Hegemony or Contagion? International Factors and Democratization in Latin America, 1945-2005

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Theories of democratization identify two types of international mechanisms that influence domestic regime change. The first one is the action of hegemonic powers and critical events. The second one is diffusion, which involves reciprocal influences among political regimes. Although the literature has invoked both mechanisms to account for waves of democratization, empirically these processes are hard to disentangle. We demonstrate that, given the structure of regional networks, the pace and duration of waves of democratization should be different under hegemonic and reciprocal effects. This argument is tested in a study of 20 Latin American countries. We create separate measures of US policies towards democracy and regional diffusion, and use those variables to model the probability of democratic transitions and breakdowns in 1945-2005. The results of the analysis show that hegemonic mechanisms were crucial in Latin America, and that they involved both ideational and political influences.

How do international forces create regional waves of democratization? Theories of democratic diffusion identify two mechanisms that potentially drive domestic regime change. The first one is the action of global or regional powers, which may promote democratization selectively depending on their strategic interests, and crucial international events, which may alter regional conditions for democracy. The second mechanism is diffusion, which involves reciprocal influences among political regimes. The first type of mechanism is centralized and it assumes a bilateral effect of the hegemon’s policy (or some other powerful force) on the recipient country. The second one is decentralized, as reciprocal influences disseminate multilaterally across states. Although the policy implications of each mechanism can be quite different, these processes are very hard to disentangle empirically.

In this paper we introduce an analytic strategy to assess the relative influence of hegemonic and reciprocal mechanisms on waves of democratization. Because hegemonic effects involve an external intervention producing a sustained change in regional conditions, while reciprocal effects involve a progressive and cumulative change in those conditions, the dynamics of regional democratization differ under the two mechanisms. We illustrate the usefulness of this strategy with an analysis of the third wave of democratization in Latin America.

In the following section we clarify the conceptual distinction between hegemonic and reciprocal effects. The second section of the paper describes the formal structure of regional waves under each mechanism, and explores the problems of identification when regions are simultaneously subject to both processes. In the third section we apply this approach to the analysis of the third wave of democratization in Latin America (1978-
Because the structure of the wave suggests the operation of strong hegemonic effects, in section four we develop a statistical analysis of 20 countries between 1944 and 2005 to identify possible historical sources for these effects. The conclusions underscore the usefulness of our approach, as well as importance of “hard” and “soft” power in the creation of hegemonic effects. While US policy proved to be influential in promoting democratic transitions in Latin America after 1977, the Spanish transition to democracy appears to be crucial to the decline in Latin America’s right-wing coups.

**International Factors and Regime Change**

Until the 1990s, research on political regimes focused heavily on domestic factors (for an exception, see Whitehead 1986b). Since the 1990s, however, scholars have paid increasing attention to international factors in regime change (Brinks and Coppedge 2006; Brown 2000; Gleditsch 2002; Huntington 1991; Lowenthal 1991; Mainwaring and Pérez-Liñán 2013; Markoff 1996; Pevehouse 2002a, 2002b, 2005; Pridham 1991; Starr 1991; Whitehead 1991, 1996; Weyland 2014).

Arguments about international factors are appealing because intuitively waves of democratization should be driven by causal mechanisms that operate simultaneously in multiple countries. Convergent regime change (or convergent regime stability) could be easily explained by a set of mechanisms discussed in the literature under the comprehensive label of “diffusion.” Convergent regime change may be stimulated by transnational actors present in multiple countries, by external incentives (sanctions and rewards) deployed by regional powers, by diplomatic support or foreign assistance to
similar domestic regime coalitions in different countries, and by the dissemination of norms, beliefs, and organizational models.

Despite this growing concern for the role of international factors, contemporary theories of democratization have paid little attention to the crucial distinction between hegemonic (or centralized) and reciprocal (or decentralized) international influences. An exception, Weyland (2009) identifies two centralized (external pressure and normative promotion) and two decentralized (rational learning and cognitive inference) mechanisms of diffusion.

By hegemonic mechanisms we refer to forces for (or against) democratization that originate in a single powerful actor or a major external event. Hegemonic forces produce sustained interventions that alter historical conditions for democracy in a given period. Such interventions may not exercise the same leverage on all recipient countries, but they affect the average probability of democratic transitions or the average risk of democratic breakdowns in the region.

We use of the term “hegemonic” in a broad sense, to accommodate both realist and liberal interpretations of such influences. From a realist perspective, Boix (2011) argues that the strategy of great powers to promote regime change varies with the structure of the international system. Democratic powers are likely to promote democracy in periods when they are unconstrained, to act selectively when several powers compete for hegemony, and to avoid major interventions in a multipolar order (Boix 2011; see
also Boix and Stokes 2003: 535-38). Similarly, Levitsky and Way (2010) underscore the importance of Western leverage for the democratization of hybrid regimes.¹

A liberal interpretation of hegemonic effects underscores the importance of interventions by international organizations or of ideational transformations resulting from critical international events. Pridham (2006) notes the role of the European Union’s accession rules for the consolidation of democracy in Eastern Europe, while Mainwaring and Pérez-Liñán (2013) note the importance of the Democratic Charter of the Organization of the American States to protect the survival of democratic regimes (Pevehouse 2002a, 2002b).

From a constructivist perspective, exogenous influences change with global ideational shifts. The emergence of global regimes, as well as political events in countries deemed to set cultural models, may alter the conditions for democratization in a given historical period. Harrelson-Stephens and Callaway (2009) argue that the ideological transformations that gave rise to an international human rights regime after World War II continue to exercise considerable leverage at the present, even though the US has undermined its principles since 2001.

