

The International Liberal Foundations of Democratic

Emilie M. Hafner-Burton and Christina J. Schneider

Abstract

Recent years have witnessed significant democratic backsliding. Many democracies around the world experience incremental deteriorations of democratic institutions, rules, and norms resulting from the actions of duly elected governments, but we still know little about how backsliding is affected by international integration. We argue that integration of countries into the U.S.-led Liberal International Order (LIO) after the end of the Cold War has provided aspiring autocrats in office with tools, resources, and political support to pursue strategies of incremental executive aggrandizement. Our theory implies that integration has increased the likelihood of democratic backsliding, especially in regimes where anti-pluralist forces are able to capture international integration for their own purposes. We test the empirical implications of our theory with a mixed-methods approach that combines a large-n quantitative comparative analysis of democratic backsliding in 97 democracies after the Cold War with a typical case study to trace the underlying causal mechanisms of the theory. The findings indicate that international economic and political integration have had a robust positive effect on the likelihood of democratic backsliding in a broad range of contexts and that the hypothesized mechanisms are observable in the detailed case study. These findings have important implications for democracy in an integrated world.

Acknowledgements

Emilie M. Hafner-Burton (corresponding author; ehafner@ucsd.edu) is the John D. and Catherine T. MacArthur Professor of International Justice and Human Rights at the School of Global Policy and Strategy and the Department of Political Science at the University of California, San Diego, and Co-Director of the Future of Democracy Initiative at the UC Institute on Global Conflict and Cooperation.

Christina J. Schneider (corresponding author; cjschneider@ucsd.edu) is a Professor at the Department of Political Science at the University of California, San Diego and Co-Director of the Future of Democracy Initiative at the UC Institute on Global Conflict and Cooperation.

For constructive feedback, we are grateful to Andy Baker, Joan Barcelo, Austin Beacham, Furkan Benliogullari, Carew Boulding, Lawrence Broz, Christina Cottiero, Jim Fearon, Judith Goldstein, Zuhad Hai, June Jung, Joe Jupille, Amanda Kennard, In Song Kim, Jeong Hyn Kim, Yan Liu, David Lake, Andrew McLeer, Chinnu Parinandi, Andrew Philips, Inbok Rhee, Ken Schultz, Sujeong Shim, Ken Stallman, Rachel Skillman, Malika Talgatova, Eric Thai, Jesus Venzor Rojas, Wendy Wagner, Yiqing Xu, Hyunjin Yim, Rachel Yu, and the participants of seminars and workshops at the University of Colorado at Boulder, the University of Stanford, Yonsei University, and UC San Diego. We would also like to thank the UC Institute on Global Conflict and Cooperation for generous financial support.

Introduction

Recent years have witnessed significant democratic backsliding. Resulting from the actions of duly elected governments, the incremental deteriorations of democratic institutions, rules, and norms have affected democracies around the globe. The January 6, 2021 insurrection, in which an armed mob stormed the U.S. Capitol to overturn a presidential election with support from the president himself, was a hallmark moment for the United States, showing that the weakening of democracy has not only affected weakly democratic systems, but presents a formidable challenge even to formerly stable liberal democracies; including some of the oldest democracies in the world.

Given the significance of these events, an emerging body of comparative research describes and explains patterns of democratic backsliding (Bermeo 2016; Levitsky and Ziblatt 2018; Linz 1978; Waldner and Lust 2018). These studies generally look inward toward domestic political explanations including the role of social and political polarization (Cinar and Nalepa 2022; Haggard and Kaufman 2021a, 2021b; Svolik 2020), political institutions (Helmke, Kroeger, and Paine 2022), ethnic fragmentation (Rovny 2023), democratic values (Grillo and Prato 2023), and the political agency of domestic actors (Arriola, Devaro, and Meng 2021; Bartels 2023; Grumbach 2022; Mainwaring and Pérez-Liñán 2014; Vachudova 2020). This research has generated important insights to understanding the domestic drivers of democratic backsliding, but it has not considered the role of international factors.¹

We argue that, contrary to common wisdom, the integration of countries into the so-called U.S.-led Liberal International Order (LIO) has created fertile grounds for democratic backsliding. Integration creates opportunities for aspiring autocrats—political actors in democratic regimes that are only “semi-loyal” to democratic norms, values, and institutions—to pursue executive aggrandizement. Aspiring autocrats in office can materially benefit from continuous international economic and political engagement. The inflow of additional resources (through foreign aid and loans, foreign direct investment, and trade), especially, enables aspiring autocrats to increase their legitimacy, buy political support from relevant elites and citizens, and deter political opponents. At the same time, they use right-wing populist rhetoric to politicize the failures of economic integration (increasing inequality, economic crises, migration, etc.), stir anti-globalization sentiments, and delegitimize their opponents. These seemingly contradicting strategies of engaging materially and disengaging rhetorically allow aspiring autocrats to maintain a sufficient support basis on which they can expand their executive power.

¹ The few existing studies focus on the attempts of autocratic regimes to destabilize democracy elsewhere (Cooley 2015; Diamond, Plattner, and Walker 2016; Tansey 2016). A notable exception is the scholarship on the unintended negative consequences of democracy-promoting international organizations (Kelemen 2020; Meyerrose 2020).

Finally, integration into the LIO creates a political cover for aspiring autocrats because other governments, expecting that integration will foster democracy eventually, remain hesitant to criticize or sanction their partners for (seemingly minor) undemocratic behavior. Material engagement, political disengagement, and the political cover that the LIO offers enable and support aspiring autocrats in their pursuit of an incremental destruction of democratic institutions, reducing the likelihood that democratic backsliding is detected and counteracted until the damage to domestic institutions is well underway.

A large-*n* analysis of 97 liberal and electoral democracies from 1992 to 2021 demonstrates a robust positive association between international integration and democratic backsliding. Supporting our theory, the positive relationship becomes stronger when anti-pluralist forces in government prevail. Our findings are robust to different conceptualizations of democracy and democratic backsliding, alternative operationalizations of political and economic integration, placebo tests, and alternative model specifications, including an instrumental variable approach and a spatio-temporal autoregressive distributed lag model. Beyond testing the main empirical implications of our theory, we also explore the conditions under which integration can support democracy and sources of democratic resilience. Since the large-*n* analysis does not allow us to test the underlying theoretical mechanisms, we present a case study of Hungary. This typical case illustrates the processes leading to democratic backsliding in a highly integrated global economy and provides additional support for the underlying causal mechanisms that link integration to democratic backsliding.

The findings contribute to the emerging comparative literature on democratic backsliding and are also relevant to the broader theoretical debates regarding the impact of international integration on democratization, the quality of democracy, and the potential for democratic backsliding. Although much of the early work focused on the beneficial effects of international integration on democratization, the recent theoretical debate has become much more polarized.² The debate has centered on the effect of economic integration on governments' political room to maneuver, and therefore the quality of democratic representation and democracy.³ Our results indicate that even if integration increases a politician's room to maneuver, it can have detrimental effects on democracy when aspiring autocrats hold executive power.

² See, for example, Acemogly and Robinson (2006); Dahl (1999); Rudra (2005); Keohane, Macedo, and Moravcsik (2009a); Rodrik (1997, 2012); Meyerrose (2020); Milner and Mukherjee (2009).

