



State Capacity, Incumbent Turnover and Democratic Change in Authoritarian Elections

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June 2017

Working Paper

SERIES 2017:51

THE VARIETIES OF DEMOCRACY INSTITUTE



UNIVERSITY OF GOTHENBURG
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State Capacity, Incumbent Turnover and Democratic Change in Authoritarian Elections *

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* This research project was supported by Riksbankens Jubileumsfond, Grant M13-0559:1, PI: Staffan I. Lindberg, V-Dem Institute, University of Gothenburg, Sweden; by the Australian Research Council DECRA funding scheme to Dr. Carolien van Ham, project number RG142911, project name DE150101692; by Knut and Alice Wallenberg Foundation to Wallenberg Academy Fellow Staffan I. Lindberg, Grant 2013.0166, V-Dem Institute, University of Gothenburg, Sweden; as well as by internal grants from the Vice-Chancellor's office, the Dean of the College of Social Sciences, and the Department of Political Science at University of Gothenburg. We performed simulations and other computational tasks using resources provided by the Notre Dame Center for Research Computing (CRC) through the High Performance Computing section and the Swedish National Infrastructure for Computing (SNIC) at the National Supercomputer Centre in Sweden, SNIC 2016/1-382 and 2017/1-68. We specifically acknowledge the assistance of In-Saeng Suh at CRC and Johan Raber at SNIC in facilitating our use of their respective systems.

Abstract

Under what conditions do elections lead to democratization or conversely, sustain authoritarianism? State capacity may be a crucial intervening variable affecting the democratizing power of elections in authoritarian regimes. In regimes with limited state capacity, manipulating elections, co-opting elites, and repressing opposition is more difficult than in regimes with more extensive state capacity, rendering turnover in elections more likely in weak states. Yet, while increasing the chances of turnover, if the new incumbent has limited capacity to deliver public services and make policy changes after coming to power, democratic change is unlikely to be sustainable. Hence, state capacity may be a double-edged sword. This paper tests these expectations using Varieties of Democracy data for 460 elections in 110 authoritarian regimes from 1974 to 2012, and finds that state capacity is negatively associated with incumbent turnover but positively associated with democratic change after incumbent turnover in electoral authoritarian regimes.

Introduction

As many autocracies in the world today hold multiparty elections (van Ham and Lindberg, 2015), the question under what conditions elections contribute to democratization is increasingly important. The democratization-by-elections literature argues that repeated elections, even when held in authoritarian contexts, eventually lead to democratization (Lindberg, 2006, 2009; Howard and Roessler, 2006; Brownlee, 2009; Edgell et al., 2015). Yet, research on electoral authoritarianism has demonstrated that elections in authoritarian regimes are often subverted to such an extent that they strengthen, rather than weaken, authoritarian rule (Gandhi and Lust-Okar, 2009; Levitsky and Way, 2010; Schedler, 2002, 2013). As electoral authoritarian regimes such as Malaysia, Russia, and Cameroon demonstrate (see other contributions to this special issue), the democratizing power of elections is not universal, and hence better understanding the conditions under which elections have democratizing consequences is important.

State capacity may be one of the conditions affecting the democratizing power of elections in authoritarian regimes. Some scholars have argued that developing strong state institutions is an important pre-condition for successful democratization, both by preventing instability and conflict in transitional regimes as well as by enabling newly democratic governments to gain legitimacy by providing public services to citizens (Carothers, 2007; Fukuyama, 2014; Mansfield and Snyder, 2007; Fortin, 2012; Mazucca and Munck, 2014). Yet, state capacity may serve those same functions in autocratic regimes, and in addition help further sustain authoritarianism by strengthening autocrats' capacity to fabricate support and oppress dissent (Schedler, 2013; Seeberg, 2014; Way, 2005; Slater, 2012), suggesting state capacity might be equally important for both democratic and autocratic stability (Anderson et al., 2014; Slater, 2012; Slater and Fenner, 2011).

This article develops a framework that seeks to disentangle the causal connections between state capacity, elections and democratization in the context of electoral authoritarian regimes. We argue that the mechanism of "democratization-by-elections" needs to be unpacked to consider the consequences of elections for incumbent turnover and post-election democratic change separately. Moreover, the effects of state capacity on turnover and post-election democratic change may not be mutually reinforcing: while state capacity is likely to have a negative effect on incumbent turnover, it is likely to have a positive effect on post-election democratic change. In authoritarian regimes with weak state capacity, manipulating elections, repressing opposition, and co-opting ruling elites may be more difficult to achieve than in authoritarian regimes with strong state capacity. Hence we might expect elections in weak states

to be more likely to lead to incumbent turnover. Yet, while increasing the chances of turnover, if the new incumbent has limited capacity to deliver public services and make policy changes after coming to power, democratic change is unlikely to be sustainable. This leaves us in a bit of a bind: authoritarian regimes with strong state capacity are less likely to experience incumbent turnover that could open possibilities for broader democratic change, while authoritarian regimes with weak state capacity are more likely to experience incumbent turnover, but may not be able to sustain democracy once turnover took place.¹ Hence, in authoritarian regimes, state capacity might be a double-edged sword that can both reinforce as well as undermine the democratizing power of elections.

In the next section we further develop this theoretical argument and propose five hypotheses to test empirically how state capacity conditions the democratizing power of elections. We then present our data and methods and subsequently proceed to test the hypotheses on a sample of 460 elections in 110 electoral authoritarian regimes from 1974 to 2012 using new data from the Varieties of Democracy (V-Dem) dataset (version 6.1). We find evidence of the expected relationship: state capacity is negatively associated with incumbent turnover but positively associated with democratic change after incumbent turnover in electoral authoritarian regimes. The paper concludes with a reflection on the results and suggestions for future research.