In practice, multiple forces may combine to exercise simultaneous leverage. For example, according to Paul Drake, “four of the most powerful entities in the world facilitated democratization by the start of the 1990s: the Vatican, the United States, Western Europe, and, in a neutral way, the former Soviet Union. (…) Of these imperial

¹ Valenzuela (2011: 4) warns that the image of waves of democratization often hides the assumption of a common driving force, yet hegemonic influences must be proved empirically.
forces, the United States—as the sole remaining super-power from the late 1980s to the
2000s—exerted hegemony over Latin America as never before” (Drake 2009, 210).

Decentralized mechanisms, by contrast, operate through networks of reciprocal
influence that are multidirectional, allowing countries to affect each other sequentially
(Brinks and Coppedge 2006; Gleditsch 2002; Markoff 1996; Starr 1991). The classic
metaphor of falling dominoes and traditional tipping models generally reflect this
process, “actors in recipient countries observe foreign events, assess them in light of their
own, largely given interests, and draw lessons to resolve problems and attain benefits.”
We add a qualification to this point: in reciprocal processes, domestic actors respond to
multiple external influences created by a network of peers. Taking cues from a single
source or event would qualify, in our definition, as a form of hegemonic influence.

Reciprocal processes thus involve a transformational causal mechanism by which
interactions among states in the regional system produce aggregate outcomes at the
macro-regional level (Beach and Pedersen 2013, 42). They have important consequences
not only because they spread conditions for regime change across countries (Bunce and
Wolchik 2009), but also because they help reinforce those conditions over time. As
regional influences disseminate back and forth across countries, they produce important
feedback effects.

In many historical circumstances, centralized and decentralized forces combine to
create hybrid mechanisms of dissemination. For instance, international organizations
such as the Organization of the American States represent centralized mechanisms
because they adopt explicit policies for the whole region which are heavily influenced by
the most powerful countries. But they also respond to reciprocal forces, because the composition of the general assembly varies with the orientation of member countries—which are in turn affected by the organization’s policies (Pevehouse 2005). Weyland (2009) claims that the wave of European revolts against monarchy in 1848 was triggered by a dominant event, the fall of King Louis Philippe in Paris, but the ensuing unrest in Vienna and Baden added “secondary diffusion effects” to the process (Weyland 2009: 412).

The Dynamics of Regional Democratization

In this section explore the implications of these alternative mechanisms for the structure of waves of democratization. Consider a region in which political regimes can acquire two states—competitive or authoritarian—such that $D_t$ represents the proportion of the democracies, and $1 - D_t$, the proportion of dictatorships in the region at any point in time. We can model the proportion of competitive regimes using a difference equation in which the regional level of democracy at time $t + 1$ equals the proportion of democracies observed at time $t$, plus the contribution made by new transitions, minus the losses due to breakdowns. That is,

$$D_t = D_{t-1} + p_t (1 - D_{t-1}) - b_tD_{t-1},$$

where $p$ and $b$ represent, respectively, the average probability of transition for dictatorships, and the average risk of breakdown for democracies in the region in any given year.

Waves of democratization or counter-waves of authoritarianism are driven by sustained shifts in the values of $p$ and $b$ that displace the equilibrium of the regional
system towards a new steady state above (below) the initial level of democratization.

Wave-like behavior, characterized by a monotonic transformation towards the new state, will occur in the typical case in which the rate of survival for new regimes is greater than the risk of regime change, that is \((1 - b) > p\). \(^2\)

Imagine now two alternative mechanisms driving the values for \(p\) and \(b\) in the equation. A hegemonic mechanism creates a stable regional environment which may last for several years (or for several decades, depending on the situation). Countries are independently exposed to this constant source of change, represented by steady parameters \(p^H\) and \(b^H\). Notice that \(p^H\) and \(b^H\) represent regional averages, the notation does not require a hegemon exercising equal leverage on all recipients. If this stable environment persists long enough, the regional level of democratization converges to an equilibrium given by

\[
D^* = \frac{p^H}{p^H + b^H}
\]

(Huckfeldt et al. 1982: 17-20; Przeworski et al. 2000, 90-91; Przewoski 2009, appendix 5.1; Mainwaring and Pérez-Liñán 2013, appendix 4.1).

Under a mechanism involving reciprocal influences, by contrast, transition and breakdown rates are determined by the distribution of regime types at any point in time. A greater number of dictatorships will facilitate democratic breakdowns while a greater number of democracies will create pressures for democratization. Consider for simplicity a homogeneous region in which all countries exercise equal leverage and issue signals consistent with their regime type, such that democracies encourage dictatorships to democratize with probability \(\pi > 0\) (and discourage fellow democracies from breaking down), while dictatorships encourage democracies to establish authoritarian rule with

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\(^2\) In an unusual case of extreme instability in which \((1 - b) < p\), the region will approach the new equilibrium oscillating through rapid cycles of democratization and authoritarianism.
probability $\beta > 0$ (but discourage fellow dictatorships from a transition). At any time $t$, the risk of breakdown for the average democracy will be determined by $b^R_t = \beta (1 - D_{t-1})$, while the probability of a transition for authoritarian regimes will be given by $p^R_t = \pi D_{t-1}$. Over the long run, a regional wave driven by such reciprocal influences will converge asymptotically towards $D^* = 1$ (complete democratization) if $\pi > \beta$, or to $D^* = 0$ (complete authoritarian rule) if $\pi < \beta$.

These two mechanisms are not mutually exclusive. Presumably, some degree of hegemonic "push" and reciprocal "pull" are present in all regional waves of regime change. We distinguish these two pure forms, however, to identify the expected behavior of regional waves under ideal-typical conditions. Purely hegemonic and purely reciprocal models of diffusion can be seen as poles of a continuum; any real system in which some regional players exercise greater leverage than others will behave as a hybrid of the two patterns. These ideal behaviors therefore serve as benchmarks to assess the observed dynamics of historical waves of change.