³ For example, some authors have argued that globalization limits the ability of governments to fulfill their election promises and act responsive to their citizens (Ezrow and Hellwig 2014; Hellwig 2015; Schneider and Thomson 2023) whereas others have argued that international integration increases executive autonomy with positive effects for democracy (Keohane, Macedo, and Moravcsik 2009b).

Our findings also contribute to the debate about the effects of globalization on the rise of populist and far-right governments.⁴ Scholars have explored the public backlash to international integration and the ability of populists to politicize economic and political integration to help them win votes and get elected into office (Ballard-Rosa, Goldstein, and Rudra 2023; Broz, Frieden, and Weymouth 2021; Colantone and Stanig 2018a, 2018b; De Vries, Hobolt, and Walter 2021; Dellmuth et al. 2022a, 2022b; Farrell and Newman 2021; Galston 2017; Goldstein and Gulotty 2019; Lake, Martin, and Risse 2021; Mansfield and Rudra 2021; Milner 2021; Rodrik 2012). Our analysis builds on these important insights and follows a long tradition in comparative politics emphasizing that political elite actors rather than structural conditions decide the fate of democracy (Bartels 2023; Bermeo 2016; Linz 1978; Mainwaring and Pérez-Liñán 2014). While these works suggest that integration into the LIO may propel aspiring autocrats into power in the first place (a possibility we address empirically later), we highlight how aspiring autocrats, once in office, can deliberately utilize their integration into the LIO to pursue strategies of executive aggrandizement with debilitating effects for democracy. With this, we provide new evidence on how anti-liberal political forces can bring about democratic backsliding using key features of international integration.

⁴ For a summary of this literature, see Walter (2021); Norris and Inglehart (2019); and Mansfield, Milner, and Rudra (2021).

The End of the Cold War as Triumph of Democracy?

Since World War II, the United States has aimed to contribute to peace and security by promoting a LIO.⁵ At its core were efforts to spread economic and political liberalization using strategies and tools including the promotion of democratic elections and norms of good governance, participation in international organizations (IO), and economic and financial integration. For many, the end of the Cold War marked the triumph of liberalism over its communist competitors (Fukuyama 1992). Existing and newly independent states around the world looked West, renounced communism and totalitarianism, and embraced political and economic liberalization. Democracies and autocracies alike became integrated into this U.S.-led LIO.⁶

Western leaders hoped that if they encouraged their integration into the global economic and multilateral system, more regimes would be incentivized to implement meaningful reforms that would lead them on the path of democratization and further stabilize democracy. But even though the end of the Cold War saw an unprecedented wave of democratization around the world, democracy did not triumph. On the contrary, democracy as a system of governance and a social principle is under the gravest threat since the 1930s. Figure 1 graphs the number of events in which regimes experienced a period of substantial and sustained decline in the quality of democratic institutions (democratic backsliding, dashed line) versus a substantial and sustained increase in the quality of democratic institutions (democratization, solid line).⁷ The end of the Cold War witnessed a significant increase in the number of countries with improvements in democratic quality. But at the same time, democratic and hybrid regimes became more likely to experience democratic backsliding.⁸

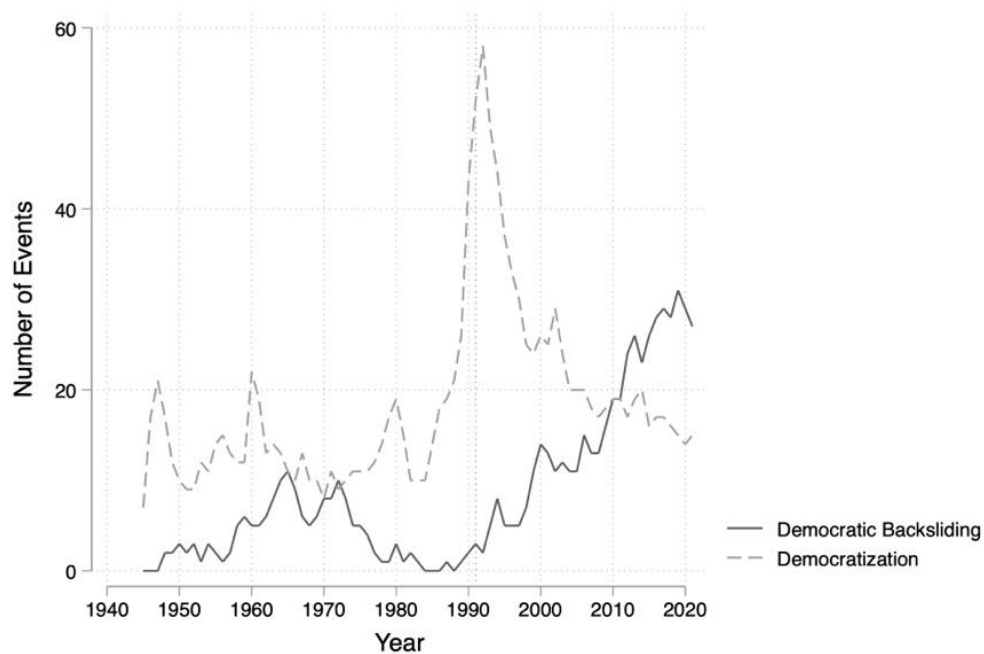
⁵ For a recent discussion of the LIO and its challenges see the 75th Anniversary Special Issue of International Organization (Lake, Martin, and Risse 2021).

⁶ Appendix A illustrates the declining gap between autocracies and democracies in terms of international integration after the end of the Cold War.

⁷ The trends are generated using data on democratization and autocratization events coded for a sample of democracies and hybrid regimes using data from Lührmann and Lindberg (2019). We will later discuss the measurement in greater detail. Trends in democratic backsliding are similar if we only consider full democracies and if we account for the number of countries in each category (figures available by request).

⁸ As we will show in our empirical analysis, those trends are not only driven by newly democratized regimes or low-income democracies, but affect stable, rich liberal democracies as well.

Figure 1. Democratization and Democratic Backsliding, 1945–2021. Source: Lührmann and Lindberg (2019).



The trends toward democratic backsliding, while accelerating after the global financial crisis in the 2010s, became apparent after the end of the Cold War. Below we argue that integration into the LIO, supposedly to promote democracy, has provided political actors with anti-pluralist aspirations with opportunities, resources, and support to weaken democracy from within. Anti-pluralist parties espouse four characteristics that undermine the very foundations of classical pluralist democracy (Linz 1978): the refusal to respect the democratic process as the legitimate and legal channel for securing political power; the refusal to acknowledge the legitimacy of justifiable rival parties and opponents; the use or tolerance of political violence and willingness to violate the physical integrity of rivals and opponents; and the willingness to curb the civil and political liberties of minority populations.

Figure 2. Anti-pluralism in Governments. Source: Lührmann, Medzihorsky, and Lindberg (2021).



Figure 2 demonstrates that democratic countries are increasingly governed by illiberal (or anti-plural) political parties. Although the end of the Cold War saw an initial drop in anti-pluralism in government parties, anti-pluralism has been on the rise especially since the late 1990s.⁹ The rise in anti-pluralism presents an important foundation for our argument. In the next section, we outline this argument with a focus on how international integration has facilitated democratic backsliding.