I. State Capacity, Elections and Democratic Change in Authoritarian Regimes

In order to understand whether elections can have democratizing consequences in authoritarian regimes, and the extent to which this is conditional on their state capacity, we need to disentangle the causal connections between state capacity, elections and democratic change.²

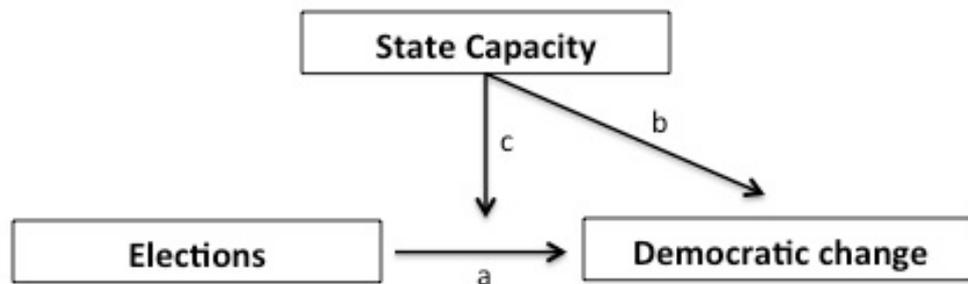
Figure 1 illustrates these relationships. In order to clarify our argument it is important to distinguish: (i) how elections influence democratic change (arrow a); (ii) how state capacity

¹ Note that, as we elaborate upon below, incumbent turnover in elections does not guarantee broader democratic change (as elections may bring new autocrats to power), but it does create possibilities for democratic change if the new incumbent(s) is/are democrats.

² Note that we refer to *democratic change* throughout the paper rather than democratization, as democratic change allows us to conceive of authoritarian regimes shifting towards democracy (i.e. if we conceive of regimes as varying on a continuum from very authoritarian to very democratic) without necessarily fully democratizing (i.e. passing a threshold on this continuum that shifts a regime from electoral authoritarianism into electoral democracy), and also allows us to record smaller shifts towards democracy. The core idea of the democratization-by-elections thesis is that elections can move regimes, even autocratic ones, into a more democratic direction by generating improvements in partial regimes other than elections, such as civil liberties, media freedom, rule of law, etc., and hence the concept of democratic change captures this effect of elections well.

influences democratic change (arrow b); and (iii) how state capacity might condition the relation between elections and democratic change (arrow c). Note that state capacity can affect prospects for democratic change directly (b) as well as condition the effect of elections on democratic change (c). Hence disentangling these causal links is important for understanding and empirically testing the interrelationship between these three concepts.

Figure 1: State Capacity, Elections, and Democratic Change



Elections and Democratic Change

Elections can affect democratic change in two ways. First of all, elections can generate democratic change by strengthening other partial regimes of democracy, as proposed by Lindberg (2006, 2009). The original democratization-by-elections thesis argued that repeated experiences with elections led to learning and socialization of elites and citizens into the practices of democracy, as well as creating moments of temporary widening of media freedom and enlarged civil liberties, changes that might be difficult to turn back after the elections are over (Lindberg 2006, 2009). Elections may thus generate changes in other partial regimes of democracy, and as a consequence improve the quality of the overall regime.³

Yet, elections can also affect democratization by generating incumbent turnover in elections, creating a possibility for citizens to ‘throw the rascals out’ if they are dissatisfied with the incumbent government (Huntington, 1991: 174). Of course, in electoral authoritarian regimes this possibility may be very small, but even autocrats sometimes lose elections, creating a window of opportunity for political change (Levitsky and Way, 2010; Schedler, 2013). Yet, even

³ However, the empirical evidence on democratization-by-elections is mixed. A recent study on a global sample of elections that analyzes regional and period differences, suggests that democratization-by-elections occurred mainly in the third wave, and mainly in Africa and post-communist Europe, finding weaker or no effects in other regions and time periods (Edgell et al, 2015).

if autocrats lose elections, new incumbents may not necessarily be democrats, and hence turnover in elections may also lead to a new authoritarian regime being established. Hence, evaluating whether elections have democratizing effects requires a two-phase operationalization of democratization-by-elections: one that models the determinants of incumbent turnover separately from the determinants of democratic change after elections.

To test whether elections have an effect on democratic change (causal arrow *a* in Figure 1), we should compare democratic change in years after elections to democratic change in years when no elections occurred.⁴ Hence our first hypothesis is:

H1 – Democratic change is higher after election years than after years when no elections occurred.

As we expect the likelihood of democratic change to be higher after elections that resulted in turnover, our second hypothesis is:

H2 – The positive association of elections with democratic change is stronger if elections resulted in incumbent turnover.

State Capacity and Democratic Change

The state, and state capacity, have been conceptualised in many different ways.⁵ Following the Weberian tradition, we define the state as “an entity that successfully claims a monopoly on the legitimate use of force within a specified territory” (Weber, 1918). State *capacity* is defined as “the ability of state institutions to effectively implement official goals” (Sikkink, 1991). Following Hanson (in this special issue; Hanson and Sigman, 2013), we distinguish three types of state capacity: coercive capacity, administrative capacity and extractive capacity. While coercive capacity relates to states’ capacity to maintain their monopoly of power and deliver a minimum level of security for citizens (Mansfield and Snyder, 2007; Fukuyama, 2004), administrative capacity refers to the capacity of states to implement policies and deliver basic public services (Anderson et al., 2014).⁶ Extractive capacity refers to the state’s capacity to generate resources,

⁴ Note that in electoral authoritarian regimes, regime change can be triggered by elections, but also by other factors, such as coup d’etats, civil conflict, revolutions or transitions ‘from above’ initiated by incumbent regime elites. As regime change by elections appears to have become increasingly frequent in recent decades (Hellmann and Croissant), we focus on the role of elections in this paper. We include coup d’etats and civil wars in our empirical analyses as control variables.

⁵ See Hanson in this special issue and Anderson, Moeller and Skaaning 2014 for reviews of different conceptualisations.