**Implications for Regional Waves**

The two mechanisms have distinctive consequences for the dynamics of regime change at the regional level because they create different expected rates for transitions and breakdowns. Given observed rates $p_1$ and $b_1$ at time $t = 1$, the operation of one mechanism or the other will lead to different patterns of regional transformation in the future. If a pure hegemonic mechanism drives the process, the risk of transitions and breakdowns will, in the absence of external shocks, remain stable over the next time period, such that $p_1 = p_2 = p^H$ and $b_1 = b_2 = b^H$. If, by contrast, a reciprocal
mechanism drives the process, the underlying parameters will shift with the composition of the population. At $t = 1$, $p_1 = \pi D_0$ and $b_1 = \beta (1 - D_0)$. But at $t = 2$, $p_2 = \pi D_1 = \pi (D_0 + \pi D_0 (1 - D_0) - \beta (1 - D_0) D_0)$. Similarly, $b_2 = \beta (1 - D_1) = \beta (1 - D_0 - (\pi - \beta) (D_0 - D_0^2))$. As a result, the regional rate of change expected for $t = 2$ (and later periods) will differ under the two mechanisms and the actual behavior of the system may provide empirical evidence to assess whether a hegemonic or reciprocal forces dominate the regional process.3

To illustrate the implications of this point, consider three hypothetical waves of democratization, presented in Figure 1. All three waves span for ten years and depart from the same initial level of democratization, $D_0 = .10$. In all cases, the average transition rate observed for the period is $\bar{p} = .24$, and the average breakdown rate is $\bar{b} = .12$.

The wave in Figure 1.1 is driven by a purely hegemonic process in which transitions and breakdown rates are stable, such that $\bar{p} = p^H$ and $\bar{b} = b^H$. The observed sequence converges progressively towards an equilibrium level $D^* = .67$.

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3 Notice that, because $D_0, p_1,$ and $b_1$ are empirically observed at $t = 1$, the size of parameters $\pi$ and $\beta$ can be inferred from the data because $\pi = p_1 / D_0$ and $\beta = b_1 / D_0$. This allows for clear predictions with regards to the size of parameters $p_2$ and $b_2$ at $t = 2$. 

Figure 1. Three Hypothetical Waves of Democratization

1.1. Hegemonic

1.2. Reciprocal

1.3. Hybrid

Note: In all cases, $\bar{p} = .24$, $\bar{b} = .12$, $D_0 = .10$.

Figure 1.2 presents a wave of democratization created by a purely reciprocal process, such that $\bar{p} = .24$ and $\bar{b} = .12$ represent average rates for the overall period. These probabilities are driven by latent parameters $\pi$ and $\beta$ which cannot be observed directly. An observer suspecting that this transformation is driven by a reciprocal process would be forced to infer the values for $\pi$ and $\beta$ from the structure of the wave. Let $\bar{D}$ represent the average level of democratization in the series. Under a purely reciprocal mechanism, $\pi = \bar{p}/\bar{D}$ and $\beta = \bar{b}/(1 - \bar{D})$.\footnote{Formally, $\bar{D} = (D_0 + D_1 + \cdots + D_{T-1})/T$. Recall that in a reciprocal process, $\bar{p} = (\pi D_0 + \pi D_1 + \cdots + \pi D_{T-1})/T$. Thus $\bar{p} = \pi \bar{D}$. The same principle applies to breakdowns.} Because the average level of democracy in Figure 1.2 is $\bar{D} = .40$, it follows that the process is driven by $\pi = .6$ and $\beta = .2$.

Figures 1.1 and 1.2 therefore suggest that the shape of a regional wave may be enough to infer the source of change. However, consider a more realistic scenario, represented by Figure 1.3. This wave is driven by a hybrid process in which hegemonic and reciprocal mechanisms combine to produce the observed transformation. The probability of a transition at time $t$ is therefore defined by $p_t = p^H + \pi D_{t-1}(1 - p^H)$.\footnote{Formally, $\bar{D} = (D_0 + D_1 + \cdots + D_{T-1})/T$. Recall that in a reciprocal process, $\bar{p} = (\pi D_0 + \pi D_1 + \cdots + \pi D_{T-1})/T$. Thus $\bar{p} = \pi \bar{D}$. The same principle applies to breakdowns.}
Notice that reciprocal influences can only affect $1 - p^H$ dictatorships during each time period—those dictatorships which have not already experienced a transition during interval $t$ as a result of hegemonic pressures. Similarly, the risk of breakdown is $b_t = b^H + \beta (1 - D_{t-1})(1 - b^H)$, where reciprocal effects can destabilize only $1 - b^H$ democracies.

Assuming the operation of a purely hegemonic or a purely reciprocal process will be insufficient to reconstruct the dynamics of a wave of democratization when both mechanisms coexist. To preserve the average rates of $\bar{p} = .24$ and $\bar{b} = .12$, in Figure 1.3 we set $p^H = .12$, $\pi = .29$, $b^H = .06$, and $\beta = .12$. The result is an intermediate sequence of regional democratization: the average level of democracy during the period is .48. Assuming a stable hegemonic process would lead us to anticipate a path, represented by Figure 1.1, that differs considerably from the observed trajectory. But assuming a fully reciprocal process would lead us to infer $\pi = .50$ (i.e., .24/.48) and $\beta = .23$ (i.e., .12/(1 – .48)). These parameters would map a dynamic path that also fits poorly the observed trajectory.

