

THE IMPACT OF MILITARY SPENDING ON DEMOCRATIC FAILURE

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Abstract:

Based on previous theories that strong militaries' coercive capacities can be used for political repression, I focus on the relationship between military spending and democratic failure. I predict that greater military funding will be associated with a higher rate of democratic backsliding. To test this hypothesis, I use data from Freedom House on democratic quality to identify cases of democratic decline. These instances are compared to levels of military spending and controls such as economic inequality, level of institutionalization, and natural resource rents that may affect the probability of democratic failure. While no relationship is established with military spending, this research strengthens support for past arguments on how economic growth and weak institutionalization can lead to democratic backsliding.

Introduction:

This research explores the effect of greater military strength on democratic backsliding. Research into this connection could inform policymakers about negative side effects of highly prioritizing the military relative to other institutions. Sudden prioritization of the military could be a warning sign for future political repression. In turn, entire democracies could be threatened by the actions of strong militaries.

Currently, prominent examples of militaries being used to suppress democratic movements have come to light. For example, in November and December of 2019, journalists have documented the killing of over 1,000 protestors in Iran by the country's military (Morello and Ryan 2019). In cases, like in Iran, where protest is directly levied at the government, well-funded militaries are able to use their military power to impose "order" on democratic movements and enforce the political will of states. Even in democracies, strong militaries can be used to suppress democratic movements and threaten established political norms. Also in December of 2019, the Indian military has been used to suppress protests surrounding an immigration bill. These forces have been filmed using tear gas and canings to disperse peaceful demonstrations (Kalita 2019). Even within such an entrenched democracy, the military is able to use its resources to repress political movements and threaten political freedom.

In light of the common use of military action for political repression, the threat of a powerful military is apparent. If a linkage between military strength and democratic failure were discovered by research, policymakers would be better informed about the consequences of highly prioritizing military funding and power.

Understanding Democratic Quality

Classically, various factors have been seen as contributing to the “building blocks of democracy” necessary for the formation and stabilization of democratic systems. These factors have included a strong civil society promoting democracy and democratic transitions (Way 2014, 36), supportive economic conditions (Geddes 1999), and strong institutions able to resist challenges to democracy (Waldner and Lust 2018). In the absence of these factors, democracies can begin to degrade in quality and backslide.

Political culture has been investigated as a factor contributing to democratic decline. Waldner and Lust note that culture can directly and indirectly shape political behavior and decision-making (2018, 98). While culture tends to remain stable over time within a country, an internal clash of differing political cultures could lead to democratic backsliding (Waldner and Lust 2018). Other scholars point to shifting values as factors promoting or hindering democracies (Ingleheart and Welzel 2005). Values that promote democracy include values such as individual liberty, diversity, and individual autonomy, while the values that hinder democracy include support for collective discipline, group conformity, and state authority (Ingleheart and Welzel 2005, 2-3). According to Ingleheart and Welzel, as self-expression values become more prominent in society, the level of tolerance and equality for minority groups increases and overall political activism increases (2005). As a whole, this shift of values results in a more accepting and open society that lends itself well to democratic systems where civil rights and liberties are protected.

Still yet, other scholars believe that the level of social capital and its distribution reinforce or hinder democracy (Putnam 1993). Depending on the level of social capital favoring the formation of democracy (Waldner and Lust 2018, 99) in the hands of citizens and the level of

elite resistance, it would be possible for citizens to affect democratic transitions and for elites to affect democratic backsliding. In this framework, “elites engineer the undermining of democracy by subterfuge” (Waldner and Lust 2018, 99) while the lower and middle classes become politically engaged to make society more democratic.

Economic factors can also lead to declines in democratic quality. Poverty and low economic growth, for example, have been associated with democratic breakdown due to the same dissatisfaction that can spark democratic transition (Londregan and Poole 1990). Scholars have also found that “...coups d’état (one facet of instability) are negatively related to *both* the level of income... *and* the rate of economic growth...” (Londregan and Poole 1990, 178). If regimes are unable to ensure a sufficient level of wealth and economic growth, the safety and stability of these ruling groups is threatened. If citizens are able to amass more wealth by some means, these economic resources can be used to directly challenge the power of the failing state.