⁶ Note that administrative capacity refers purely to the ability of states to “plan and execute policies” (Fukuyama, 2004), not to whether those policies were executed in an impartial or fair manner. Hence, this definition of state

and hence extractive capacity is important for sustaining both coercive and administrative capacity. All three elements of state capacity may affect both the likelihood of democratic change directly (arrow b) as well as condition the democratizing power of elections (arrow c), hence for the sake of parsimony we conceive of state capacity as a single latent concept here. As Slater and Fenner (2011: 19) argue, a state has a variable amount of state capacity, which “regime actors can deploy through a set of mechanisms to achieve the particular political objective of authoritarian durability”. State capacity helps authoritarian incumbents to achieve such durability by (a) generating genuine support, (b) fabricating support and (c) oppressing dissent. Generating genuine support can be achieved by delivery of public services and political order (Slater, 2012; Slater and Fenner, 2011), while fabricating support and oppressing dissent can be achieved by – for example- manipulating elections, co-opting citizens and elites, and coercing the opposition (Seeberg, 2014; Gandhi and Lust-Okar, 2009; Schedler, 2013). Hence, state capacity helps authoritarian incumbents to address both horizontal and vertical threats, through the use of a variety of actions aimed at a variety of actors.⁷

This means that authoritarian incumbents can use state capacity to prevent democratic change and stabilize their power. Note that as *arrow b* in Figure 1 shows, this can affect prospects for democratic change *directly*, regardless of whether elections are held or not. Co-optation of ruling elites and citizens can ensure loyalty and support for incumbents in the period between elections and lower the risk of coups, protests, and even revolutions or civil war; while coercion aimed at opposition serves the same purpose of maintaining stability of the regime, regardless of whether elections are being held (see also the case studies by Hellmann and Mietzner in this special issue). Hence, we would expect state capacity in authoritarian regimes to have a negative direct effect on democratic change, lowering the prospects of democratic change, as expressed in our third hypothesis.

H3 – State capacity is negatively associated with democratic change in electoral authoritarian regimes

capacity excludes notions of impartiality and the rule of law as this would generate conceptual overlap between state capacity and democracy (Mazucca and Munck, 2014).

⁷ Note that the range of options available to incumbents is not only determined by the capacity of state institutions as defined here, but also by “the extent to which these institutions can be controlled by the dictator” (Hanson). In the remainder of this paper, we do not further consider variation in regime control over the state, due to limitations in cross-national data, but this topic is covered in other articles in this special issue (see Hellmann’s chapter on South Korea and the case study on Russia by White)

How State Capacity Conditions the Democratizing Power of Elections

To understand how state capacity affects the democratizing power of elections (*arrow c* in Figure 1), the two-phase operationalization of democratization-by-elections separating incumbent turnover from democratic change after elections is important. In elections, strong state capacity can enable incumbents to engage in all the tactics to hold on to power described above. For example, strong state capacity allows incumbents to ramp up delivery of public services and goods in the months leading up to the elections, to target clientelism to supporting citizens, to co-opt elites by promises of access to and redistribution of state resources after the elections, to intimidate opposition and voters and oppress independent sources of information, to manipulate electoral institutions such as electoral management bodies to deliver results in favour of the incumbent, etc. (Gandhi and Lust-Okar, 2009; Schedler, 2013; Seeberg, 2014). Hence, we would expect strong state capacity to significantly lower the chances of turnover in authoritarian elections, and elections held in electoral authoritarian regimes with strong states as Malaysia, Singapore and Russia are good examples of this logic (Slater, 2012; Seeberg, 2014). Conversely, we would expect weak state capacity to increase the likelihood of turnover in authoritarian elections, as illustrated by elections in Haiti, Bangladesh and Comoros.

However, while lacking state capacity may increase the probability that elections trigger incumbent turnover, subsequent democratic change may be *less* likely in regimes with limited state capacity, as the literature on democratization suggests. Hence, what may be needed for democratic change after elections to be successful is the (unlikely) combination of strong states and incumbent turnover in elections. While incumbent turnover is not a guarantee for democratic change, as an autocrat leader may be replaced by a new leader who is equally autocratic, it at least creates a possibility for a democratic incumbent to come to power and for post-election democratic change to take place. Hence, since the consequences of state capacity depend on which actors are in power and what political objectives they seek to achieve (Slater and Fenner, 2011), if elections in authoritarian regimes bring a ‘democrat’ to power, however unlikely, strong state capacity might well be important in supporting new incumbents’ attempts at further democratic change. Therefore, we would expect state capacity only to be positively associated with democratic change after elections if elections resulted in incumbent turnover. Our hypotheses for the conditional effect of state capacity on the democratizing power of elections are therefore:

H4 - Greater state capacity is associated with a lower likelihood of turnover in elections

H5 - Greater state capacity is associated with greater democratic change after elections, conditional on turnover in elections

II. Data and Methods

The hypotheses outlined in the previous section are tested with new data from the Varieties of Democracy (V-Dem) dataset, version 6.1 (Coppedge et al., 2016a,b,c) and the Quality of Government dataset (Teorell et al., 2015), as well as data on state capacity from Hanson and Sigman (2013).

Sample Selection

As the theoretical argument focuses on authoritarian elections, the sample is limited to electoral authoritarian regimes. Since the boundaries between electoral authoritarian regimes and electoral democracies are somewhat fuzzy, and many different regime classifications exist (Diamond, 2002; Levitsky and Way, 2010; Schedler, 2002, 2013; Howard and Roessler, 2006), we prefer to err on the inclusive side and take as our cut-off point for electoral authoritarian regimes when regimes score below 0.5 on the V-Dem liberal democracy index, which runs from 0 to 1 ranging from the most authoritarian to the most democratic regimes. This means some ambiguous cases on the borderline between electoral authoritarianism and electoral democracy might be included, but the advantage is that we can be certain to have included all electoral authoritarian regimes. In addition, we test the robustness of our findings on a sample following Schedler's (2002) selection criterion for electoral authoritarian regimes that defines regimes as electoral authoritarian when their average Freedom House political rights and civil liberties score is between 4 and 7; as well as a sample of regimes with Polity IV scores below 0. The results remain substantively similar, and are presented in the Appendix to this paper. In addition to these selection criteria, we also exclude closed autocracies that did not hold multiparty elections for the national executive and exclude countries that were not fully independent.⁸ In addition to limiting the sample to electoral authoritarian regimes, we further restrict the sample to national-level elections for the executive. Hence, in presidential regimes we include presidential elections and in parliamentary regimes we

⁸ Note that we also exclude autocracies that held single party elections.

include parliamentary elections.⁹ These choices leave a sample of 460 executive elections that took place between 1974 and 2012 in 110 countries around the world, spanning a total of 3116 country-years.¹⁰