Under a hybrid process it is not possible to infer the exact magnitude of the parameters driving the rates of change. Since a hybrid mechanism combines hegemonic and reciprocal effects, $\pi = \frac{\bar{b} - p^H}{D(1-p^H)}$ and $\beta = \frac{\bar{b} - b^H}{(1-D)(1-b^H)}$. Notice that when $p^H = 0$ and $b^H = 0$, the values of $\pi$ and $\beta$ revert to the formulation for the pure reciprocal process. If, however, $p^H > 0$ or $b^H > 0$, we cannot infer precise values for latent parameters because there are too many unknows ($p^H$, $b^H$, $\pi$, $\beta$).

Despite these important limitations imposed by any hybrid process, the shape of regional waves can provide valuable information to infer the relative weight of
hegemonic and reciprocal mechanisms. Given the formulas for $\pi$ and $\beta$ introduced in the previous paragraph, and since by definition $\pi$ and $\beta$ can only acquire nonnegative values, we can establish a range for the size of hegemonic effects, given by $0 \leq p^H \leq \bar{p}$ and by $0 \leq b^H \leq \bar{b}$, even if we cannot identify their precise magnitude. This range allows for the identification of a feasible set of regional transformations under the constraints imposed by observed conditions $\bar{p}$, $\bar{b}$, $\bar{D}$, and $D_0$. If, for instance, we assume that $\pi = 0$, we imply that transitions are driven by a purely hegemonic mechanism, such that $p^H = \bar{p}$. If, by contrast, we assume that $p^H = 0$, we imply that transitions are driven by a purely reciprocal mechanism, such that $\pi = \bar{p}/\bar{D}$. In between those polar cases, any number of hypothetical waves is possible under the constraints $p^H < \bar{p}$ and $b^H < \bar{b}$. However, only few of those hypothetical waves may approximate the dynamics of the observed regional transformation (and only one of them will maximize the fit). We illustrate this strategy using data for Latin America in the next section.

The Great Transformation in Latin American Politics

We explore these mechanisms in the context of Latin American third wave of democratization. Latin America presents several distinctive advantages for our purposes. First, the United States has been a hegemon in the Caribbean since the Spanish-American War and in the rest of the region since World War II. With the exception of Brazil, all countries in our sample share the same colonial legacy as well as a close cultural

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5 Since $\pi$ and $\beta$ are induced probabilities, the lower bounds for $p^H$ and $b^H$ are $(\bar{p} - \bar{D})/(1 - \bar{D})$ and $(\bar{b} + \bar{D} - 1)/\bar{D}$, respectively, but these boundaries are relevant (i.e., greater than zero) only in extreme situations when the observed rate of transitions is greater than the proportion of democracies, or when the observed rate of breakdowns is greater than the proportion of dictatorships.
connection with Spain. Moreover, the region experienced a major transformation as a result of the third wave of democratization, shifting from just three competitive regimes \((D = .15)\) in 1977 to eighteen competitive regimes \((D = .90)\) by 2005.

Our analysis of international forces covers twenty Latin American countries between 1945 and 2005. Each political regime in each year counts as one observation. Using information from Mainwaring et al. (2007; 2013), we have classified regimes as competitive (democracies and semi-democracies) and authoritarian. Cases are coded as fully democratic when they fulfill four criteria: (1) the president and the members of Congress are elected in free and fair elections; (2) the electoral franchise is inclusive; (3) civil liberties are respected; and (4) the elected government is not constrained by the military. If one or more requirements are partially violated, the regime is semi-democratic. If any of the four requirements is clearly absent, the regime is authoritarian (Mainwaring, Brinks, and Pérez-Liñán 2007). Because semi-democratic regimes allow for political competition, the ordinal distance between democracy and semi-democracy is smaller than the distance between semi-democracy and authoritarianism. Therefore, democracies and semi-democracies are grouped under the label of competitive regimes.

Table 1 displays the percentage of observations in each of the two regime categories that changed to a different category by the following year. The first three columns classify regime-years according to the nature of the regime and the observed change. The fourth column reports the total number of observations in each category for 1945-2005. For instance, of 576 country-years under authoritarian rule in our sample, 539 survived into the next year. In our dataset with 1,220 regime-years, there are 37 transitions (14 to democracy and 23 to semi-democracy), and 26 breakdowns.
Table 1. Patterns of Regime Change, by Period (1945-2005)

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Authoritarian</td>
<td>Authoritarian</td>
<td>Survival</td>
<td>539</td>
<td>.954</td>
<td>.890</td>
</tr>
<tr>
<td></td>
<td>Competitive</td>
<td>Transitiona</td>
<td>37</td>
<td>.046</td>
<td>.110</td>
</tr>
<tr>
<td>Competitive</td>
<td>Authoritarian</td>
<td>Breakdownb</td>
<td>26</td>
<td>.093</td>
<td>.008</td>
</tr>
<tr>
<td></td>
<td>Competitive</td>
<td>Survival</td>
<td>618</td>
<td>.907</td>
<td>.992</td>
</tr>
</tbody>
</table>

Proportion competitive: 1220/660/560

a. Of 37 transitions, 23 were transitions to semi-democratic rule and 14 to fully democratic rule.
b. Of 26 breakdowns, 21 occurred among semi-democracies, and 5 among full democracies.