⁹ Appendix B illustrates that anti-pluralist parties increasingly govern in electoral and liberal democracies.

Theoretical Argument

Democratic backsliding is characterized by an incremental erosion of institutions, rules, and norms that result from the actions of duly elected governments seeking executive aggrandizement (Haggard and Kaufman 2021b, 27). Our theoretical argument follows existing work on democratic backsliding and centers around the incentives and actions of political leaders in government. We are particularly interested in how international integration has enabled political leaders with autocratic (anti-pluralist) tendencies who come to power through legitimate democratic elections but then turn to attack democratic norms and institutions from within, usually to increase executive autonomy.

We argue that the integration of regimes into the LIO has increased the opportunities for aspiring autocrats to pursue democratic backsliding through three key mechanisms. First, the integration into the LIO provides opportunities for aspiring autocrats in government to eliminate the political opposition and to build a support coalition, both from economic elites and the public, through greater access to material resources. As they integrate into the LIO, aspiring autocrats receive economic access to some of the biggest economies in the world. Many countries that turned away from communism and transitioned to democracy after the end of the Cold War experienced significant increases in foreign aid and other capital flows from Western donors, international development organizations, and foreign investors. Foreign direct investment and trade also have brought significant benefits to many economies that integrated into the Western order. Once in office, aspiring autocrats can use economic successes to uneven the electoral playing field: They claim credit for their performance and use material support to buy votes and eliminate the political opposition (either through paying them off or using financial resources to eliminate them forcefully). These strategies not only lead to an erosion of horizontal and vertical accountability; they also make it more likely for aspiring autocrats to stay in power even as they pursue other democracy-eroding policies.

Second, even though integrated aspiring autocrats should have little appetite to disengage from the LIO materially due to its economic benefits, integration offers opportunities to politicize the failures of the LIO to their political advantages—a form of rhetorical disengagement. As their countries integrated into the global economy and IOs, aspiring autocrats have become able to blame globalization and IOs for bad domestic policy outcomes. The politicization of the LIO has been aided by significant failures of the LIO, as signified by increasing economic inequality and the global financial crises. But beyond, aspiring autocrats can use anti-globalization and anti-IO rhetoric to mobilize voters against mainstream political parties who tend to support the LIO. Using anti-pluralist (oftentimes populist) rhetoric and linking the LIO to concerns about open

borders, migration, and protectionism, aspiring autocrats in integrated democracies can mobilize voters, increase political support for themselves, and deepen public support for more authoritarian values and practices. A flourishing scholarship on right-wing populism already provides evidence that this has facilitated the rise of those parties into power. More important for the purpose of our argument, however, is that the same way it facilitates their rise to power, rhetorical disengagement with the LIO allows political parties in executive power to maintain a political support base despite pursuing undemocratic policies and even to drum up support for changes in domestic institutions and norms that ultimately undermine democracy.

Third, even if internal and external actors observe executive aggrandizement, aspiring autocrats' continued engagement with the LIO, at least materially, provides them with political cover against potential sanctions for actions that undermine democracy. The failure of meaningful opposition against democratic backsliding is a consequence of the challenges actors face in detecting incremental challenges to democratic institutions. Rather than resorting to overt means of old-school authoritarianism such as repression or coups, aspiring autocrats have learned that it is much more effective to mimic democratic practices and employ more subtle tools to promote executive aggrandizement (Gurieva and Treisman 2022). Aspiring autocrats use those tools to engineer the electoral playing field and to minimize the ability of the legislature or judicial branch to effectively engage in democratic oversight.¹⁰ With unfair elections and politically stacked or toothless legislatures and judiciaries, aspiring autocrats can allow for elections and the existence of different branches of governments to claim they support democratic norms and institutions without fearing the loss of power. Like in the metaphor of the frog heating up in water, these covert tactics have made it very difficult for the public, civil society, or political opposition to detect that democracy eroded until it is well underway. Integration is likely to offer even more leeway to aspiring autocrats to pursue incremental erosion of democratic institutions and norms.

Western powers, in their belief that integration would ultimately lead to democratic consolidation, are prone to interpret these actions more liberally and shy away from sanctioning regimes that seemingly want to be part of the order. They want buy-in from countries on the brink. Rather than chastise these regimes, Western countries have incentives to funnel more resources to support liberalization and counter anti-pluralism. They try to maintain a degree of integrated diplomacy with potentially backsliding regimes through, among other things, the many shared linkages within the foundational IOs that buttress the LIO.

¹⁰ The tactics are countless and include, for example, gerrymandering, assigning political allies to key positions in the judiciary or bureaucracy, libel suits against political opponents, judicial review to consolidate power, or the consolidation of media power amongst political supporters.

In sum, there are strong theoretical arguments to suppose that *the integration of countries into the Liberal International Order has increased the likelihood of democratic backsliding events, especially when political parties in executive power espouse anti-pluralist values.*

Research Design

To examine the empirical implications of our theoretical argument, we analyze data on democratic backsliding events in 97 liberal and electoral democracies in the post-Cold War era. We measure *Democratic Backsliding* as a period of substantial and sustained decreases on V-Dem's Electoral Democracy Index (EDI). *Democratic Backsliding* is coded as 1 if the country experiences an initial 0.01 decrease on the EDI and a total decrease of at least -0.10 throughout the entire backsliding episode. A backsliding episode ends the final year of a negative change less than or equal to the initial decrease, prior to experiencing an annual increase, cumulative increase, or stasis period. Data are from Lührmann and Lindberg (2019).

Scholars debate how significant the reduction in democratic quality has to be in order to signify democratic backsliding (Jee, Lueders, and Myrick 2022).¹¹ Whereas some consider any negative change in democratic quality as democratic backsliding, others argue that democratic backsliding requires a categorical change in regime type such as from liberal democracy to electoral democracy, or from electoral democracy to electoral autocracy (Haggard and Kaufman 2021a, 2021b; Rovny 2023; Waldner and Lust 2018). Our measure accounts for significant changes in democratic quality without requiring categorical change in regime type. This strategy is appropriate to capture the incremental decline in democratic quality that has occurred in many democratic regimes since the end of the Cold War. However, we show in Appendix I that our main results are robust to more conservative operationalizations that focus on democratic regime change or democratic breakdown.

Our theoretical argument supposes that integration into the LIO has facilitated democratic backsliding after the end of the Cold War, especially if political parties in executive government aspire to pursue executive aggrandizement. Integration into the LIO generally implies that countries have pursued international economic and political liberalization through open-market policies and membership in IOs. We operationalize this multidimensional concept in different ways. Our main analyses focus on the

¹¹ In addition, some work has pointed to a potential bias induced in expert surveys that can lead to an artificial overestimation about the extent of global trends in democratic backsliding (Little and Meng 2023).

economic dimension of integration. We measure *Economic Integration* using the authoritative KOF Economic Globalization Index, which is an annual weighted aggregation of information on *de facto* and *de jure* trade and financial globalization, including trade in goods and services, trade regulations, tariffs and agreements, financial direct investment, investment restrictions, and capital account openness (Dreher 2006).