In addition, economic inequality (in terms of income and wealth) can increase the likelihood of popular revolution (Acemoglu and Robinson 2006). Furthermore, inequality in the distribution of natural resource endowments can also threaten democracy through “secessionist movements pursuing a radical approach to decreasing (or increasing) horizontal inequality” (Ross et al. 2012, 251). This uneven distribution of wealth and resources can, according to this view, have a negative impact on democratic quality regardless of the existing level of wealth present within a society. Scholars have also pointed to the fact that “democracies will rationally tax land and the income from land at higher rates than capital”, which leads elites to negatively affect democratic quality in the pursuit of maintaining economic inequality (Acemoglu and Robinson 2006, 319). In this framework, elites resist and hinder democratization to protect their privileged political and economic status within society. At the same time, lower and middle-class

citizens are motivated to reduce economic inequality by redistributing national income after rebellion (Acemoglu and Robinson 2006, 36).

In addition, the presence and distribution of natural resource endowments can negatively impact democracies. Ross cites oil as an impetus to democracy, explaining that oil sets back democracy, especially within poor countries (2001, 356). Ross also highlights that this hindrance to democracy has an even greater effect in less-developed economies (2001, 356). Once again, unequal distributions of natural resources can also enable secessionist groups based on economic inequality (Ross et al. 2012).

Oil threatens democracy by breaking the social contract of states. Since oil and gas creates such high levels of revenue and defeats the need for taxation, "... they fail to develop the organic expectations of accountability that emerge when states make citizens pay taxes" (Diamond 2010, 98). Based on this economic structure, states with oil-based economies tend to use high levels of spending and low taxation to expand security forces. These states act to decrease the probability of democratic transition and maintain control of these valuable natural resources (Ross 2001, 356-357). In particular, this buildup of security and intelligence forces results in a powerful and engaged military (Diamond 2010, 98) that is able to suppress civil society and democratization.

Finally, scholars have examined how institutional strength and design can hinder democracy. As Haggard and Kaufman explain, weak institutions can create a security dilemma that erodes constitutional strength (2016, 133). A lack of political institutionalization results in an unstable system that is unable to withstand democratic challenges such as constitutional crises. This instability erodes democracy and constitutional strength, paving the way for executive overreach and democratic failure. When political norms begin to break down, a

democracy's "set of shared beliefs and practices that helped make... institutions work" are eroded, further leading to a decrease in democratic quality (Levitsky and Ziblatt 2018, 117).

Agent-based theories put forward have proposed that highly presidential systems with weak institutions can lead to democratic breakdown due to various implications of this institutional design. Linz (1990) highlights the dual legitimacy of the president and legislature inherent in executive systems and the problems posed by zero-sum presidential elections. Unlike the coalitions of a parliamentary system, presidents have fixed terms and are not forced to form coalitions to win elections. This "zero-sum game... raises the stakes of presidential elections and inevitably exacerbates their attendant tension and polarization" (Linz 1990, 56). As polarization becomes exacerbated within a political system, conflict can become more bitter and executives can cling to power and threaten democratic stability (Linz 1990).

If presidential executives in these systems are not subject to accountability under a constitution (Van de Walle, 2003, 310), democracy is able to be broken down by individual authoritarian executives (Fish 2001). Unsurprisingly, since presidential systems tend to have stronger executives, scholars have found that presidentialism has a negative effect on democracy's stabilization (Svolik, 2008, 155) and that parliamentary democracies have higher levels of stability due to the above flaws associated with presidential system design (Przeworski et al., 2000, 136).

Military Strength and its Impact on Democratic Quality

Intuitively, it is clear that stronger militaries may shape a country's political system since coups are often precipitated by state military actors and can topple democracy. The potential for military overthrow of democratically-elected governments is especially apparent by examining the history of Latin America. In this region alone, 162 coups occurred between 1900 and 2006

(Lehoucq and Pérez-Liñán 2013, 1109). Prominent examples, such as the 1932 and 1973 Chilean coups, employed military resources to overthrow democratically elected governments (Lehoucq and Pérez-Liñán 2013). The prevalent usage of military resources to interfere in democratic processes clearly demonstrate the potential danger of strong militaries.

The strength of a military is also tied to the coercive capacity of a state. As Cole notes, “...coercive capacity overpowers the pacifying effects of executive constraints... a large military generally increases the likelihood of internal repression” (2018, 159). As the use of coercion increases throughout a state, democratic norms are undermined and freedoms tend to be repressed. A larger military allows for an increase in the military’s relative strength and, by extension, the state’s coercive capacity. This expansion of coercive capacity is directly tied to increases in funding because the military can upsize their personnel, expand surveillance, and develop complicated weaponry (Cole 2018, 150). As the military expands in power and its capabilities increase, strong executives have the capability to repress the population with surveillance, weapons, and policing that can crush dissent. The use of internal repression facilitated by this increased coercive capacity therefore poses a significant threat to peace, stability, and democratic quality.

