. For election monitoring to be an effective signal of a government's type, it must be costly for undesirable types to imitate. Although election monitoring does not separate types perfectly, I exploit subnational experimental evidence in order to demonstrate that observers can deter fraud directly and therefore cost cheating parties a significant number of votes that they would have received in the absence of election observers. This is just one of many ways that election monitors can be costly to pseudo-democrats, but it presents clear causal evidence that inviting observers is not cheap talk and that it is more costly for pseudo-democrats to invite observers than it is for true democrats.

Not only do observers criticize elections, but consistent with my theory, a variety of international actors began reacting to negative reports from observers by withdrawing international benefits or by refusing to reopen channels of foreign support following elections that did not meet international standards. The norm of election monitoring means that pseudo-democrats must choose between inviting observers and risking a negative report and refusing observers and facing a virtually nonexistent chance that their elections will be recognized as democratic. I further explore the types of leaders who do not invite observers and show that, after the norm developed, the countries most likely to refuse observers were holding elections in which competition is banned or severely restricted, such as Cuba, Laos, North Korea, Singapore, Turkmenistan, and Vietnam. Other governments, such as Iran and Malaysia, hold somewhat competitive elections but represent rare cases in which the parties in power receive domestic support for refusing international engagement. I also show that this second strategy is less likely than one might expect. Even countries such as Belarus, Russia, and Zimbabwe devote significant effort to inviting observers and manipulating their reports, rather than simply refusing to invite them.

In addition to generating observable implications about the spread of election monitoring, my theory also predicts an evolving game of strategy between pseudo-democrats, who try to mimic the signal of inviting observers without being criticized, and international observers, who improve their ability to catch election manipulation over time by expanding their mandate and improving election-monitoring techniques. I demonstrate that pseudo-democrats engage in strategic manipulation by providing numerous examples of government attempts to manipulate elections without being caught and illustrate the changing practices of international election

observers by focusing on how they respond to innovations in strategic manipulation. If pseudo-democrats had successfully fooled international election observers, the over-time trends should show negative reports becoming increasingly rare. In contrast, if my predictions of an evolving game of strategy in which innovations in cheating are met with improvements in election monitoring are correct, the rate of negative reports should remain relatively constant after the norm is created. The pattern of internationally criticized elections is relatively stable after about 1995, implying that pseudo-democrats are not entirely successful in evading observer criticism.

The types of evidence presented in this book are diverse and range from micro-level tests of whether observers reduce rates of blatant election fraud to cross-national examinations of whether international pressure for democracy coincided with governments choosing to invite observers. By evaluating the evidence at several levels of analysis and by employing multiple methods, I demonstrate significant support for my argument: leaders initiated election monitoring as a signal to international audiences of their commitment to democratization. Other leaders, including pseudo-democrats, mimicked the signal in order to try to gain the endorsement of observers and increase their access to international benefits. Because election monitoring was risky for pseudo-democrats and provided valuable information about leaders' types to pro-democracy actors, it was rewarded by pro-democracy audiences. The fact that observers were invited by host governments rather than forced upon them by democracy promoters sidestepped early concerns that election monitoring violated sovereignty, and eventually this fact was used by democracy promoters to make internationally certified elections a necessary condition for an even greater range of international benefits, further raising the stakes and expanding the dilemma faced by pseudo-democrats.

The Norm of Election Observation

The consequences of the norm of international election monitoring continue to evolve. Two trends in particular underscore the acceptance of election observation as an international norm, highlight its near-global acceptance by even the most powerful states in the world, and reflect how democracy promoters respond to efforts by pseudo-democrats to manipulate the institution of election observation.

The first trend resulting from the norm is that international observers are now invited to monitor elections in many long-standing democracies.