This index has been validated and widely used in the literature and is the most appropriate index to use given our theory's focus on the economic dimension of integration. In addition, *Economic Integration* also captures membership in many IOs that are central to the LIO, such as the World Trade Organization, the European Union, or the International Monetary Fund (IMF), as those organizations generally try to advance economic integration and democracy. Our sample includes countries that have varied widely on their economic integration, and we find variation both across countries and over time. In Appendix E, we show that the results are robust when analyzing *Political Integration* as a more separate concept, by counting the number of a country's IO memberships. Data are from Pevehouse et al. (2019).

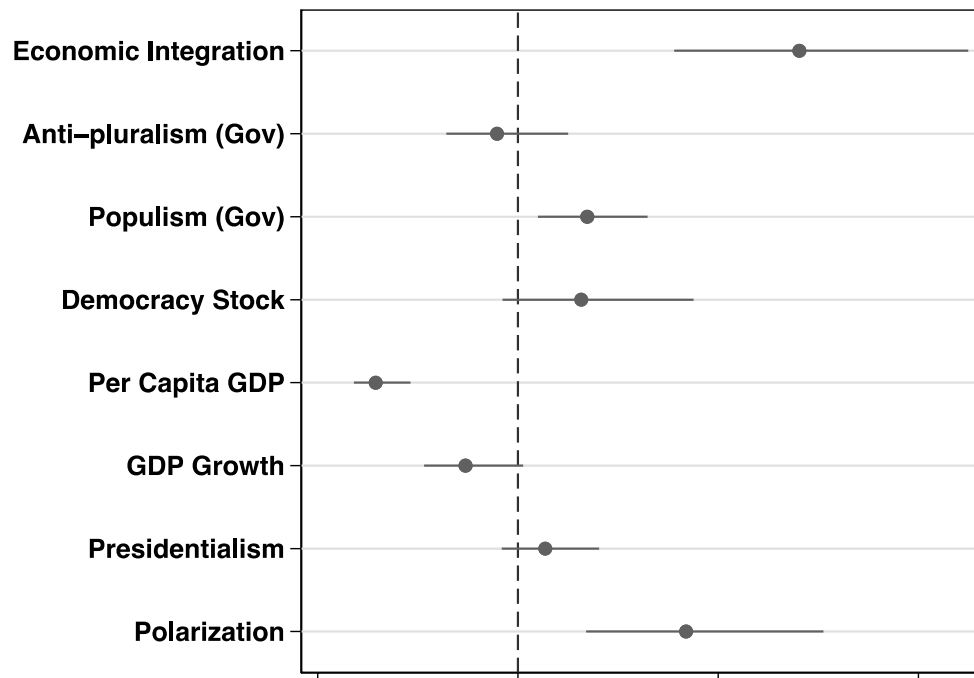
According to our theory, the effect of *Economic Integration* on *Democratic Backsliding* should be more severe when the executive government espouses anti-pluralist sentiments. We test this proposition using an interaction between *Economic integration* and *Anti-pluralism (Gov)*. We measure *Anti-pluralism (Gov)* as the average anti-pluralism index of political parties that are members of the government coalition or formally support the government coalition.¹² Data are from the V-Party data set (Lindberg et al. 2022)

¹² The findings are robust to excluding the score of political parties that formally support the government.

Comparative Analysis

Since *Democratic Backsliding* is a binary variable, we estimate generalized linear models with a logit link function, robust standard errors, and cubic splines. The exponentiated coefficients from the model depicted in Figure 3 summarize the effects of a range of explanatory variables that have been examined in previous studies of democratic backsliding. For ease of interpretation, we standardized all explanatory variables to a mean of 0 and standard deviation of 1. We describe the operationalization of the variables and present descriptive statistics in Appendix C. The details of this model with numerical estimates are reported in Appendix D.

Figure 3. The Effect of Economic Integration on Democratic Backsliding.

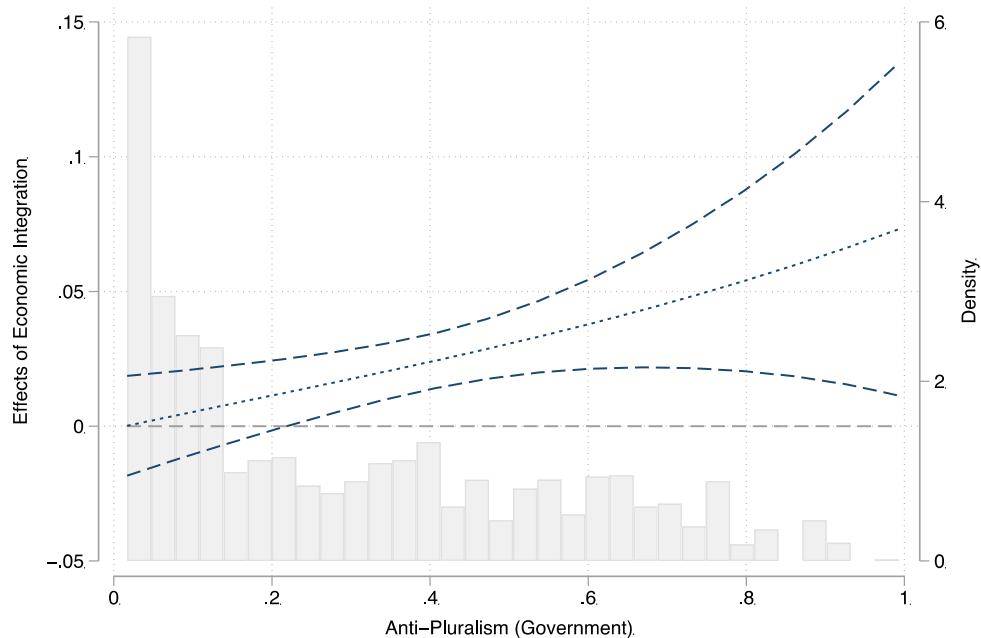


Notes: Graph presents odds ratios with 90 percent confidence intervals. All explanatory variables are standardized. Cubic splines omitted.

Economic integration has a strong and robust positive association with the likelihood of democratic backsliding. A one standard deviation increase in economic integration more than doubles the odds of democratic backsliding. The effect size is comparable to the effects of polarization, which also has a significant positive association with democratic backsliding. In addition, we find that democratic backsliding is more likely as governments become more populist, in less developed countries, or countries that experience economic recessions. The effects of the remaining control variables are not significant at conventional levels.

Our theory predicts that the effect of integration into the LIO should be more pronounced when countries are governed by political parties that espouse anti-pluralist values. To test this hypothesis, we estimate the main model but include an interaction between *Economic Integration* and *Anti-pluralism (Gov)*. Figure 4 illustrates the marginal effects (full numerical results in Appendix D).

Figure 4. The Effect of Integration on Democratic Backsliding for different levels of *Anti-pluralism (Gov)*.



The results in Figure 4 offer support for our argument that the effect of integration is conditional on the level of anti-pluralism in the government. *Economic Integration* has a significant effect when, on average, government parties' anti-pluralism score is greater than 0.22. Anti-pluralist parties are more likely to exploit economic integration to pursue executive aggrandizement. For these groups of elites, integration into the LIO has been effective in eroding democracy.