Dependent Variables

The analyses include two dependent variables: democratic change after elections and incumbent turnover in elections. We measure democratic change by calculating the change in the regime's democracy score in the two years after the elections.¹¹ The democracy score used is the liberal democracy index available in the V-Dem dataset.¹² The liberal democracy index varies between 0 and 1, ranging from very authoritarian to very democratic. Democratic change in the 2 and 3 years after the elections varies substantially in our sample: from -0.37 to 0.65 and -0.37 to 0.70, respectively. In all the models with democratic change as the dependent variable, we include lagged democracy level (t-1) as an independent variable to control for ceiling effects.¹³

Turnover as a result of national elections is measured using the V-Dem variables "turnover of the head of government and turnover of the head of state". The scores vary between 1 (no turnover), 1 (half turnover) and 2 (wholesale turnover).¹⁴ To use a conservative measure of incumbent turnover, this variable was recoded to a dichotomous variable that takes a value of one only when there is wholesale turnover. In our sample, 34% of elections resulted in wholesale turnover.¹⁵ Tables A and B in the Appendix shows summary statistics for all variables.

⁹ Robustness checks using a sample including all national-level parliamentary and presidential elections (i.e. also including parliamentary elections in presidential regimes) result in substantively similar findings. Results for these models can also be found in the Appendix.

¹⁰ We include elections as of 1974, as this is when the third wave of democratization started and multiparty elections in authoritarian regimes became more common (Huntington 1991, Schedler 2002). Replication data and syntax are available on the authors' website: [insert website](#).

¹¹ We test the robustness of results using democratic change in the three years after the elections (reported in the Appendix), but don't investigate longer time periods as this may lead to the inclusion of the next elections in the measure of democratic change, thus confounding cause and effect in the estimates.

¹² We test the robustness of our models to using V-Dem's polyarchy index as well. Results are substantively similar and are reported in the Appendix.

¹³ This is important because the scope for democratic change may be smaller in regimes that are more democratic already. In fact, the correlation between democratic change after elections and the level of democracy in the year before elections is -0.23, suggesting that indeed a ceiling effect exists.

¹⁴ The exact question wording and answer categories of all V-Dem variables can be found in the V-Dem codebook (Coppedge et al. 2016b). Robustness checks were carried out using only turnover of the head of government, and results are substantively the same (see Appendix for models reporting robustness checks). Note that in this coding "turnover in the executive can occur in presidential, semi-presidential, as well as parliamentary systems. Turnover does not only refer to the individual person holding office but also to that person's party."

¹⁵ This is 28% if we only measure turnover as turnover of the head of government. See the appendix for results using turnover of the head of government.

Independent Variables

Our main independent variable of interest is state capacity. We use the comprehensive measure of state capacity developed by Hanson and Sigman (2013), and test the robustness of our results with an alternative measure of state capacity from the Varieties of Democracy dataset.¹⁶ In the models explaining turnover, state capacity is lagged so it is measured in the year before the election, in the models explaining democratic change in the years after elections we measure state capacity in the year of the election.

Controls

In models explaining democratic change, we include control variables that have commonly been found to be associated with democratization in previous research (Hadenius 1992; Lindberg, 2006; Przeworski et al., 2000; Teorell, 2010). We include control variables for economic development (GDP per capita and economic growth), based on data from the World Development Indicators,¹⁷ and dummy variables indicating whether a coup d'état or civil war occurred in the year before the elections, based on data from the V-Dem dataset. We also include ethnic and religious fractionalization, whether the country has a presidential or parliamentary form of government, and the colonial origin of the country – whether it is a former British colony or not (Hadenius, 1992).¹⁸ We do not include the level of foreign aid and the level of natural resources as % of GDP as controls when predicting democratic change, as we anticipate these to be intervening variables in the relationship between state capacity and democratic change. We lag all control variables with one year, so they are measured in the year before the elections took place.

In models explaining turnover, we include several control variables considered to drive turnover in elections. As turnover is more likely if economic performance is unsatisfactory (Sanchez Cuenca and Maravall, 2008), we include GDP per capita and economic growth. Clarity of responsibility is required for voters to hold incumbents accountable for bad performance (Powell and Whitten, 1993; Anderson, 2007), and clarity of responsibility is considered to be

¹⁶ We use the V-dem variable “state authority over territory”, measured as “over what percentage (%) of the territory does the state have effective control?” as a proxy for state capacity.

¹⁷ Downloaded 22 February 2016 from <http://databank.worldbank.org/data/>

¹⁸ Note that in the fixed effects models predicting democratic change these variables did not have to be included as they are time invariant variables and hence fixed effects already controls for these potential confounders. These control variables were however included in the treatment models.

higher in presidential (vs. parliamentary) systems (Samuels, 2004), hence we include presidentialism as a control variable too.¹⁹

Empirical Strategy

Our empirical strategy is built up in two steps. First, in order to test the direct effects of elections and state capacity on democratic change (H1 - H3), the first analyses predict democratic change in all country-years, and compare democratic change in years after elections to democratic change after years in which no elections occurred. These analyses are carried out using time-series cross-sectional ordinary least squares regression with country fixed effects, and results are presented in Table 1 in the next section.

Subsequently, to test the conditional effect of state capacity on turnover in elections and democratic change (H4-H5), we first test the effect of state capacity on turnover and democratic change separately, using time-series cross-sectional logistic regression with regional fixed effects for turnover models, and time-series cross-sectional ordinary least squares regression with country fixed effects for democratic change models.²⁰ Then, in order to model turnover and democratic change simultaneously as part of a two-step equation, I use a treatment effect model to test first, how state capacity affects turnover (selection model) and subsequently how state capacity affects democratic change once turnover has taken place (regression equation).²¹ Since these analyses zoom in on the consequences of elections, the sample is limited to election years. Results for these analyses are presented in Table 2 in the next section. Robustness checks of the analyses are reported in the Appendix.