The empirical analysis provided in this book covers 1960–2006. From 2002 to 2010, election observation spread most rapidly among the developed democracies such as Belgium, France, Italy, Norway, the United Kingdom, and the United States. The diffusion of election observation to long-standing democracies has not yet been fully explained, in part because it can only recently be described as a trend and because observation in recognized democratic states is by one account “still largely unnoticed by the general public.”⁶ *OSCE Magazine* published a 2010 article intended to highlight and explain the practice to the OSCE community.⁷ Among democracy promoters, election observation in developed democracies remains controversial. On one hand, supporters of election observation are reluctant to devote scarce resources to observing elections that they know they will judge to be democratic. On the other hand, countries such as Cuba, Iran, Malaysia, and perhaps most vocally, Russia, supported a narrative that accused the developed democracies of hypocrisy for supporting observation in other states but not welcoming observation of their own elections. As election observation became more widely accepted as an international norm, pseudo-democratic governments increasingly complained about double standards in election observation. Although it is possible that the Russian government was genuinely concerned with promoting democracy and improving the quality of elections when they proposed a number of changes to OSCE Office for Democratic Institutions and Human Rights (ODIHR) observation practices, a more likely interpretation is that the Russians were attempting to undermine criticism of their own elections, as well as diffuse international support for pro-democracy movements in former Soviet states.

Thus, in part to guard against charges of hypocrisy and double standards, many democracy-promoting states with well-established reputations as democracies now invite observers. This trend is consistent with widespread acceptance of the international norm of election observation, decreasing domestic sovereignty costs associated with inviting observers, and a desire on the part of democracy-promoting OSCE member states to demonstrate that they are not exempt from the rules. As the director of the ODIHR, Ambassador Janez Lenarčič, explained, “all OSCE participating states are under the same obligation to implement election-related commitments and to invite international observers to verify this . . .” and that “established democracies are not immune from election-related

6. Eschenbächer, “Assessing Elections in Established Democracies,” 30.

7. *Ibid.*

problems.”⁸ He went on to state that OSCE member states that have long democratic transitions can, “as mature and self-confident democracies...serve as positive examples for countries which still meet election observation with suspicion and fear of international interference.”⁹

The OSCE missions to the U.S. elections, for example, have been formally documented since 2002, with the first national deployment of an OSCE mission taking place in 2004. Prior to 2002, some OSCE states viewed the invitation to observers to be implicit in their 1990 commitment to the Copenhagen Document. An official report pertaining to the 2004 U.S. elections states that the United States has invited observers from the OSCE to “every presidential and midterm election in the U.S. since 1996.”¹⁰ Although there remain questions about the equality of missions deployed across countries, with leaders of countries such as Armenia, Belarus, Russia, and Uzbekistan within the OSCE, as well as the governments of Algeria, Malaysia, and Zimbabwe attempting to challenge the legitimacy of election observation by arguing that observers employ inconsistent standards, observation in even the developed democracies undercuts their argument.

The second trend relates to the supply of observer missions. Even China has become involved in sending international observers through the Shanghai Cooperation Organization (SCO), an international organization composed of China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan.¹¹ The Chinese government’s apparent interest in supporting international election observation missions is noteworthy primarily because China is the world’s largest and best-known autocracy, as well as one of the few remaining countries in the world that does not itself hold direct national elections.¹² Election observation by the SCO, along with the observation missions sponsored by the Commonwealth of Independent States, make clear that one consequence of the norm is the adoption of international election observation by international actors who have no interest in promoting democracy. Although some practitioners worry that this trend undermines the practice of election observation, I would argue that the deployment of election observers by autocratic governments is an indication of the strength of the norm of international election

8. *Ibid.*, 30.

9. *Ibid.*, 31.

10. Jones, *Observation of U.S. Elections, as delivered by Chargé d’Affaires Paul W. Jones to the Permanent Council, Vienna.*

11. Cooley, “Cooperation Gets Shanghaied: China, Russia, and the SCO.”

12. See appendix B.

observation. Since the late 1990s, rather than reject the norm, even autocratic governments have attempted to influence the content of election observer reports, going so far as to sponsor election observation missions through clearly anti-democratic international organizations.

Extending the Theory to Other International Norms

Although I have focused on international election observation as a substantively important topic and an informative case of norm creation, the theory outlined in this book can be applied to other issue areas. In democracy promotion alone, government efforts to signal their type and increase internationally allocated benefits have led to the normalization of a variety of behaviors, including the spread of national elections to nearly all countries in the world, the adoption of independent election commissions, the widespread use of transparent ballot boxes and indelible ink, the public release of precinct-level election results, and even reserved parliamentary seats for women and minorities.¹³ Like election monitoring, some of these practices are adopted by governments because they want to be perceived as democratizing countries, not necessarily because they are committed to democratization.