The last two columns in Table 1 indicate the probability of regime change. We disaggregate the information for two sub-periods, 1945-1977 and 1978-2005. Ninety-five percent of the authoritarian country-years survived into the next year between 1945 and 1977, but the survival rate dropped to 89 percent after 1977. The table thus sheds light on the mechanisms driving the third wave of democratization. The probability of an authoritarian regime transiting into competitive politics grew from about 5 percent in 1945-77 to 11 percent in 1978-2005. By contrast, the risk of any competitive regime becoming authoritarian declined from 9 percent in 1945-77 to less than 1 percent in 1978-2005.
Figure 2. Wave of Democratization in Latin America, 1977-2005

![Wave of Democratization in Latin America, 1977-2005](image)

Note: Observed values are $\bar{p} = .1098$, $\bar{b} = .0076$, $\bar{D} = .7071$, $D_0 = .15$

Figure 2 plots the observed proportion of competitive regimes every year since 1977. The average level of democratization achieved by the region during this period was .707. Based on the observed rates of transition and breakdown, Figure 2 also reconstructs the feasible trajectories for three hypothetical waves of democratization. The first one results from a purely hegemonic process in which $p^H = .110$, $b^H = .008$, $\pi = 0$, and $\beta = 0$. The second one results from a purely reciprocal process in which $p^H = 0$, $b^H = 0$, $\pi = .155$, and $\beta = .026$. The last simulated wave assumes a hybrid process in which half of the observed transition and breakdown rates are explained by hegemonic effects, such that $p^H = .055$, $b^H = .004$, $\pi = .082$, and $\beta = .013$.

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6 That is, $\pi = .110 / .707$ and $\beta = .008 / (1 -.707)$.

7 That is, $p^H = .110 / 2$, $b^H = .008 / 2$, $\pi = \frac{.110 - .110/2}{.707(1-.110/2)}$ and $\beta = \frac{.008 - .008/2}{(1-.707)(1-.008/2)}$. 

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The evidence suggests that the dynamics of the third wave of democratization in Latin America were generally consistent with the operation of a hegemonic process. Such process would be expected to converge to an equilibrium level $D^* = 0.935$, in line with the levels of democracy attained by the region. Observed rates of transition and breakdown appear to be incompatible with an explanation based on a purely reciprocal process or even with a balanced hybrid process.\(^8\) The source of this historical shift in transitions and breakdown rates, however, may be hard to pinpoint.

Statistical Analysis

The analysis in the previous section indicates that the third wave of democratization in Latin America was driven by a stable shift in transition and breakdown rates, consistent with the operation of hegemonic mechanisms more than by reciprocal effects. Can we identify the sources of this shift?

The structure of the wave provides no evidence about the underlying sources of this transformation, but we can hypothesize its historical causes. In the following pages we develop a statistical analysis of this problem. We divide our sample of regime-years in two sub-samples: authoritarian regimes exposed to the risk of transition, and competitive regimes exposed to the risk of breakdown. The dependent variable for authoritarian regimes is coded as 1 when they transit into competitive politics and 0 when

\(^8\) The only simulated wave that outperforms (slightly) the hegemonic model in Figure 2 is a hybrid pattern in which 90% of the transition rate is determined by a hegemonic process and the remaining 10% is determined by reciprocal effects, and in which the breakdown rate is solely driven by a hegemonic mechanism. This pattern is consistent with some of the findings presented in Tables 3 and 4. Because the shape of this wave is virtually indistinguishable from the purely hegemonic case, we do not plot its trajectory in Figure 2.
they survive through the end of the year. The dependent variable for competitive regimes is coded as 1 when they break down into authoritarianism and 0 otherwise. Given the nature of the dependent variables, we employ a random-effects logistic estimator to model the probability of transitions from authoritarian rule and the probability of democratic breakdowns.

**Hegemonic and Reciprocal Influences**

We employ three indicators to assess potential sources for the hegemonic transformation identified in the previous section. The first item is a novel indicator that captures the overall orientation of each US administration towards democracy in Latin America. We coded each US presidential period using multiple secondary sources to assess eight questions presented in Table 2.9

Questions 2, 3, 6, and 7 address US behavior and attitudes that are harmful to democracy, while questions 1, 4, 5, and 8 address US behaviors intended to be helpful to democracy in the region. The first set of questions was coded 0 (when the answer was negative) or −1 (when the answer was affirmative). The second set of questions was coded 0 (when the answer was negative) or +1 (affirmative). We added the scores for the eight questions, producing a scale from -4 to +4, and re-scaled the scores to range from 0 (a policy indifferent to regime type) to 1 (a solidly pro-democracy policy).

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9 If US policy regarding political regimes in Latin America changed during a presidential term, we used each year as the time period.
Table 2. Rules to Code U.S. Foreign Policy towards Political Regimes in Latin America

<table>
<thead>
<tr>
<th>Item</th>
<th>Score (if Yes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Did influential US policy leaders express a preference for</td>
<td>+1</td>
</tr>
<tr>
<td>democracy in Latin America even when there were tradeoffs with other</td>
<td></td>
</tr>
<tr>
<td>important values such as stability, US economic interests, and US</td>
<td></td>
</tr>
<tr>
<td>security interests?</td>
<td></td>
</tr>
<tr>
<td>2. Did the US support coups, armed rebellions, or US military</td>
<td>−1</td>
</tr>
<tr>
<td>interventions against democratic and semi-democratic governments?</td>
<td></td>
</tr>
<tr>
<td>3. Did US military interventions limit sovereignty (and hence limit</td>
<td>−1</td>
</tr>
<tr>
<td>democracy) of democratic or semi-democratic governments?</td>
<td></td>
</tr>
<tr>
<td>4. Did the US actively promote the democratization of authoritarian</td>
<td>+1</td>
</tr>
<tr>
<td>regimes and/or make efforts to bolster democracies when they were</td>
<td></td>
</tr>
<tr>
<td>under threat?</td>
<td></td>
</tr>
<tr>
<td>5. Did the US criticize authoritarian regimes that were not leftist?</td>
<td>+1</td>
</tr>
<tr>
<td>Did the US criticize human rights abuses and infringements on civil</td>
<td></td>
</tr>
<tr>
<td>and political rights by regimes that were not leftist?</td>
<td></td>
</tr>
<tr>
<td>6. Did US foreign policy leaders clearly support authoritarian</td>
<td>−1</td>
</tr>
<tr>
<td>regimes?</td>
<td></td>
</tr>
<tr>
<td>7. Did US leaders express the view that Latin American countries</td>
<td>−1</td>
</tr>
<tr>
<td>could not be democracies because of cultural dispositions?</td>
<td></td>
</tr>
<tr>
<td>8. Did the US practice a policy of non-recognition when a military</td>
<td>+1</td>
</tr>
<tr>
<td>coup or rebellion overthrew a democratic or semi-democratic government?</td>
<td></td>
</tr>
</tbody>
</table>

Note: if the answer to the question was negative, items received a score of 0. The cumulative score ranging between −4 and 4 was rescaled to range between 0 and 1.