III. Results

Table 1 shows the results of the analyses testing the causal relationships illustrated in Figure 1, comparing democratic change in years after elections to democratic change after years when no elections occurred. Models 1 and 2 demonstrate that even in authoritarian regimes, holding elections leads to positive democratic change. The negative coefficient for the lagged level of

¹⁹ Turnover in elections is also likely to be affected by the availability of viable opposition candidates (Anderson, 2007). Finally, the level of electoral fraud can affect the likelihood of turnover. However, we do not ultimately control for the availability of viable opposition and the level of electoral fraud as both of these variables likely lie on the causal pathway from state capacity to turnover. In other words, it is through election fraud and suppressing opposition, among other methods, that authoritarian regimes use state capacity to reduce the likelihood of turnover.

²⁰ A Hausman test indicates random effects are appropriate for the turnover models, while fixed effects are needed for the democratic change models.

²¹ We use a treatment effect model rather than a Hausman selection model since we have outcome data for both treated and non-treated groups (i.e. elections with and without turnover) (Shenyang and Fraser 2015).

democracy (the V-Dem liberal democracy index variable) also indicates that the rate of change declines as regimes become more democratic, i.e. there is a ceiling effect. The interaction effect between whether elections were held and lagged level of democracy also indicates that the impact of elections on democratic change is largest in the most authoritarian regimes. Hence, holding elections has democratizing effects even in the most authoritarian regimes, even if this effect is substantively small, confirming hypothesis 1. Turning to models 3 and 4, when elections resulted in turnover, their effect on democratic change is stronger, which is in line with hypothesis 2. However, this effect is not significant.

Turning to the effect of state capacity on democratic change, as models 5 and 6 show, in our sample of electoral authoritarian regimes state capacity indeed negatively affects democratic change, confirming hypothesis 3. This effect is robust to inclusion of controls and the inclusion of the election variables, as reported in the combined models 7 and 8. The effect of holding elections is also unchanged when state capacity is included in the combined models, and turnover is one-tailed significant in the model with control variables.

Model 7 and 8 also show results for an interaction effect between state capacity and holding elections, to test the conditional effect of state capacity on the democratizing power of elections. The effect in model 7 is small, but positive and significant. This indicates that state capacity has a negative direct effect on democratic change, but the impact of elections on democratic change is strengthened in contexts of high state capacity. If state capacity has opposing effects on turnover in elections and democratic change as we expect, this may muddle our findings, and hence we need to model the effect of state capacity on both turnover in elections and democratic change after elections. Table 2 therefore models the impact of state capacity on democratization-by-elections as a two-phase process.

We first predict the effect of state capacity on turnover directly in models 1 and 2, and then predict the effect of state capacity on democratic change after elections that did not result in turnover and elections that did result in turnover, modeled by an interaction effect between state capacity and turnover (model 3 and 4). Model 5 reports the results when both are modeled simultaneously in a treatment effect model, where turnover is the dependent variable of the selection equation and democratic change is the dependent variable of the regression equation.

Table 1: The Effect of Elections and State Capacity on Democratic Change

Variables	Models Testing H1		Models Testing H2		Models Testing H3		Combined Models	
	(1) Democratic Change	(2) Democratic Change	(3) Democratic Change	(4) Democratic Change	(5) Democratic Change	(6) Democratic Change	(7) Democratic Change	(8) Democratic Change`
Executive election held?	0.043*** (0.007)	0.039*** (0.007)	0.040*** (0.007)	0.036*** (0.008)			0.043*** (0.008)	0.039*** (0.008)
Level of democracy (t-1)	-0.147*** (0.012)	-0.188*** (0.014)	-0.146*** (0.012)	-0.187*** (0.014)	-0.162*** (0.013)	-0.208*** (0.014)	-0.147*** (0.013)	-0.190*** (0.015)
Election x Democracy	-0.119*** (0.025)	-0.110*** (0.026)	-0.121*** (0.025)	-0.113*** (0.026)			-0.118*** (0.027)	-0.115*** (0.028)
Turnover in election?			0.009 (0.007)	0.009 (0.007)			0.012 (0.007)	0.012+ (0.007)
State Capacity					-0.011** (0.004)	-0.012** (0.004)	-0.011** (0.004)	-0.012** (0.004)
State Capacity x Election							0.014** (0.005)	0.011* (0.005)
Controls	No	Yes	No	Yes	No	Yes	No	Yes
Number of Country-Years	3,048	2,700	3,048	2,700	2,676	2,435	2,676	2,435
Number of Countries	110	105	110	105	99	97	99	97

Standard errors in parentheses. P-values: * 0.05, ** 0.01, *** 0.001.

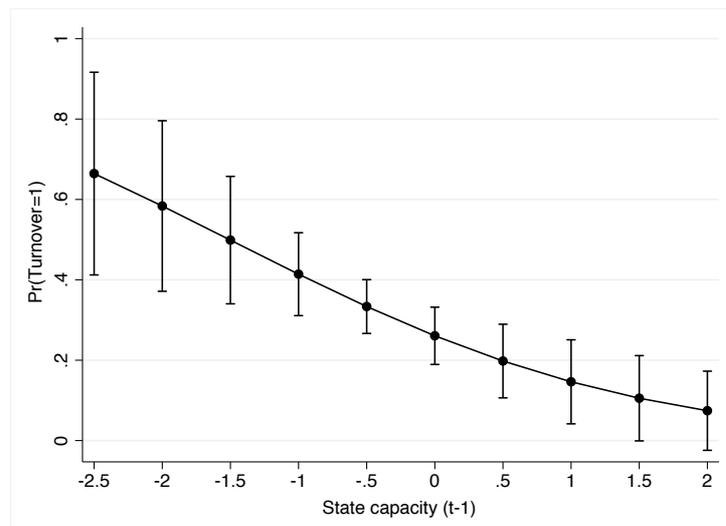
Table 2: The Effect of State Capacity on Turnover and Democratic Change

Variables	Models Testing H4		Models Testing H5		Treatment Model
	(1) Incumbent Turnover	(2) Incumbent Turnover	(3) Democratic Change	(4) Democratic Change	(5) Democratic Change
State Capacity			-0.007 (0.012)	-0.013 (0.012)	0.020* (0.009)
Turnover in election?			0.004 (0.009)	0.005 (0.010)	0.128*** (0.016)
State Capacity x Turnover			0.008 (0.012)	0.015 (0.012)	
State Capacity (t-1)	-0.677** (0.256)	-0.862** (0.327)			Incumbent turnover -0.331* (0.135)
Controls	No	Yes	No	Yes	Yes
Number of Elections	397	383	384	371	365
Number of Countries	98	94	98	96	94

Models 1 and 2 are based on time-series-cross-sectional logistic regression with regional fixed effects, model 3 and 4 are based on time-series cross-sectional ordinary least squares regression with country fixed effects. Model 5 are based on treatment model ordinary least squares regression (i.e. linear regression with endogenous treatment effects, with maximum likelihood estimates). Standard errors in parentheses. P-values: * 0.05, ** 0.01, *** 0.001.