There are other characteristics that are valued by international actors, such as transparency, stability, rule of law, good governance, and business-friendly investment climates. The theory offered in this book suggests that benefit-seeking states should respond to changes in the relative value of such characteristics, and my theory can help explain the widespread adoption of independent central banks, bilateral investment treaties, liberalization of the media, the use of credit-rating agencies, and even perceptions about countries that refuse to allow international weapons inspectors. Similarly, governments and transnational actors such as corporations invite international monitoring in areas as diverse as child-labor practices, pollution, the production of coffee, and compliance with international trade agreements.¹⁴ The theoretical issues surrounding signaling and monitoring within other issue areas are similar in many ways to those surrounding international election monitoring, including questions of why states give access to international actors so that they can judge their internal processes, and even more interestingly, why states often seek

13. S. Bush, "International Politics and the Spread of Quotas for Women in Legislatures."

14. Auld, "Assessing Certification as Governance"; Cashore, Auld, and Newsom, *Governing Through Markets: Forest Certification and the Emergence of Non-State Authority*.

various forms of international monitoring even when negative judgments can be very costly. Although it is outside the scope of this book to provide complete documentation of these extensions, I briefly discuss the application of my theory to several other issue areas.

Attracting Foreign Direct Investment and Bilateral Investment Treaties

Like election monitoring, bilateral investment treaties (BITs) have grown from a nonexistent phenomenon in the late 1950s to being widely practiced throughout the world. Bilateral investment treaties are “agreements establishing the terms and conditions for private investment by nationals and companies of one country in the jurisdiction of another.”¹⁵ For governments that do not already possess well-established property rights protections for foreign investors, BITs are now expected by multinational corporations to signal that foreign investments in the country will be protected. As Zachary Elkins, Andrew Guzman, and Beth Simmons write, before BITs existed, for governments seeking foreign investment the existing system of customary international law “did not allow potential hosts voluntarily to signal their intent to contract in good faith.”¹⁶ Similarly, as Tim Büthe and Helen Milner argue with respect to preferential trade agreements and BITs,

A government can make a more credible commitment regarding present and future economic policies by entering into international agreements that commit its country to the liberal economic policies that are seen as desirable by foreign investors.¹⁷

Because BITs possess an international enforcement mechanism, the treaties are arguably less costly for states whose commitment to property rights protections is genuine and therefore represent a credible signal of a government’s commitment to the property rights of investors. Also like election monitoring, a number of powerful states, including the United States, initially opposed BITs. Yet despite their opposition, many host governments embraced BITs as a method to attract foreign direct investment. Although scholars do not typically refer to BITs as an international norm, I would argue that this is a result of insufficient interaction between

15. Elkins, Guzman, and Simmons, “Competing for Capital: The Diffusion of Bilateral Investment Treaties, 1960–2000,” 220.

16. *Ibid.*, 221.

17. Büthe and Milner, “The Politics of Foreign Direct Investment,” 742.

scholars working on quantitative international political economy and those working on international norms. BITs represent a neglected international norm in the international relations literature and provide an example of a signaling-based norm. The definition of international norms can easily be applied: under the norm of BITs, foreign investors now share the expectation that governments that desire foreign direct investment and intend to respect property rights will sign BITs. Additionally, foreign investors expect that only those countries that do not intend to respect the rights of foreign investors refuse BITs, thus generating pressure on less-desirable types of investment-seeking countries to sign BITs in order to lure investors. Elkins, Guzman, and Simmons explain the diffusion of BITs through a competitive process that is similar to my argument, although they do not use the term “international norm” or try to explain the diffusion of BITs. According to their argument, BITs were initiated and spread precisely because they represented a credible signal of a government’s commitment to enforce property rights protections for foreign investors. Those countries most in need of Foreign Direct Investment (FDI), most likely to lose investment to competitors, and without an excellent reputation in the eyes of foreign investors (what they refer to as “inherent credibility”) were the most likely to sign on to such treaties. Additionally, like the increase in democracy-contingent benefits that triggers my theory, they predict that BITs should spread rapidly when there is an increase in the global amount of capital seeking foreign investment opportunities.