Robustness Checks and Empirical Extensions

We have taken substantial measures to validate the robustness of our findings, which we report in the supplementary information. First, there is related literature on populism that sometimes treats populist parties as a direct threat to democracy (Galston 2017; Norris and Inglehart 2019). Populism tends to espouse a people-centric, anti-elite antagonism between the righteous and the corrupt (Rooduijn 2014). As such,

populism is not inherently anti-democratic. To evaluate whether the effect of integration on backsliding is heightened when populists are in power, we substitute our measure of anti-pluralism for populist rule using the V-Party data set measure on populism (Lindberg et al. 2022). The variable uses a narrow definition of populism, which does not include anti-pluralist rhetoric. The results in Appendix D suggest that more populist governments are no more or less likely to use economic integration to promote democratic backsliding: The conditional effect is insignificant. This indicates that populist parties are only likely to use integration to advance backsliding if they have autocratic aspirations. At the same time, we show that the results are robust to using an alternative operationalization of aspiring autocrats, which is based on the notion that personalistic leaders have autocratic aspirations (Frantz et al. 2021, 2022).

One might be concerned that the success of anti-pluralist parties is at least in part driven by the integration into the LIO and that the effect of *Economic Integration* works through the political rise of anti-pluralist governments. To probe this possibility, we estimate models that predict government anti-pluralism using a range of explanatory variables including *Economic Integration*. We then use the predicted values of *Anti-pluralism (Gov)* in our main models for democratic erosion. Appendix D shows that the effects of *Economic Integration* are robust to accounting for the possibility that integration can facilitate the rise of anti-pluralist governments in the first place.

Appendix E reports analyses that replace *Economic Integration* with the number of *Political Integration* as a measure for political integration. *Political Integration* has a positive and significant association with democratic backsliding, which is robust to including *Economic Integration*. Since an increasing number of IOs is governed by a majority autocratic membership (Cottiero and Haggard 2021), we also estimate models that include a variable with the count of authoritarian regional organizations (AIO). AIO membership does not correlate with democratic backsliding, but notably, the effect of political integration is robust to accounting for authoritarian IOs. We also estimate models that use the *de facto* measure for economic integration, as well as the trade and finance KOF indexes separately. The results are robust.

Appendix F further replaces *Economic Integration* with a five-year average of *Economic Integration*, as well as the first and second lag of *Economic Integration*. We also estimate models that lag all explanatory variables. Since the effect of economic integration on democratic backsliding might be driven by observations with medium levels of economic integration, we estimate a possible non-linear effect. We find that the effect of *Economic Integration* becomes marginally weaker at high levels of integration but is substantively large and significant throughout.

We were concerned that democratic backsliding after the end of the Cold War could be primarily driven by democracies with weaker democratic foundations. For example, newly democratized countries could lack the democratic stock of stabilized democracies to withstand the pressures of integration. Similarly, many of the new democracies were economically much poorer and backsliding could be a consequence of economic conditions. In Appendix G, we estimate our main model separately for the sample of high-income countries and medium- and low-income countries. In addition, we estimate our model for a sample of countries that have relatively deep democratic stock (we reduce the sample to observations that have a democratic stock above the 50th and the 75th sample percentile). *Economic Integration* is significantly associated with democratic backsliding across all those models.

We further probe the robustness of our results to including country and region fixed effects and to estimating a more parsimonious ordinary least square model. We also use an instrumental variable approach to deal with the potential endogenous nature of *Economic Integration*. Finally, we estimate a spatio-temporal autoregressive distributed lag model (Cook, Hays, and Franzese 2023). Appendix H presents a discussion of the specifications and the results, which are robust to our main specification.

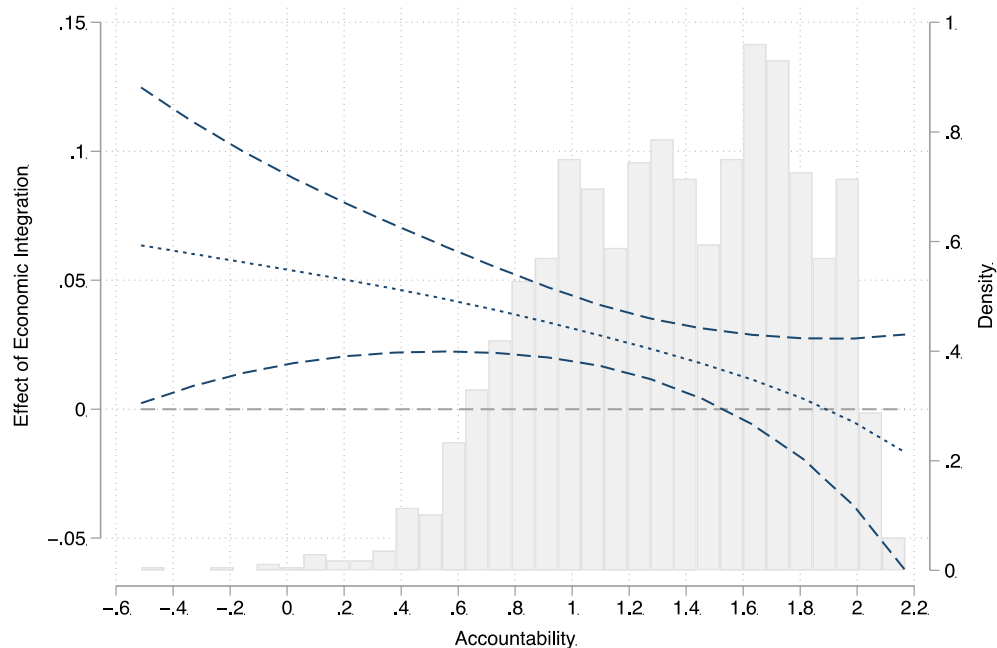
In Appendix I, we analyze whether a more conservative threshold for democratic backsliding changes our results. We measure backsliding as 1 if it is associated with a change in regime type. Additionally, we use a measure of democratic breakdown. The results do not change. We also conduct a placebo check and analyze whether integration influences the likelihood of democratization after the end of the Cold War. As expected, we find that *Economic Integration* is not significantly likely to support democratization. Finally, we analyze whether the results hold if we either include electoral autocracies, some of which had been considered democracies well into the 2000s, or only include liberal democracies. The results are robust to those changes.

A possible alternative explanation is that countries that are of greater geopolitical importance to the United States are more likely to be integrated into the LIO and more likely to experience democratic backsliding. In Appendix J we include variables that capture geopolitical interests of the United States, China, and Russia without changing our main results.