As models 1 and 2 show, state capacity (measured in the year before the election) has a strong effect on incumbent turnover. If we plot the predicted values of turnover by the different levels of state capacity that are present in our sample in Figure 2, it becomes clear that at low levels of state capacity, turnover is much more likely to occur, and that the probability of turnover declines as state capacity increases. These results suggest that state capacity is an important factor shaping whether authoritarian elections result in turnover.

Figure 2: Predicted Probabilities of Turnover by State Capacity



95% confidence intervals, estimates based on model 2, Table 2.

Furthermore, models 3 and 4 seem to support H5: the main effect for state capacity indicates the effect of state capacity when elections did not result in incumbent turnover: which is negative in both models. Conversely, the effect of state capacity when elections did result in turnover is indicated by adding the coefficient for the interaction effect to the main effect for state capacity $(-0.013+0.015)$, resulting in a net positive effect of state capacity on democratic change. Yet, these coefficients are not significant.²² A treatment model as presented in model 5 is a more appropriate test for our hypothesis about the two-stage nature of democratization-by-elections, where elections first need to lead to incumbent turnover in order to open possibilities for wider post-election democratic change. In model 5 we model turnover and democratic change as such a two-stage process using a treatment model. The results of the selection model, i.e. predicting turnover, indicate the expected strong negative effect of state capacity on turnover, though the strength of the effect is somewhat diminished in comparison to models 1 and 2. The results of the regression model indicate that turnover has a strong positive effect on democratic change in years after elections. Moreover, once turnover is taken into account, state capacity has a positive effect on democratic change in electoral authoritarian regimes. The effect is not very large substantively, but significant and robust to alternative model specifications. Hence, the results in table 2 appear to confirm our hypotheses 4 and 5: state capacity negatively affects turnover in authoritarian elections, yet strengthens post-election democratic change if elections resulted in turnover.

As robustness checks of the results presented here, analyses were carried out using different criteria for sample selection, using different measures for the dependent variables, and using a different measure for state capacity. The results of these tests are reported in the Appendix to this paper. In brief, hypothesis 1 is confirmed in all models: holding elections leads to democratic change even in authoritarian regimes, as democratic change in years after elections is significantly higher than in years when no elections were held.²³ In addition, hypothesis 3 also appears to be robust to alternative model specifications: state capacity significantly lowers the likelihood of democratic change, regardless of whether elections were held or not. Only in models using the Polity IV < 0 score as sample selection criterion and in models with the alternative measure of state capacity was the effect of state capacity insignificant, though still negative. The effect of turnover on democratic change appeared not to be very robust in the models considering all country-years (i.e. results presented in Table 1), which might be due to the

²² Note that the results remain substantively the same if we include lagged state capacity in models 3 to 5. Results are available upon request from the authors.

²³ When using the alternative measure of state capacity the positive effect of elections is limited to elections that experienced turnover.

fact that elections with turnover represent only a very small subset of the sample when considering country-years. When democratic change after elections is considered (i.e. results presented in Table 2), turnover in elections has a consistent positive effect on post-election democratic change, providing support for hypothesis 2. Finally, hypotheses 4 and 5 about the conditional effect of state capacity on the democratizing power of elections appear to be partially confirmed by the empirical analyses. There is a clear negative effect of state capacity on turnover in elections, and this effect is robust to alternative model specifications, confirming hypothesis 4. Yet, the positive effect of state capacity on democratic change after elections resulted in turnover is not always confirmed in robustness checks. Moreover, the positive effects of state capacity on democratic change are substantively small, compared to the effects of for example turnover on democratic change.

Conclusion

Under what conditions do elections lead to democratization or conversely, sustain authoritarianism? Using new data from the Varieties of Democracy (V-Dem) project, the empirical analyses in this paper tested the effects of elections and state capacity on democratic change. The results suggest that both elections and state capacity have direct effects on democratic change in authoritarian regimes, with elections enhancing democratic change and state capacity undermining democratic change.

When it comes to the conditioning effect of state capacity on the democratizing power of elections, these effects were modeled as a two-stage process, first examining the effect of state capacity on turnover in elections, and then evaluating the effect of state capacity on democratic change once turnover had occurred. The results indicate that the negative effect of state capacity on turnover is much larger than the positive effect of state capacity on democratic change once turnover occurred, suggesting that the net effect of state capacity on the democratizing power of elections may be negative. Hence, while state capacity could be helpful for sustaining democratic change after elections resulted in turnover, the negative direct effect of state capacity on democratic change as well as negative effect on the likelihood of elections resulting in turnover, suggests that the empirical evidence for net negative effects of state capacity is stronger in authoritarian elections.

Moreover, the positive effect of turnover on post-election democratic change is substantial. This suggests that in weak states turnover in elections is more likely, and if turnover occurs positive democratic change is more likely too. Democratic change will probably be

hampered somewhat by weak state capacity, but since the effect of state capacity on post-election democratic change is comparatively weak, this might be less of a concern than scholars emphasizing the strong-state first approach to democratization have suggested (Fukuyama, 2005, 2014).

A number of caveats are in place however. In the analyses presented here we have analyzed democratization-by-elections taking a relatively short-term perspective, by considering short-term causal effects such as the regime losing elections and democratic change in the years immediately following elections. There were good methodological reasons for doing so, as taking a larger time period after elections in which to measure democratic change would lead the next elections to be included in the period over which democratic change was measured, potentially confounding cause and effect. However, democratization-by-elections may also work through more long-term causal mechanisms, i.e. processes of ‘creeping democratisation’ whereby successive elections generate slow protracted change in other partial regimes of democracy that eventually prepare the ground for broader democratic change. Better understanding of the role of state capacity in promoting or hampering such processes would be an interesting venue for future research.