Although rationalist and institutionalist scholars of international political economy have been somewhat reluctant to discuss international norms, this is not because international norms do not exist or because these scholars necessarily think that norms are inconsequential. The added value of applying my theory to other substantive areas such as BITs is that it provides a more complete understanding of international norm formation and provides a more thorough casual explanation of the diffusion and persistence of new behaviors within the international system.

Applying my theory of norm formation also tentatively reconciles two divergent findings in the political economy literature that explain the diffusion of BITs and their effects on levels of FDI. Several scholars argue that BITs diffused because they are more costly for governments that will not respect property rights and that signing a BIT represents a credible signal of a government’s commitment to respect property rights.¹⁸ Yet

18. Elkins, Guzman, and Simmons, “Competing for Capital”; Büthe and Milner, “The Politics of Foreign Direct Investment.”

other scholars, such as Susan Rose-Ackerman and Jennifer Tobin, have found that BITs increase FDI only for countries that already have a stable business environment and have little effect on low- and middle-income countries.¹⁹ If BITs in fact signal a credible commitment of respect for property rights, why are they not associated with increased FDI for all governments?

One answer to this puzzle is suggested by the dynamics of the argument in this book. Foreign direct investors have difficulty judging whether a given government will respect property rights. All else equal, investors prefer countries in which the risk of property rights violations are low. However, once BITs were identified by investors as a signal that the government was committing itself to respect investors' property rights, refusing to sign a BIT became a signal that a government would not respect property rights. BITs diffused widely, even to countries in which the business environment was less than desirable. The signaling dynamics between investors and investment-seeking governments created pressure toward an equilibrium in which all governments that might respect property rights offered BITs to investors. In the competitive market for FDI, investors developed the belief that governments that did not offer BITs were undesirable places to invest (and that many less-desirable countries also offered BITs). This over-time dynamic should ultimately generate pressure on governments to find additional signals of the quality of their investment climates. The signaling theory of norm formation also offers a possible explanation for Rose-Ackerman and Tobin's paradoxical finding that BITs do not increase FDI to low- and middle-income countries (which I assume are also less likely to be able to send other costly signals of the quality of their investment climate).²⁰

Independent Central Banks

Independent central banks combined with transparent political institutions have spread relatively widely throughout the world and are generally interpreted as a method by which governments can commit to a low-inflationary monetary policy.²¹ Kathleen McNamara has argued that

19. Rose-Ackerman and Tobin, "Foreign Direct Investment and the Business Environment."

20. Ibid.

21. Bernhard, Broz, and Clark, "The Political Economy of Monetary Institutions"; Franzese, "Partially Independent Central Banks"; Keefer and Stasavage, "Checks and Balances"; Broz, "Political System Transparency and Monetary Commitment Regimes"; Bernhard and Leblang, "Political Parties and Monetary Commitments."

adopting “central bank independence is one way of signalling to investors a government is truly ‘modern’, ready to carry out extensive reforms to provide a setting conducive to business.”²² Sylvia Maxfield has made a similar argument.²³ McNamara criticizes literature that explains the diffusion of independent central banks as a credible commitment device by highlighting that governments sometimes adopt central banks when they do not necessarily need the policy credibility. She also demonstrates that central banks have not necessarily been successful—as the most extreme functionalist argument of central bank independence (CBI) would predict—at ameliorating inflation or improving economic conditions in countries that adopt them. Alternatively, McNamara argues that central banks and other organizational structures “diffused across borders through the perceptions and actions of people seeking to replicate others’ success and legitimise their own efforts at reform by borrowing rules from other settings, even if these rules are materially inappropriate to their local needs.”²⁴ Her argument implies that the adoption of central banks could have diffused for reasons similar to my explanation for the diffusion of election monitoring. Like the spread of election monitoring to pseudo-democratic regimes, and like the diffusion of BITs, central bank independence is associated with lower inflation in only a subset of cases.²⁵

Applying my theory of norm development to the diffusion of CBI would suggest that one potential reason why CBI does not always have its intended effect of reducing inflation is in part because some governments adopted the policy of independent central banks in order to appear like other states that adopted business-friendly neoliberal economic reforms. These governments may try to influence the decisions of the central bank for political gain or appoint central bankers who will not necessarily maintain a low-inflation policy.