Sources of Democratic Resilience

Overall, the findings of our quantitative comparative analysis offer strong and robust support for the argument that integration into the LIO has had detrimental effects for democracy after the end of the Cold War. Integration into the LIO has enabled aspiring autocrats to implement policy changes that lead to the incremental erosion of democratic institutions. But are there sources of resilience to these eroding pressures? While a full-blown analysis of resilience is beyond the scope of this paper, we do explore sources of democratic resilience by analyzing whether countries that have higher-quality accountability mechanisms are more resilient to integration-driven democratic backsliding. We interact *Economic Integration* with a measure of democratic *Accountability*. *Accountability* is a composite measure of vertical, horizontal, and diagonal accountability (Lührmann, Marquardt, and Mechkova 2020). To address concerns that accountability is driven by democratic backsliding events, we measure *Accountability* as a three-year moving average of the first three lags of *Accountability*. We present the results on the composite measure in Figure 5. The full numerical results as well as results for each dimension of accountability are presented in Appendix I.

Figure 5. Quality of Democracy and the Effects of Economic Integration on Democratic Backsliding



The effect of *Economic Integration* on democratic backsliding indeed declines as countries have stronger democratic accountability that can counter efforts at erosion, supporting earlier work on the importance of strength of institutions for democratic resilience (Boese et al. 2021).

The Liberal Foundations of Democratic Backsliding in Hungary

We complement the quantitative analysis with a qualitative analysis of the mechanisms that underlie the relationship between integration and democratic backsliding. We examine how the prime minister of Hungary, Victor Orbán, expanded his executive autonomy vis-à-vis the legislature and judicial branches of government. His actions and policies led Hungary to experience significant democratic backsliding from a consolidated liberal democracy to a hybrid regime. This is a typical case as described by Gerring (2008), in that it is typical of the relationship between integration into the LIO and democratic backsliding. However, while a growing body of literature calls attention to Hungary as a case of democratic backsliding, our contribution is to explore the specific role that Hungary's integration into the LIO has played in the process of erosion.

The dissolution of the Soviet Union marked the beginning of a dramatic integration of Hungary into the LIO (see Figure 7). With support from the West, the country rigorously pursued pro-Western policies, pushing toward political and economic liberalization. By the mid-1990s, the country was officially considered a consolidated liberal democracy and a poster child for post-communist economic integration. After initial economic turbulences, the Socialist leadership entered into an IMF agreement and adopted a stringent austerity program coupled with significant structural policy changes. The consequence was the restructuring and liberalization of the banking sector to foreign owners, which helped create the foundation for Hungary's economic growth (Bartlett 1997; Johnson and Barnes 2015). By the time Orbán's political party Fidesz won the elections in 2010, Hungary ranked in the 90th percentile in terms of economic integration, just below countries such as The Netherlands, Belgium, Luxembourg, Malta, and Singapore. In 2004, it had become an official member of the European Union.

The early euphoria did not last. Even though the country remains highly integrated economically, it has experienced dramatic democratic backsliding since 2010 (see Figure 7). Prime Minister Orbán's government passed a new constitution and numerous rules and statutes to expand executive autonomy, limit liberal democratic competition, and reduce fundamental freedoms. To increase its executive autonomy, the government passed laws that weakened the judiciary and the constitutional court, seized control over key institutions (mostly by packing them with loyalists), and changed electoral laws to uneven the electoral playing field. By 2019, the country had officially lost its status as a democracy and was downgraded to an electoral autocracy.

Figure 6. Economic Integration of Hungary, 1990–2020

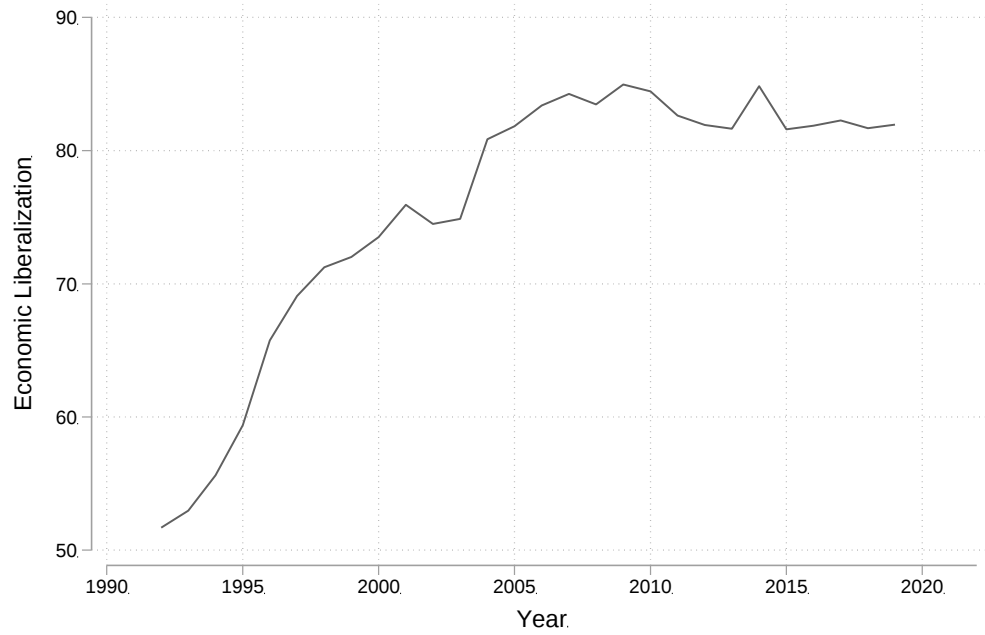
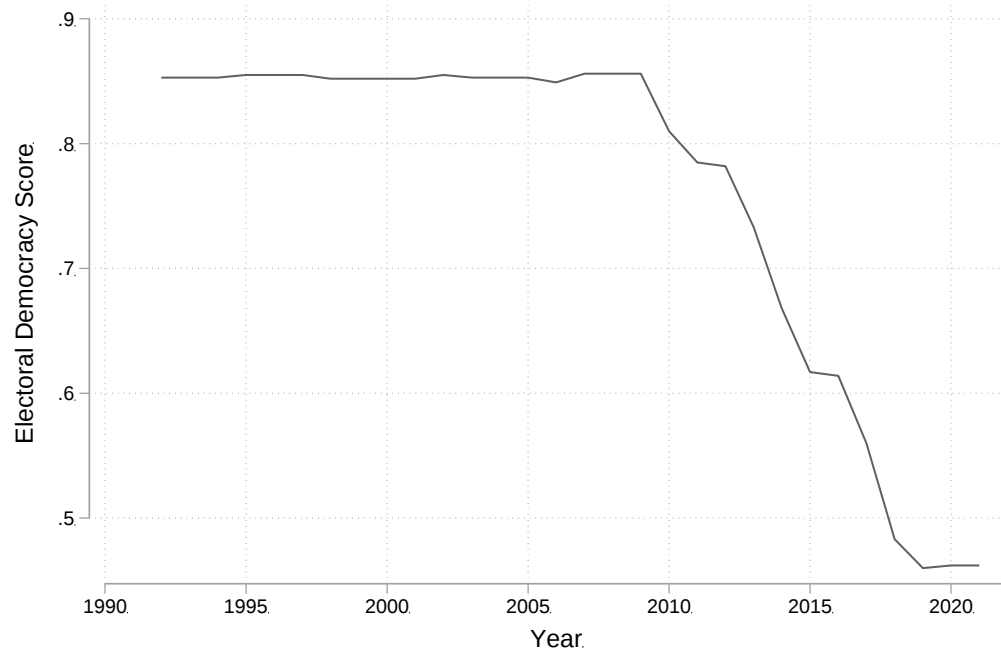