It stands to reason, therefore, that stronger militaries should result in a decline in democratic quality. As Clardie (2010) asserts, “...as military expenditures become a greater share of central government expenditures, the likelihood of democratic transition failure increases” in the form of transitions away from democratic forms of government (171). Clardie links military spending to greater coup risk because increasing a military’s resources directly enables it to interfere in domestic affairs in terms of the repression described above (2010, 166). Collier and Hoeffler (2007) debunk the idea that “Large defense budgets prevent coups both by

keeping the army happy and by empowering parallel security institutions to perform their coup-proofing functions” (Makara 2013, 166). In fact, they conclude that there is a lack of evidence that supports this idea throughout most of the world (2007, 20).

Even without clear transition failure, Feaver emphasizes, conflict and tension will still occur, which can undermine democratic quality (1999, 220). Since military spending does not deter coups (Collier and Hoeffler 2007) and governments have an incentive to outcompete neighboring militaries (Collier and Hoeffler 2002), countries will tend to overspend in the context of defense and further augment the potential for dangerous coercion by the state. Since increases in spending fail to neutralize threats to democratic stability and increase the potential for state coercion of citizens, democracy is directly threatened. As states increasingly have the ability to repress minority groups and undermine democratic processes, it is intuitive that regimes will be incentivized to use this newfound capacity for personal and political gain.

As I expect that high levels of military spending may decrease the likelihood of successful maintenance of democracy, increase the capacity for coercion by the state, and be promoted by powerful incentives facing regimes, I hypothesize:

Hypothesis: Greater military spending in a country is associated with a higher risk of democratic failure.

Data and Methods

To test my hypothesis, I run a country-level analysis of all countries included in Freedom House’s dataset. I limit this analysis only to countries that have been classified as free or partly free; non-democracies are dropped because they cannot decline any further in Freedom House classification. The time frame studied is 1972-2017, which data from my main variables are widely available for. Based on these criteria, 8418 country-years of data and 2026 country-level instances of democratic decline are analyzed.

Dependent Variables

To measure democracy, I use Freedom House's *Country and Territory Ratings and Statuses, 1972-2016* (Freedom House 2017). Freedom House's ratings capture political freedom in that they provide a clear indicator of the status of civil rights within the country, which tend to be targeted by repressive, nondemocratic regimes. Many different political freedoms are captured, including issues such as rule of law, the functioning of an independent judiciary, right to assembly, and freedom of speech. These measures help aggregate common political rights and freedoms in various countries, which can be used to gauge if countries are functioning as healthy democracies. Freedom House assigns each country with a designation of Not Free, Partially Free, or Free depending on the overall status of both Civil Liberties (CL) and Political Rights (PR) within the country (Freedom House 2017). In order to select cases demonstrating democratic backslide, the first dependent variable is a dichotomous measure indicating whether a country has declined in Freedom House status year-over-year. The variable is coded as 1 if a country moves from Free or Partially Free to a lower designation and 0 in all other cases. The second dependent variable is a dichotomous measure that only indicates if countries have declined from full, free democracies (coded as 2) to a lower status of Partially Free (1) or Not Free (0). Since my dependent variables are dichotomous, I employ a logistic regression.

Independent Variable

To measure country-level military spending, I use the World Bank's *Military Expenditure as a percentage of GDP* (World Bank 2018). It codes military spending as a proportion of GDP, which eliminates discrepancies between spending levels and the size of government revenue in various countries. This measure provides a clear snapshot of how much a country is prioritizing military spending relative to the size of a country's economy.

Control Variables

To account for other explanations of democratic decline, I control for economic growth and inequality, the resource curse, strength of institutionalization, and varying systems of government. To control for economic growth's impact on democratization, I use The World Bank Group's *GDP growth as an annual percentage* (World Bank 2017). It is coded as a percentage of GDP change from the previous year. In order to control for a country's overall inequality, I use The World Bank Group's *GINI Index Estimate* (World Bank 2017). This variable is coded as a percentage from a theoretic zero (complete economic equality) to one-hundred (complete economic inequality).

To control for resource curse explanations, I use The World Bank Group's *Total Natural Resource Rents as a percentage of GDP* (World Bank 2017). The variable is coded as a percentage for each year within a country. This measure captures the portion of a country's economy that is dependent on the sale of natural resources, which directly correlates with the economic dependence a country places on its resources (such as oil).