Other state behaviors have become signals of neoliberal economic policies, and my argument would suggest that if an important audience (in this case, either domestic constituents or international investors) develops the belief that all good types of neoliberal democratic states adopt independent central banks, fixed exchange rates, capital account liberalization or other such policies, and these policies are rewarded by international actors, failing to adopt these policies begins to signal that a given government is

22. McNamara, “Rational Fictions,” 60.

23. Maxfield, *Gatekeepers of Growth*.

24. McNamara, “Rational Fictions,” 48.

25. Jácome and Vázquez, “Is There Any Link Between Legal Central Bank Independence and Inflation?”; McNamara, “Rational Fictions.”

not committed to neoliberal or proinvestment policies. If international actors believe that all states that have good investment climates send such signals, the behaviors can be understood as international norms.

International Weapons Inspectors

Former Iraqi President Saddam Hussein's interactions with international weapons inspectors illustrate the strength of connections between signals, norms, and internationally held beliefs about whether a state possesses desirable or undesirable characteristics. In this case, an international norm surrounding the possession of biological and nuclear weapons is that states that are not carrying out covert weapons programs will allow the International Atomic Energy Agency (IAEA) free access to inspect their country, a norm that could also be explained by the signaling theory outlined in this book.

Like the norm of election monitoring, the corollary to the norm of weapons inspection is that any government that refuses or resists IAEA inspectors must possess weapons of mass destruction (WMDs), as was famously illustrated by the U.S. government's belief under the Clinton and Bush administrations that Iraq possessed them. As George W. Bush argued to Congress in the 2002 State of the Union Address, "The Iraqi regime has plotted to develop anthrax and nerve gas and nuclear weapons for over a decade. . . . This is a regime that agreed to international inspections then kicked out the inspectors. This is a regime that has something to hide from the civilized world."²⁶ As has now been documented, although Hussein refused IAEA inspectors, it was not because he actually possessed WMDs. Rather, he wanted to maintain the illusion that he did in order to appear more threatening and powerful to domestic audiences and regional rivals.²⁷

As recent scholarship recognizes, a number of political, economic, and military behaviors have diffused throughout the international system. I have briefly outlined how my argument can be applied to weapons inspection, the diffusion of bilateral investment treaties, the spread of neoliberal economic institutions, and how it can explain some paradoxical findings in these literatures. This argument could also help explain the widespread reliance on sovereign credit-rating agencies; the spread of mechanized armies to nearly all countries in the world, despite their

26. George W. Bush, "State of the Union Address," January 29, 2002.

27. Glenn Kessler, "Hussein Pointed to Iranian Threat: Specter of Arms Allowed Him to Appear Strong, He Told U.S.," *Washington Post*, July 2, 2009.

disadvantages in fighting insurgents; and the signing of various international treaties and agreements, even by states that continue to violate the provisions of the treaties.²⁸ Understanding and explaining these phenomena as global signaling-based norms illustrates why states adopt new behaviors when they are costly, even when there is not coercive or moral pressure to do so. My theory also explains how such international actors can simultaneously serve as effective and credible signals for a subset of governments *and* be associated with empirical findings that are puzzling to scholars looking at only whether costly signals have their intended effects. My theory generates dynamic over-time predictions across issue areas: Signaling norms should be initiated by desirable types. If benefit-giving actors believe that all good types send the signal, marginal types will also have the incentive to send the signal, and over time, nonsignaling types will be perceived as nonvaluable types. When less desirable types mimic the signal, benefit-giving actors and valued regime types should work to increase the cost of the signal by making the required signal more costly for them to imitate. Although the signal may have initially allowed audiences to separate good regimes from bad, the norm—or the belief that all good regime types send the signal—should lead to diffusion of the signal among both types of governments, diluting the information provided by the original signal and generating demand for more costly (more informative) signals.

Implications and Future Research

I now turn to a discussion of the implications of this book for future research on international norm development, democratization, international diffusion of costly behaviors, democracy promotion policy, election monitoring, and other international efforts to motivate change in state behavior.