Figure 7. Democratic Backsliding in Hungary, 1990–2020



Because Hungary was highly integrated into the LIO and it experienced democratic backsliding, we expect to observe the theoretical mechanisms underlying our argument. To trace the underlying causal mechanisms, we rely on a range of secondary sources (including academic studies and newspaper articles) and primary archival materials (such as election manifestos, consultation reports, and government communications). Our analysis indicates that all three mechanisms played a central role in allowing Orbán to expand his executive autonomy significantly.¹³

Material Engagement with LIO

Hungary was one of the first countries to pursue political and economic liberalization after the end of the Cold War. The country was a poster child for the success of liberalization in Central and Eastern Europe (Linz and Stepan 1996). The efforts were successful to attract large inflows of foreign direct investment and foreign aid, and it also led to the European Union’s decision to name Hungary as one of five leading applicant states that were expected to have an early shot at E.U. membership (Plümper, Schneider, and Troeger 2006). Foreign direct investment increased from almost nothing to over 70 percent of GDP in the late 2000s (UNCTAD 2019) and the country rapidly expanded its trade relationships with the West. German carmakers alone provided direct employment to almost 50,000 employees, generating about 2.5 percent of Hungary’s GDP (Shehadi 2021). Since 1993, Audi has made investments of more than EUR 11.5 billion in its Hungarian production facilities (Than and Szakacs 2023). Before becoming an E.U. member state, Hungary was a major recipient of international foreign aid as well as E.U. accession support. E.U. membership in 2004 gave Hungary access to a variety of material support, including the European Structural and Investment Funds.¹⁴ Between 2014 and 2020, E.U. spending accounted for about 3.43 percent of Hungary’s gross national income (Kelemen 2020), which allowed Hungary to invest in a number of infrastructure and other projects at the domestic level. With this level of support, Hungary was able to finance its public investments almost exclusively with E.U. money (Keszthelyi 2017). Economic and political liberalization supported economic growth and provided significant resources to the government.

The European Union was not the only source of material engagement. Alongside support from Europe was the United States, with investments in Hungary sustaining more than 100,000 local jobs. Through foreign military financing, military education and training, and other capacity-building endowments, the United States provided support to Hungary’s defense forces and still “promotes the continued development of a flexible, sustainable, and interoperable Hungarian military” (U.S. Department of State 2021).

¹³ For a summary of other determinants of backsliding in Hungary, see Scheiring (2020).

¹⁴ E.U. membership also provided a seal of approval and helped Hungary attract additional foreign direct investment and loans.

Hungary also benefitted from its membership in numerous other IOs that were foundational to the development of the LIO, including North Atlantic Treaty Organization, the Euro-Atlantic Partnership Council, the Organization for Security and Co-operation in Europe, the Organisation for Economic Co-operation and Development, the IMF, World Bank, and the World Trade Organization.

The material benefits from Hungary's pro-Western integration policies accrued early on, but it was not until Orbán came into office that these resources were used strategically to undermine democracy. The Socialist government, which was in power until 2010, had followed policies that focused on supporting foreign ownership of national banks and companies and supporting transnational companies. By 2010, transnational companies made up about 68 percent of production in manufacturing and 68 percent of the value added in the banking sector.¹⁵ Orbán used the material benefits the LIO provided to further his political goals. First, he departed from the Socialist strategy and started building and supporting national rather than transnational companies (Scheiring 2020).¹⁶ An important vehicle was public procurements, mostly funded by the European Union, to support not only close political allies and his own family members (Kelemen 2017, 2020), but a much broader pool of national economic elites (Scheiring 2020; 2021). To smooth this process, he placed key economic and political allies in ministries responsible for the redistribution of external funds. Orbán also increased the value-added of national companies in the finance and other sectors through privatization and nationalization. And he pursued tax and austerity policies that were geared toward benefitting the very same economic elites, typically the top 20 percent of income earners (Toth and Virovacz 2013).¹⁷

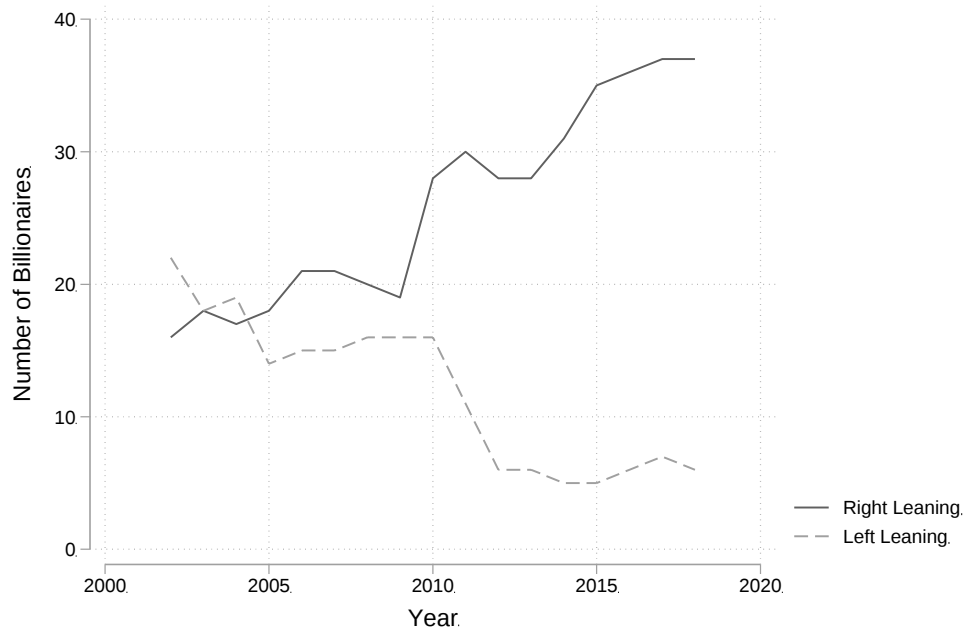
These policies, and the foreign resources that made those policies possible, led to a significant increase in economic inequality and increased the losses of the very group of low-income voters that had elected him to office in the first place. But they also allowed Orbán to groom a cadre of rich economic elites that supported him in power. Figure 8 illustrates the increasing support Orbán enjoyed amongst rich economic elites. Whereas the national economic elites still favored the Socialist Party in 2009, Hungarian billionaires have increasingly been right-leaning after the 2010 election.

¹⁵ Data from the Hungarian Statistical Office.

¹⁶ However, it is important to note that he also made sure to keep the support of key transnational companies, including German car manufacturers, by signing Strategic Partnership Agreements (Bartha 2016).

¹⁷ Orbán introduced a flat tax, tax reliefs for national corporations, and used austerity policies to redistribute wealth to the high-income class.

Figure 8. Number of Ideologically Leaning Billionaires. Source: Scheiring 2020.