It is also possible that major events taking place outside of the region, such as the decline of the Soviet Union after 1989, also had an impact on Latin American conditions for democratization. As a proxy for those extra-regional forces, we computed the average Polity score (ranging from -10, least democratic, to 10, most democratic) for all countries outside of Latin America during the previous year.
Figure 3 compares the evolution of the two indicators between 1945 and 2005. US policy was favorable to democracy in Latin America from 1944 until 1947, from 1961 until 1963, from 1977 until 1980, and from 1985 until 2005. Extra-regional conditions were generally unfavorable to democratization until 1991. Neither predictor seems to provide a complete explanation for the distinctive shift observed since 1978.

Our last indicator of hegemonic effects is intended to capture cultural influences more than hard power. With the death of Francisco Franco in 1975, Spain entered a transition to democracy that involved the appointment of Adolfo Suárez as head of government in 1976, the signing of the Moncloa pacts in 1977, the adoption of a new constitution in 1978, and ultimately the arrival of the Socialist party to power in 1982. The Spanish process, including the failure of a military coup attempt in 1981, signaled a major shift in historical conditions to the most conservative sectors of the Latin American right. It also signaled the viability of the electoral strategy to the Latin American left. We include Polity’s score for Spain in our models (-7 until 1974, with a progressive increase towards 10 in 1982) as a measure of these influences.
Although Figure 2 suggests the pre-eminence of a hegemonic mechanism in Latin America’s third wave, we cannot discard the role of reciprocal influences. We estimate reciprocal effects using the average level of democracy for the whole region (but excluding the country in question) during the previous year. The coding for this independent variable (\(\text{Region}\)) is based on the trichotomous measure of democracy discussed previously. The value of this variable can theoretically range from zero, if none of the other nineteen countries in the region were democratic in a given year, to one if all other countries were democratic in that year. To compute this average, we gave semi-democratic countries a score of 0.5. Therefore, the variable \(\text{Region}\) is defined for any country \(i\) at time \(t\) as:

\[
\text{Region}_{it} = \left( F_{t-1} + 0.5 S_{t-1} - \gamma_{it-1} \right) \left( \frac{N}{N-1} \right)
\]

where \(F_{t-1}\) is the proportion of full democracies in the region during the previous year, \(S_{t-1}\) is the proportion of semi-democracies in the region during the previous year, and \(\gamma_{it-1}\) is a correction factor that acquires a value of \(1/N\) if the country was democratic, and \(1/2N\) if the country was semi-democratic during the previous year (i.e., excludes the score of the country if it was a competitive regime during the past year). The second term \((N/(N-1))\) reweights the proportions to reflect the fact that the specific country was excluded from the denominator. Removing self-influences from the measure of reciprocal effects allows us to incorporate additional controls for domestic conditions.

**Domestic Conditions**

Transitions and breakdowns taking place in specific countries may be explained by unique domestic conditions unrelated to broader regional forces. To incorporate
common domestic explanations to our analysis, we control for structural factors, regime performance, and levels of human capital.

The most common and long-standing structural theory of democratization is modernization theory (Boix and Stokes 2003; Bollen 1980; Bollen and Jackman 1985; Burkhart and Lewis-Beck 1994; Coppedge 1997; Dahl 1971: 62--80; Diamond 1992; Epstein et al. 2006; Huntington 1984, 1991; Jackman 1973; Lipset 1959; Lipset, Seong and Torres 1993; Londregan and Poole 1996; Przeworski et al. 2000; Rueschemeyer, Stephens, and Stephens 1992). We measure the level of development using per capita income (GDP) in 2000 U.S. dollars, following the World Development Indicators (World Bank 2007). Because the effect of wealth on democracy is non-linear (Boix 2011; Jackman 1973; Lipset 1959; Lipset, Seong and Torres 1993), we used a one-year lag of the natural logarithm of per capita GDP.

A second group of structural arguments emphasizes class structures. Acemoglu and Robinson (2006), Boix (2003), Diamond (1992), Lipset (1959), Moore (1966), and Rueschemeyer et al. (1992), among others, see the prospects for democracy as resting significantly on the nature of the class structure. We use the percentage of labor force in manufacturing as a gross indicator of the numerical leverage of the working class. The size of different classes is a partial test of Rueschemeyer et al.’s arguments; they explicitly argued that class size is an important determinant of democracy (p. 59).

A third structural explanation of democratization emphasizes the state’s dependence on oil and mineral exports. Because several scholars have argued that

\[\text{footnote}{\text{We supplemented the data using information from Maddison (2003), the Oxford Latin American Economic History Database (Bergès et al. 2007), and the Penn World Tables (Heston and Aten 2006).}}\]
countries that depend on natural resources such as oil are likely to experience vicious cycles detrimental to democracy (Karl 1997; Ross 2001), we include a dichotomous measure of natural resource dependence, coded as 1 if exports of oil and minerals typically represented more than 10 percent of the gross national income (in Bolivia, Chile, and Venezuela during 1945-2005, and in Ecuador since 1973).