Pathways to International Norms

The central contribution of this book to the international relations literature is an alternative theory of norm development. My theory does

28. For descriptions of the empirical puzzles in these issue areas, see Hathaway, “Do Human Rights Treaties Make a Difference?”; Lyall and Wilson, “Rage Against the Machines”; Tomz, *Reputation and International Cooperation*; Vreeland, “Political Institutions and Human Rights.”

not subsume or contradict existing theories of norm formation. Rather, I have argued that some types of norms, specifically those that grow out of signaling dynamics, are relatively neglected in the international relations literature. This focus on the existing theories raises questions about when the alternative logics of international norm formation are most likely to operate. In addition to the theory presented in this book, there are at least two other paths to the creation of new international norms now identified in the existing literature. In the first theory, norms are generated because they encourage or reinforce mutually beneficial international cooperation. Individual states serve both as norm compliers and norm enforcers, and these cooperative norms tend to exist within broader sets of international institutions.

The second existing theory centers on norms initiated and spread by the work of norm entrepreneurs. These activist-centered norms are often intended to modify or prevent existing behaviors, such as the use of land mines, torture, child slavery, or nuclear weapons. How are these theories related to my argument? If they do not directly contradict each other, and instead explain norm formation under varying conditions, when is each theory most likely to apply? I offer a preliminary answer to these questions in part by making the simplifying assumption that states or governments are motivated to comply with new behaviors (potential norms) because they think it is in their interest to do so. This is a conservative rationalist assumption, indicating only that governments do not knowingly adopt a new behavior if they believe that doing so will make them worse off. The assumption says nothing about the composition of potential benefits, which may include material gains, such as foreign aid and international investment, or nonmaterial gains, such as legitimacy or prestige.

The interesting question, in my view, is not whether adopting a new behavior is in a state's interest but rather which factors within the environment changed such that modifying existing behavior is perceived to be a better option than the status quo. The three (simplified) theories of norm formation differ most clearly on why states are motivated to change their behavior. For cooperative norms, opportunities to institutionalize mutually beneficial cooperation are in a state's best interest because they directly benefit the norm-complying government through gains from cooperation or they help institutionalize such gains from cooperation. For advocacy-based norms, the desired change in behavior is typically not in the state's interest without pressure from norm entrepreneurs. Norm entrepreneurs work to make compliance with the new behavior more beneficial to target states or to increase the costs for noncompliers. Thus, activists cause changes in the international environment and pressure states to adopt the

new norm, changing their decision calculus in a manner that is distinct from the reason why states begin complying with cooperative norms.²⁹

For signaling-based norms, as I argue in this book, changes in preferences among benefit-giving actors provide diffuse incentives for individual states to signal their type in order to increase their share of international benefits, triggering a dynamic process that ultimately leads to international norm formation. In comparing the reasons that states begin to change their behavior and comply with a potential norm, I find that signaling norms fall between cooperative and advocacy norms. For signaling norms, the driving force for states to change their behavior is a change in the preferences of benefit-giving actors, although the change is not imposed or coerced. The broader changes in preferences among international actors can be caused by norm advocacy, although my theory is noncommittal on this point. Changes in preferences among international actors occur for a number of reasons and are treated in my argument as exogenous. In contrast to advocacy norms in which the behavioral change is caused by pressure from activists or cooperative norms in which the behavioral change is caused by the belief that there are mutually beneficial gains from such a change, my argument is defined by states changing their behavior because it signals something to international actors about their own characteristics. The signal itself does not necessarily have advocates (although this is a point at which the two theories can converge) nor does it necessarily cause or enforce mutually beneficial cooperation. Complying states perceive the behavior to be in their interest because it is informative to international or domestic audiences or because international actors have developed the belief that all good regime types send the signal.

This distinction suggests a possible pattern in the conditions under which each theory is most likely to apply. When the formation of a new norm would facilitate or enforce mutually beneficial cooperation, international benefits are reciprocal and cooperative norms are most likely. In contrast, if complying with a new standard of behavior is not perceived to be in a state's interest, but other actors wish to bring about a specific change in the behavior of states, new international norms are most likely the work of norm entrepreneurs. Situated between these two causal paths to international norms are signaling norms, which are likely when there are (new) potential gains for actors possessing certain characteristics but when it is difficult to judge which actors possess those characteristics.

29. Note that norm entrepreneurs can also motivate change in behavior by reframing an issue rather than by changing preferences over strategies, as argued in Payne, "Persuasion, Frames and Norm Construction."

Note that the suggested relationship between existing theories does not imply that norm formation is automatic under any conditions. In the best of circumstances, the formation of new international norms remains unlikely. However, defining the varying logics by which new and consequential international norms are generated is a valuable theoretical contribution.