This leads to the second caveat, which is that we have considered democratic change here as shifts of regimes in the direction of democracy, conceiving of regimes to be located along a continuum from very authoritarian to very democratic, and counting positive democratic change as an indication that democratization-by-elections was successful. Yet, some would argue that successful democratic change is only achieved when democratic change is substantial enough to shift regimes from electoral authoritarianism into becoming electoral democracies. Future research exploring how elections and state capacity interact in generating regime change between different regime types could give a more complete picture of the role of elections and state capacity in generating democratization.

Finally, an interesting venue for future research would be to investigate the specific causal mechanisms by which state capacity affects the democratizing power of elections, for example by disaggregating state capacity into its three components of administrative, coercive and extractive capacity. Currently, comparative data on state capacity is scarce, and data on its specific components even more so, limiting analyses to a very small (and non-random) sub-set of electoral authoritarian regimes for which such data are available. Even at the aggregate level, the limited convergence between different measures of state capacity calls into question the quality of existing comparative data on state capacity. The new Hanson and Sigman (2013) data ameliorates this situation by using multiple data sources and Bayesian latent variable analysis to

generate high quality comparative data on state capacity, but more detailed data on components of state capacity are still lacking. Future research collecting large N comparative data on these dimensions would be highly valuable, and could shed more light into the causal mechanisms connecting state capacity, elections and democratic change.

However, recognizing these caveats, the findings presented in this paper have important implications. Our findings suggest that the positive effects of state capacity for democratization may have been over estimated, and suggest that strengthening state capacity in authoritarian regimes is not necessarily good for democratization. Of course, strengthening state capacity might be good to achieve other goals such as efficient public service delivery, but the empirical evidence presented here suggests that the net effect of state capacity is negative, casting doubt on the relevance of strong-state-first theories for democratization in contemporary electoral authoritarian regimes.

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Appendix

Table A. Summary statistics analyses Table 1

Variable	N	Mean	Std. Dev.	Min	Max
Democratic change in 2 years after elections	3,056	0.01	0.07	-0.37	0.65
Executive election held?	3,056	0.15	0.35	0	1
State capacity	2,679	-0.37	0.68	-2.48	1.53
Level of democracy (t-1)	3,048	0.22	0.14	0.02	0.70
Turnover	3,056	0.05	0.22	0	1
Coup (t-1)	3,050	0.03	0.16	0	1
Civil war (t-1)	3,050	0.10	0.30	0	1
GDP per capita growth (% annual) (t-1)	2,733	1.24	6.63	-62.21	91.67
GDP per capita (current USD) (t-1)	2,796	1364.55	1710.92	64.81	14231.60

Table B. Summary statistics analyses Table 2

Variable	N	Mean	Std. Dev.	Min	Max
Democratic change in 2 years after elections	445	0.02	0.09	-0.26	0.64
Turnover	445	0.34	0.48	0	1
State capacity	385	-0.33	0.70	-2.34	1.35
State capacity (t-1)	397	-0.36	0.72	-2.42	1.53
Level of democracy (t-1)	444	0.26	0.13	0.02	0.56
Coup (t-1)	444	0.02	0.13	0	1
Civil war (t-1)	444	0.07	0.26	0	1
GDP per capita growth (% annual) (t-1)	425	1.10	6.72	-62.21	23.64
GDP per capita (current USD) (t-1)	432	1537.87	1727.44	72.53	13323.88
Presidential system	445	0.74	0.44	0	1
Ethnic fractionalisation	426	0.52	0.25	0	0.93
Religious fractionalisation	429	0.43	0.25	0	0.86
Former British colony	442	0.29	0.45	0	1
Region	445	3.72	1.92	1	7

A. Results with alternative sample selection criteria for electoral authoritarian regime

Table 1A. The Effect of Elections and State Capacity on Democratic Change

VARIABLES	Combined models - original		Combined models – Schedler (2002) sample selection		Combined models – Polity IV < 0		Combined models – All national elections included	
	1 Democratic change	2 Democratic change	3 Democratic change	4 Democratic change	5 Democratic change	6 Democratic change	7 Democratic change	8 Democratic change
Executive election held?	0.043*** (0.008)	0.039*** (0.008)	0.030** (0.010)	0.028* (0.011)	0.034** (0.012)	0.032* (0.013)	0.035*** (0.006)	0.033*** (0.007)
Level of democracy (t-1)	-0.147*** (0.013)	-0.190*** (0.015)	-0.169*** (0.022)	-0.210*** (0.024)	-0.105*** (0.032)	-0.148*** (0.036)	-0.139*** (0.013)	-0.180*** (0.015)
Election x Democracy	-0.118*** (0.027)	-0.115*** (0.028)	-0.097* (0.048)	-0.106* (0.051)	-0.122* (0.059)	-0.129* (0.062)	-0.102*** (0.022)	-0.105*** (0.024)
Turnover in election?	0.012 (0.007)	0.012+ (0.007)	-0.002 (0.011)	0.002 (0.011)	0.015 (0.014)	0.016 (0.015)	0.015* (0.006)	0.016* (0.006)
State Capacity	-0.011** (0.004)	-0.012** (0.004)	-0.015** (0.005)	-0.014** (0.005)	-0.004 (0.005)	-0.001 (0.006)	-0.010** (0.004)	-0.011** (0.004)
State Capacity x Election	0.014** (0.005)	0.011* (0.005)	0.004 (0.007)	0.001 (0.007)	0.012 (0.008)	0.006 (0.009)	0.013** (0.004)	0.008+ (0.005)
Controls	No	Yes	No	Yes	No	Yes	No	Yes
Number of Country-Years	2,676	2,435	1,812	1,608	1,468	1,263	2,910	2,597
Number of Countries	99	97	92	90	81	78	110	109

Standard errors in parentheses. P-values: * 0.05, ** 0.01, *** 0.001.