If political actors conclude that the regime is failing to deliver acceptable policy outcomes, they may support a regime change. Several scholars (Diamond 1999: 77—93; Diamond and Linz 1989: 44—46; Gasiorowski 1995; Geddes 1999; Haggard and Kaufman 1995; Lipset et al. 1993; Przeworski et al. 2000) have argued that regimes are more likely to break down if their economic performance is poor. We measured change in per capita income (i.e., the rate of economic growth) in the medium-term as the average growth experienced by the regime since its inception, for up to ten years.

Our last control is a proxy for human capital. Several scholars (Darden and Grzymala-Busse 2006; Diamond 1992; Inglehart 1997: 168-171; Lipset 1960) have argued that higher literacy rates are favorable to the emergence and/or stabilization of democracy. We measured literacy as the percentage of people 15 and older able to read and write (Banks 2004).

In addition to those predictors, the analysis of competitive regime breakdowns incorporates a dichotomous variable to identify semi-democracies. This indicator takes advantage of the trichotomous structure of the regime classification, since it is likely that semi-democratic regimes are more fragile than full democracies.
Results

Table 3 presents the results of four statistical models predicting transitions from authoritarian rule. The first two models compare the effects of measures for hegemonic and reciprocal mechanisms, while the remaining two equations incorporate domestic predictors as additional controls.

Model 3.1 indicates that changes in US Policy expanded the probability of democratic transitions after 1977. The statistical significance of this coefficient, not surprisingly, declines when we incorporate other indicators of hegemonic influences that partially overlap with the behavior of US policy over time. However, the effects for the measures of extra-regional democratization and the Spanish transition fail to achieve statistical significance in models 3.2 and 3.4.

By contrast, reciprocal effects appear to be relevant in all models. Given the dynamics of the wave analyzed above (see Figure 2), this result suggests two possibilities. The first one is that the significant coefficient for Region masks an alternative source of hegemonic effects that has been omitted in Table 3. To assess this problem we re-estimated model 3.4 including a fixed-effects indicator for years 1978-2005. This term is intended to capture unobserved causes of a stable shift in the probability of transitions after 1977. In this model (not shown in Table 3), the coefficient for 1978-2005 is positive (1.49) and significant (p < .10) and it reduces the size of the effects for the Region variable (to 3.04), but the latter continue to be significant at the .10 level. Moreover, the size and significance of the coefficients for US Policy and other predictors remain stable. Thus, although we cannot rule out omitted sources of hegemonic effects, reciprocal influences still appear to be relevant.
Table 3. Models of Democratic Transitions

<table>
<thead>
<tr>
<th></th>
<th>3.1</th>
<th>3.2</th>
<th>3.3</th>
<th>3.4</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Policy</td>
<td>1.154**</td>
<td>1.010</td>
<td>1.083*</td>
<td>1.194*</td>
</tr>
<tr>
<td></td>
<td>(0.538)</td>
<td>(0.662)</td>
<td>(0.555)</td>
<td>(0.692)</td>
</tr>
<tr>
<td>Region</td>
<td>3.787***</td>
<td>3.851**</td>
<td>3.449**</td>
<td>3.477*</td>
</tr>
<tr>
<td></td>
<td>(1.407)</td>
<td>(1.719)</td>
<td>(1.490)</td>
<td>(1.782)</td>
</tr>
<tr>
<td>Polity outside</td>
<td>-0.036</td>
<td>0.004</td>
<td></td>
<td></td>
</tr>
<tr>
<td>the region</td>
<td>(0.186)</td>
<td>(0.196)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>0.013</td>
<td>-0.011</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.036)</td>
<td>(0.041)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per capita GDP</td>
<td>-0.451</td>
<td>-0.437</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.593)</td>
<td>(0.591)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial labor</td>
<td>0.073</td>
<td>0.071</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.049)</td>
<td>(0.050)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil and minerals &gt; 10% GNI</td>
<td>0.609</td>
<td>0.628</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.737)</td>
<td>(0.737)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth, 10 years</td>
<td>-8.412</td>
<td>-8.676</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(8.102)</td>
<td>(8.177)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Literacy</td>
<td>0.011</td>
<td>0.014</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.021)</td>
<td>(0.023)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>-4.598***</td>
<td>-4.578***</td>
<td>-3.328</td>
<td>-3.639</td>
</tr>
<tr>
<td></td>
<td>(0.673)</td>
<td>(0.967)</td>
<td>(3.520)</td>
<td>(3.635)</td>
</tr>
<tr>
<td>Number of observations</td>
<td>576</td>
<td>576</td>
<td>576</td>
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<tr>
<td>Number of cases</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
</tbody>
</table>

Note: Entries are random-effects logistic coefficients (standard errors)
* p<.10, ** p<.05, *** p<.01

A second possibility is the presence of structural breaks in the data, such that, for instance, reciprocal effects were relevant for the period 1945-1977, but not for 1978-2005, or that they played a role early during the third wave but not later. This opens the possibility that observed waves of democratization are in fact the outcome of different mechanisms that operate sequentially, rather than concurrently.
Table 4. Models of Democratic Breakdowns