Constraining Election Manipulation and Pseudo-Democrats

International election monitoring attracts a variety of criticism, much of it warranted. This book has presented evidence suggesting that despite its faults—and in some cases because of them—international election monitoring can improve the quality of elections and constrain the behavior of pseudo-democrats by decreasing their scope for manipulation.

Criticisms of election monitoring are widespread. Some scholars argue that international election monitors fail in their objectives when they observe election fraud because they have not eliminated it entirely,³⁰ have been critical of election monitoring because observer organizations have not condemned clearly problematic elections,³¹ and criticize the lack of consistent and universal standards for democratic elections.³² The findings in this book suggest a more nuanced view of election monitoring in which both its strengths and its shortcomings are reasons why it has become a widespread practice and an internationally held and enforced norm.

Manipulating elections and receiving a positive report remain the central aims of pseudo-democrats. In the early stages of election monitoring, perfect detection of election manipulation by observers would have eliminated this strategy, and according to my theory, election monitors never would have been invited to low-quality elections. Thus, one of the central criticisms of observers—that they sometimes legitimize fraudulent elections—is also a reason why election monitoring spread to countries for which their reports now matter and in which they can deter fraud and improve the quality of elections.

I also explored why leaders invite observers, cheat in front of them, and get caught. This is not a preferred strategy for any type of leader. However, the fact that leaders are now regularly caught and criticized

30. Pastor, “Mediating Elections.”

31. Abbink and Hesselink, *Election Observation and Democratization in Africa*; Geisler, “Fair?”

32. Elklit and Reynolds, “A Framework for the Systematic Study of Election Quality”; Elklit and Svensson, “What Makes Elections Free and Fair”; Davis-Roberts and Carroll, “Using International Law to Assess Elections”; Goodwin-Gill, *Free and Fair Elections*.

by international observers—and face a loss of international benefits as a result—is a direct consequence of the fact that election monitoring has become an international norm. The most direct and obvious forms of stealing elections are less likely because of the spread of election monitoring. Although it is possible that some forms of strategic manipulation may be even more pernicious, some forms of strategic manipulation can exist in stable and functioning democracies, such as gerrymandering or less-than-factual campaign advertisements.³³ The fact that pseudo-democrats work to conceal election manipulation and international observers work to detect and criticize it means that observers have expanded the scope of their observation over time, have improved their methods, and have become somewhat more willing to criticize elections even when the election manipulation is not blatant. Thus, the methods available to pseudo-democrats to invite observers, steal the election, and not get caught are constrained by improvements in election monitoring.

Taken together, international pressure for democracy and the norm of international election monitoring make it substantially more difficult for leaders to steal elections. Election monitoring constrains pseudo-democrats by limiting the tools that they can use to bias elections in their favor without getting caught. The types of election manipulation that are less likely to be caught and criticized tend to be less direct and less certain forms of election manipulation. Direct election fraud, as shown in chapter 4, is reduced by the presence of international observers. International pressure for democracy raises the stakes for election-holding leaders by making it more difficult for pseudo-democrats to avoid criticism by international observers and simultaneously more costly for them to receive a negative report.

Implications for Election Observation

For reputable organizations engaging in election monitoring, this book presents some good news. Even short-term international monitors can have a direct deterrent effect on election day fraud simply by visiting polling stations on that day. This finding suggests that when blatant election day fraud is suspected, maximizing the number of short-term election observers could be a wise investment. It also implies the possibility that those engaging in election manipulation are sensitive to being watched, and targeted observation—potentially including long-term observation and

33. For the argument that election observation has pernicious effects, see Simpser and Donno, “Can International Election Monitoring Harm Governance?”; Simpser, “Unintended Consequences of Election Monitoring.”

media monitoring—could successfully reduce manipulation in other elements of the electoral process, including voter registration, campaigning, or preparation of electoral materials. These untested propositions could be evaluated using similar field-experimental methods.

Observer organizations, if they are so inclined, could learn a great deal about the conditions under which their work is effective by randomly assigning international observers or other related elements of election monitoring when it is possible. There are still a number of questions about the effectiveness of election observation that could be answered with further use of field experimental methods and the randomization of various components of election observation: Are domestic and international observers substitutes or compliments? Does the length of time observers spend in a polling station matter? What is the most effective combination of long- and short-term observers? Do observers displace election day fraud? Is widespread publicity that observers will be monitoring a region more or less effective than actually deploying high-quality long- and short-term observers?