Table 2A. The Effect of State Capacity on Turnover and Democratic Change

VARIABLES	Treatment model - Original	Treatment model - Schedler (2002) sample selection	Treatment model - All national elections included
	(1) Democratic change	(2) Democratic change	(3) Democratic change
State Capacity	0.020* (0.009)	0.021+ (0.011)	0.015* (0.007)
Turnover in election?	0.128*** (0.016)	0.132*** (0.018)	0.125*** (0.013)
	Incumbent turnover	Incumbent turnover	Incumbent turnover
State Capacity (t-1)	-0.331* (0.135)	-0.479** (0.172)	-0.231* (0.115)
Controls	Yes	Yes	Yes
Number of Elections	365	191	543
Number of Countries	94	78	98

Standard errors in parentheses. P-values: * 0.05, ** 0.01, *** 0.001.

Note that treatment models using the sample of Polity IV < 0 did not converge and hence are not reported here.

B. Results with alternative dependent variables

Table 1B. The Effect of Elections and State Capacity on Democratic Change

VARIABLES	Combined models – original		Combined models – democratic change in 3 years after elections		Combined models – democratic change polyarchy index		Combined models – turnover head of government	
	1	2	3	4	5	6	7	8
	Democratic change	Democratic change	Democratic change	Democratic change	Democratic change	Democratic change	Democratic change	Democratic change
Executive election held?	0.043*** (0.008)	0.039*** (0.008)	0.034*** (0.010)	0.027** (0.010)	0.041*** (0.011)	0.037** (0.012)	0.042*** (0.008)	0.038*** (0.008)
Level of democracy (t-1)	-0.147*** (0.013)	-0.190*** (0.015)	-0.223*** (0.016)	-0.288*** (0.018)	-0.215*** (0.018)	-0.271*** (0.021)	-0.146*** (0.013)	-0.189*** (0.015)
Election x Democracy	-0.118*** (0.027)	-0.115*** (0.028)	-0.082* (0.033)	-0.072* (0.034)	-0.114** (0.037)	-0.111** (0.039)	-0.123*** (0.027)	-0.120*** (0.028)
Turnover in election?	0.012 (0.007)	0.012+ (0.007)	0.004 (0.009)	0.005 (0.009)	0.003 (0.010)	0.003 (0.010)	0.022** (0.007)	0.023** (0.008)
State Capacity	-0.011** (0.004)	-0.012** (0.004)	-0.012* (0.005)	-0.013* (0.005)	-0.014* (0.005)	-0.013* (0.006)	-0.011** (0.004)	-0.012** (0.004)
State Capacity x Election	0.014** (0.005)	0.011* (0.005)	0.018** (0.006)	0.014* (0.006)	0.008 (0.007)	0.003 (0.007)	0.014** (0.005)	0.010+ (0.005)
Controls	No	Yes	No	Yes	No	Yes	No	Yes
Number of Country-Years	2,676	2,435	2,676	2,435	2,676	2,435	2,676	2,435
Number of Countries	99	97	99	97	99	97	99	97

Standard errors in parentheses. P-values: * 0.05, ** 0.01, *** 0.001.

Table 2B. The Effect of State Capacity on Turnover and Democratic Change

VARIABLES	Treatment model - Original	Treatment model - democratic change in 3 years after elections	Treatment model - democratic change polyarchy index	Treatment model - turnover head of government
	(1) Democratic change	(2) Democratic change	(3) Democratic change	(4) Democratic change
State Capacity	0.020* (0.009)	0.028** (0.010)	0.015 (0.011)	0.017+ (0.009)
Turnover in election?	0.128*** (0.016)	0.146*** (0.017)	0.110*** (0.031)	0.119*** (0.020)
	Incumbent turnover	Incumbent turnover	Incumbent turnover	Incumbent turnover
State Capacity (t-1)	-0.331* (0.135)	-0.316* (0.131)	-0.377* (0.147)	-0.346* (0.146)
Controls	Yes	Yes	Yes	Yes
Number of Elections	365	365	365	365
Number of Countries	94	94	94	94

Standard errors in parentheses. P-values: * 0.05, ** 0.01, *** 0.001.

C. Results with alternative independent variable for state capacity

Table 1C. The Effect of Elections and State Capacity on Democratic Change

VARIABLES	Combined models – original		Combined models – state authority over territory (Vdem)	
	(1) Democratic change	(2) Democratic change	(3) Democratic change	(4) Democratic change
Executive election held?	0.043*** (0.008)	0.039*** (0.008)	-0.032 (0.030)	-0.027 (0.032)
Level of democracy (t-1)	-0.147*** (0.013)	-0.190*** (0.015)	-0.145*** (0.012)	-0.185*** (0.014)
Election x Democracy	-0.118*** (0.027)	-0.115*** (0.028)	-0.129*** (0.025)	-0.120*** (0.026)
Turnover in election?	0.012 (0.007)	0.012+ (0.007)	0.013+ (0.007)	0.013+ (0.007)
State Capacity	-0.011** (0.004)	-0.012** (0.004)	-0.0001 (0.000)	-0.0002 (0.000)
State Capacity x Election	0.014** (0.005)	0.011* (0.005)	0.001* (0.000)	0.001* (0.000)
Controls	No	Yes	No	Yes
Number of Country-Years	2,676	2,435	3,048	2,700
Number of Countries	99	97	110	105

Standard errors in parentheses. P-values: * 0.05, ** 0.01, *** 0.001.

Table 2C. The Effect of State Capacity on Turnover and Democratic Change

VARIABLES	Treatment model - Original	Treatment model - state authority over territory (Vdem)
	(1) Democratic change	(2) Democratic change
State Capacity	0.020* (0.009)	0.002** (0.001)
Turnover in election ²	0.128*** (0.016)	0.143*** (0.040)
	Incumbent turnover	Incumbent turnover
State Capacity (t-1)	-0.331* (0.135)	-0.030*** (0.007)
Controls	Yes	Yes
Number of Elections	365	410
Number of Countries	94	100

Standard errors in parentheses. P-values: * 0.05, ** 0.01, *** 0.001.

Models are estimated using two-step consistent estimates.