<table>
<thead>
<tr>
<th></th>
<th>4.1</th>
<th>4.2</th>
<th>4.3</th>
<th>4.4</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Policy</td>
<td>-0.664</td>
<td>0.368</td>
<td>-1.008</td>
<td>-0.236</td>
</tr>
<tr>
<td></td>
<td>(0.751)</td>
<td>(0.835)</td>
<td>(0.769)</td>
<td>(0.892)</td>
</tr>
<tr>
<td>Region</td>
<td>-4.101***</td>
<td>-0.488</td>
<td>-4.046**</td>
<td>-1.560</td>
</tr>
<tr>
<td></td>
<td>(1.490)</td>
<td>(2.173)</td>
<td>(1.775)</td>
<td>(2.271)</td>
</tr>
<tr>
<td>Polity outside the region</td>
<td>-0.237</td>
<td>-0.337</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.203)</td>
<td>(0.238)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>-0.142***</td>
<td>-0.100*</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.048)</td>
<td>(0.055)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per capita GDP, ln</td>
<td>0.250</td>
<td>0.261</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.582)</td>
<td>(0.596)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial labor</td>
<td>0.006</td>
<td>-0.011</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.043)</td>
<td>(0.043)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil and minerals &gt; 10% GNI</td>
<td>0.141</td>
<td>0.020</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>(0.714)</td>
<td>(0.724)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth, 10 years</td>
<td>6.569</td>
<td>1.836</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(11.347)</td>
<td>(12.953)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Literacy</td>
<td>-0.021</td>
<td>-0.013</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>(0.021)</td>
<td>(0.023)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Semi-democracy</td>
<td>2.343***</td>
<td>2.299***</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>(0.643)</td>
<td>(0.667)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>-1.149**</td>
<td>-3.446***</td>
<td>-3.038</td>
<td>-4.898</td>
</tr>
<tr>
<td></td>
<td>(0.515)</td>
<td>(1.037)</td>
<td>(3.656)</td>
<td>(3.840)</td>
</tr>
<tr>
<td>Number of observations</td>
<td>644</td>
<td>644</td>
<td>644</td>
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</tr>
<tr>
<td>Number of cases</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
</tbody>
</table>

Note: Entries are random-effects logistic coefficients (standard errors)
* p<.10, ** p<.05, *** p<.01

Table 4 presents the same sequence of models for competitive regime breakdowns. In this case, US Policy fails to emerge as a significant explanation for hegemonic effects in all models. By contrast, the indicator for the Spanish transition is negative and significant in models 4.2 and 4.4, suggesting that the passing of Spain’s authoritarian regime discouraged further military conspiracies in Latin America. This result, however, may overestimate the influence of the Spanish transition, which is hard to disentangle from other transformations taking place after 1975.
Although reciprocal effects have strong negative effects in models 4.1 and 4.3, these effects become statistically insignificant once we control for the Spanish transition to democracy. This suggests that the Region variable may be capturing the cumulative consequences of a stable decline in the willingness of Latin American actors to conspire against democratic regimes.

In Tables 3 and 4, structural and social conditions show no discernible impact on the likelihood of transitions or breakdowns. Our indicators for per capita income, class structures, resource dependence, economic performance, and human capital present insignificant coefficients. However, models 4.3 and 4.4 show that semi-democracies are more likely to break down than full democracies. Because partial failures in the quality of competitive regimes often reflect greater radicalization and low normative commitments to democracy on the part of regime leaders, semi-democracies are intrinsically brittle (Mainwaring and Pérez-Liñán 2013).

**Discussion and Conclusions**

The literature on regime change has employed the term “diffusion” to refer to two forms of international influence. The first one involves the operation of hegemonic effects that change over time, altering the regional environment for democratization. The second one involves reciprocal contagion among regimes, which produces a cumulative form of change—or diffusion in the proper sense. These mechanisms act differently, create a different pace of democratization, and achieve different equilibria for the distribution of regime types at the regional level. Moreover, they carry distinct policy implications. Leveraging the first mechanism requires the adoption of a consistent foreign
policy for a region, while leveraging the second one demands working through regional networks to reinforce multilateral effects.

The emergence of waves of democratization, as well as counter-waves of authoritarianism, shows that international forces play an important role in driving historical cycles of regime change, but the influence of these mechanisms is hard to disentangle because regional hegemons, as much as smaller countries, adjust their behavior in response to regional transformations.

We have presented a novel strategy to identify the weight of those effects in historical waves of regime change. Because hegemonic forces produce distinct shifts in the conditions for democratization while reciprocal forces produce progressive changes, the dynamics of change under the two processes differ. And because certain features of historical waves are known (the initial proportion of democracies in the region, the rates of transition and breakdown, and the final proportion of democracies achieved during the period) only a limited number of hypothetical waves, driven by hegemonic forces, by reciprocal forces, or by any combination of the two, are feasible. Of those feasible trends, one produces the best approximation to the known regional transformation.

After 1977, against most expectations Latin America’s elected governments survived despite meager economic and social results. Given the previous record in Latin America, their resilience was surprising. The period since 1978 has shown that elected governments can endure under adverse economic and social conditions if the international political environment is favorable. Our analysis shows that international forces mattered more for this regional transformation than the economic and social conditions typically discussed by domestic theories of democratization.
Our analytic perspective suggests that hegemonic mechanisms mattered for the third wave of democratization in Latin America more than it has been previously acknowledged by the literature. We probed into the specific sources of this change using statistical models. The results of those tests underscore that hegemonic effects often result from heterogeneous sources. Both hard power, represented by US foreign policy, and soft power, represented by Spain’s transition to democracy, mattered for the transformation of Latin America. This is consistent with the analysis provided by Weyland (2009; 2014), for whom major external events triggering powerful heuristics among domestic actors, rather than overt emulation of diffusion, explain waves of regime change. Moreover, these sources of bilateral influence mattered differently to explain the increase in the rate of transitions and the decline in the rate of breakdowns observed since 1978.

The approach outlined in this paper offers a venue for a more nuanced exploration of international influences on domestic regime change. Understanding the role of hegemonic and reciprocal forces has important implications that theories of democratization, as well as policymakers, cannot ignore.
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