My argument also suggests that it is important for observers to continue to innovate their technologies and to avoid setting out rigid universal standards for democratic elections. Although some organizations and scholars are working toward universally applied standards, the evidence in this book highlights some challenges inherent in this objective. Because of the extensive menu of manipulation provided to pseudo-democrats and their incentives to engage in strategic manipulation, predictable observer methodology and universal standards for democratic elections would make it easier for pseudo-democrats to comply with the letter of these standards while violating their spirit and continuing to covertly manipulate elections in their favor. By retaining some agency in the application of methods and interpretation of standards, observers are able to tailor their judgments to the context of each country and therefore require pseudo-democrats to continue innovating and to employ an increasingly constrained set of tools to manipulate elections in their favor. This may leave them more exposed to charges of being unfair but may allow them further leeway to criticize pseudo-democrats who engage in more creative but no less effective forms of election manipulation.

Implications for Democracy Promotion and International Pressure

The history of international election monitoring also suggests several implications for democracy promotion and international pressure more generally. First, democracy promotion need not be overt in order to be

effective. Much of the literature on democracy promotion focuses on direct democracy assistance within other countries or democracy promotion via military invasion or coercive tactics. This book focuses instead on how changes in the broader international environment can indirectly motivate states to change their behavior. Even in the absence of direct intervention, when powerful states make their preferences on an issue known, other states react, particularly those states working to maximize their share of international benefits. Powerful states may or may not anticipate this reaction, but efforts to gain increased foreign support will continue to provoke behavioral changes and can eventually produce new, international norms regarding the appropriate behavior of governments.

In addition to exploring the consequences of international support for democracy, my theory also supports existing methods of democracy promotion and efforts to change the policies or behaviors of other regimes. Governments and organizations wishing to promote democracy in other states should make their preferences known, support governments that appear to be successfully democratizing, and advertise their support of countries that successfully changed their policies or behavior. In some sense, this has already been demonstrated by studies of EU membership conditionality and programs such as the Millennium Challenge Corporation, which sets explicit requirements with which states must comply in order to receive foreign aid. Similar methods could be used outside of foreign aid and EU membership in order to influence states without intervening directly.

The Pseudo-Democrat's Dilemma Explained

This book was motivated by the empirical puzzle of why incumbent leaders invite international election observers and cheat in front of them. During the period of research for this study, election observation continued to spread to elections in even more countries, including some developed democracies, and the reports of observers garnered increasing international attention. One of the contributions of this book is simply to document the global trend of election observation since its inception in sovereign states. It is perhaps always something of a risk to study a new and rapidly changing phenomenon. International election observation in sovereign states grew from an unheard of activity fifty years ago to a nearly universal practice, and it could just as easily disappear. For the time being, however, international observers continue to play an integral role in many elections throughout the world and will likely to do so as long as

democracy-contingent benefits exist and as long as democracy promoters gain valuable information from observer reports.

The reasons why international observers are invited have changed over time, and the decision by an incumbent government to invite observers is closely tied to the availability of international benefits for countries perceived as democracies. Election observation began in countries with relatively clean elections. Today, a positive judgment from reputable international observers confers legitimacy to the elected leaders and to the country. Especially for those countries with previously poor reputations, an internationally endorsed election brings increases in internationally allocated benefits. A negative report can lead to suspension from international organizations, reduction in foreign aid, and in extreme cases, it can be used to legitimize or support postelection electoral revolutions.

I have also shown that international observers can, but do not always, reduce election day fraud and that they have a variety of effects on forms of election manipulation. Taken as a whole, this study has offered a theory of why international observers are invited and, in this context, provided empirical tests of the argument and of the domestic consequences it implies. In conclusion, one might ask whether election observation is good for democracy. In the past twenty years, international observers have been involved in a variety of historically important elections, and by most accounts, they have had both positive and negative effects. This book contributes to the debate by providing a clearer picture of the mechanisms of international involvement in democratization. International observers are consequential players in the field of elections, not only because of their reports on election quality but also because they represent a broader trend among the election-holding states that are attempting to gain international support for their domestic political institutions.