To control for the role of weak institutionalization in the breakdown of democratic legitimacy, I use The World Bank Group's *Worldwide Governance Indicators* (World Bank 2017). These variables are coded as values from -2.5 (weakest governance) to 2.5 (strongest governance). Six categories are captured by the indicators—Voice and Accountability, Political Stability, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption. I take the average of these variables for each country and year to account for discrepancies between each measure as they all capture the level of institutionalization within the country and the degree to which government effectively operates.

Finally, to address the argument that presidentialism has a negative impact on democracy, I utilize the Inter-American Development Bank's *Database of Political Institutions 2015* (Inter-American Development Bank 2017). The variables are coded under "System" with a "0" for presidential, a "1" for an assembly-elected president, and a "2" for parliamentary government. I run two separate analyses for this variable—one includes all systems of government and another omits "1" altogether to ensure that semi-presidential systems of government do not disrupt the control variable. This measure captures the political systems used within each particular country and also accounts for semi-presidential systems that could have an impact on democracy.

Results

Table 1 presents the results of my logistic regression. The significant coefficients should be interpreted so that positive coefficients are associated with *increases* in variable measures and negative coefficients with *decreases* in variable measures in the presence of democratic decline. Models 1 and 3 utilize my first dependent variable, which includes all cases of democratic decline. Models 2 and 4 utilize my second dependent variable, which only includes cases of democratic backsliding in "Free" countries to a lower Freedom House status. Models 3 and 4 lag the dependent variables by one year based on the idea that military strength ought to increase sometime after previous spending.

Table 1: Instances of democratic failure, logistic regression (1972-2017)

	Model 1	Model 2	Model 3	Model 4
Military Spending	-.023 (.059)	.036 (.084)	-.127 (.087)	-.183 (.169)
GDP Growth	-.062* (.034)	-.071 (.064)	-.025 (.036)	.030 (.073)
Economic Inequality	.010 (.020)	.040 (.033)	.010 (.020)	.037 (.035)
Natural Resource Rents	.014 (.015)	-.016 (.041)	.010 (.015)	-.036 (.040)
Good Governance	-1.018*** (.334)	-5.009*** (1.377)	-1.168*** (.351)	-6.422*** (1.621)
Democratic Systems (1)	.009 (.241)	.264 (.371)	.048 (.239)	.336 (.367)
Democratic Systems (2)	.083 (.233)	.262 (.366)	.048 (.239)	.335 (.364)
Constant	-4.496*** (.957)	-5.643*** (1.649)	-4.399*** (.980)	-5.659*** (1.852)
Observations	2026 (183)	928 (183)	2026 (183)	922 (183)
Cox & Snell R Square	.012	.057	.013	.065
-2 Log Likelihood	361.605	115.282	358.919	107.808

Note: *p < 0.10; **p < 0.05; ***p < 0.01 (two-tailed). Military Spending, GDP Growth, Economic Inequality, Natural Resource Rents, and Good Governance data have been interpolated based on a large number of gaps in available datasets.

With regard to military spending, no significant relationship is found. However, declines in democratic quality do have a significant relationship with some of the control variables. Decreased levels of GDP growth do result in democratic decline in accordance with theories of political economy. In addition, declines in good governance (a sign of weak institutionalization) are strongly associated with democratic backslide. This finding supports the idea that governance tends to be weaker in non-democracies in light of overbearing executives, corruption, lack of accountability, and weak protection of civil rights and liberties. I do not find a significant relationship for any of the other controls supported by previous research.

Conclusion: Data Issues and Possible Future Research

No significant relationship was established between military spending and democratic backslide, but this research faced considerable data issues. Data on military spending as a percentage of GDP is scarce for various countries and timeframes, which severely limited analysis. In addition, limited instances of democratic decline from “Free” democracies constricted the ability to investigate some instances of backslide. Moreover, removing country-level outliers from consideration that are democracies, but have unusually high military spending (e.g. India and the United States) may allow for a more accurate analysis of this topic. Going forward, it may be possible to remedy these issues and more deeply analyze this issue.

Data problems could be partially remedied by operationalizing military strength differently. It is possible that measures like number of military personnel by country or military spending as a percentage of government revenue would provide less spotty data and better capture a regime’s prioritization of military strength. By using a measure like spending as a percentage of government revenue, it would be clear to compare the relative importance of militaries regardless of vast differences in government revenue between countries.

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