These billionaires presented an important foundation of political support for Orbán. Their campaign contributions helped Orbán to continuously outspend the opposition during election campaigns, usually by a factor of ten (Erdelyi 2018). Economic elites also played a role in Orbán’s power consolidation by (i) providing the necessary financial resources that Orbán could use to pursue clientelistic strategies in election campaigns (Mares and Young 2019),¹⁸ (ii) buying up and running the right-wing media (Wilkin 2016),¹⁹ and (iii) funding loyal “civil society groups” organized from above to work in the government’s favor (Scheiring 2020). Aside from directly supporting Orbán’s quest to win increasingly unfair elections, they also actively supported policies that attacked democratic norms and institutions. One of the most infamous examples is Orbán’s decision to curtail the authority of the Constitutional Court because of legal complaints by individuals that were negatively affected by the nationalization measures and the flat tax that favored the economic elite. To protect their economic gains, economic elites supported Orbán’s policies that led to a significant erosion of the quality of judicial oversight.

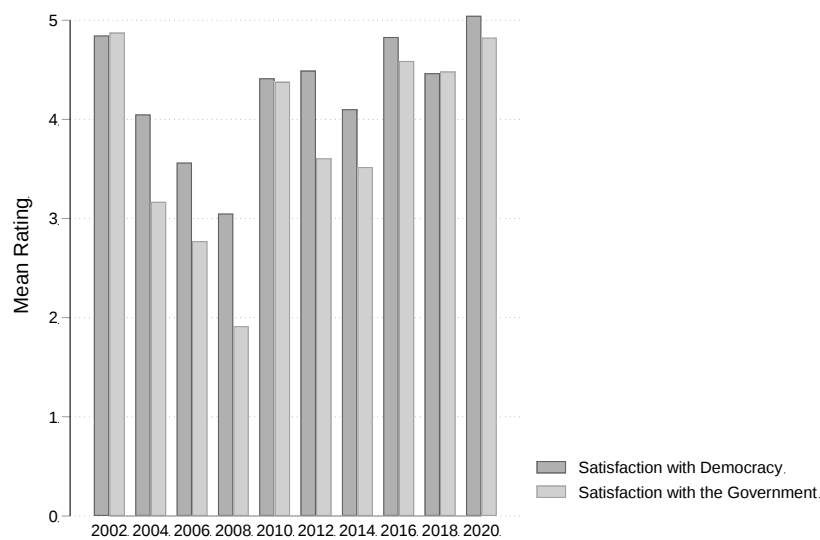
¹⁸ An investigative report provides an illustration of how the E.U. fraud scheme works (Dariusz 2020).

¹⁹ This was facilitated by foreign investors selling their interests in Hungarian companies, including local newspapers and news sites, to buyers with close ties to Fidesz (Panyi 2021).

Rhetorical Disengagement

The (mis)use of material resources made available through the integration into the LIO allowed Orbán to build an economic elite that supported him through elections and allowed him to increase his executive autonomy vis-à-vis the legislative and judicial branches. At the same time, he kept his political support base. Despite pursuing policies that increased economic inequality and reduced support for the poorest segments of society he won reelection repeatedly. Figure 10 demonstrates that satisfaction with the government and the way democracy works increased when the Fidesz government came into power in 2010 and remained stable (with a slight increase in 2020) since then.

Figure 9. Public Opinion in Hungary, 2002–2020



Of course, his reelection success results at least in part from democratic backsliding. Orbán immediately implemented policies that biased electoral results. But this does not explain why Orbán remained popular amongst Hungarians. These patterns are less puzzling when considered through the lens of our theory. As we discussed, Orbán was able to use foreign financial resources to increase electoral support through clientelism and many foreign investment projects were strategically located in pro-Orbán districts (Shehadi 2021). Improvements in international economic conditions and E.U. financial support also led to more favorable economic conditions at home (Scheiring 2020), thereby leading to a decline in unemployment and growth in wages. Central with respect to our theoretical mechanisms, we find support that Orbán used Hungary's integration into the LIO and politicized it as a strategy to maintain public support. Even though Orbán campaigned on a Eurosceptic platform in 2010, it was not until after he got into power that his speech radicalized toward supporting the idea of an "illiberal

democracy.”²⁰ Relying on authoritarian populist rhetoric that was geared to increase anti-globalization and Eurosceptic sentiments as well as fear of migration, Orbán portrayed himself as the protector of the vulnerable working class (Vachudova 2020). The European migration crisis in 2015, especially, helped Orbán politicize migration to highlight the failures of the European Union and globalization and to present himself as the only viable political option. As a consequence of his anti-migration campaigns, public support for migration significantly decreased especially amongst his supporters (Bartels 2023, 107–8). His explicit rhetorical disengagement helped him sustain significant public support despite the economic burdens he had placed on the very same segments of Hungarian society.

A Political Cover

It is not only the public that remained supportive of the Fidesz government despite significant democratic backsliding. For the longest time, the regime did not face significant international backlash for the policies that blatantly violated democratic norms. Why did democracy promoters refrain from more coercive action that could have prevented democratic backsliding in Hungary? Article 7 of the Treaty on European Union provided the legal foundation for the European Union to sanction members that were found to breach these values seriously and persistently. Our analysis of the Hungarian case indicates that the integration into the LIO was indeed an important contributing factor to explaining the lack of a more forceful opposition to Orbán’s anti-plural policies.

On one hand, Orbán had learned to use the new autocrat’s toolkit to perfection. Rather than using explicitly autocratic coercive and repressive actions, his policies chipped away from democratic norms and institutions bit by bit. Each assault was not outrageous enough to get Western powers to act. Even though there was concern about backsliding in Hungary, many political elites were socialized into the belief that it was the integration into the LIO and E.U. membership conditionality that led to democratization in Hungary in the first place, and there was a common belief that integration was necessary to keep Hungary democratic. The concern was that sanctioning Hungary or excluding it from the European Union and other material benefits would almost certainly push Hungary down the road of authoritarianism (Wyatt 2022).

²⁰ Bartels (2023, 195–96) even claims that populism did not play a dominant role in the 2010 election outcome.

This view became especially apparent when the European Parliament's European People's Party (EPP) group, of which Fidesz was a member, believed, incorrectly, that they could keep Orbán in the fold and his abuses of democracy in check (Bayer 2020; Knight 2017). The EPP became an important political ally that worked tirelessly against any support to impose E.U. sanctions on Hungary (Kelemen 2017, 2020). Given that backsliding in Hungary could be interpreted as not egregious and reversible, dealing with an "illiberal democracy" within the LIO seemed preferable to dealing with an illiberal autocracy within Europe but outside the LIO. As Benedek Javor, a member of parliament from the Hungarian opposition Party, Hungary Party, noted about the German Christian Democratic Union faction in the EPP, "I believe they tragically misunderstood the situation. They had a sentiment that it's still better to keep Fidesz inside the EPP because in this way they can have more influence on the decisions of the Hungarian government. This was basically false." Viviane Reding, former European Commission vice president and member of Luxembourg's Christian Social People's Party described the sentiment in similar ways: "Countries like Germany at that moment still thought keeping him in the family ... will bring him back to order, which didn't happen" (Bayer 2020).²¹ As Frank Engel, a former member of the European Parliament from the Luxembourg's Christian Social People's Party described it, "everyone wanted to believe that this was our guy" (Bayer 2020). Despite discussions and criticisms behind closed doors, governments did not openly criticize Fidesz or support sanctions against Hungary. In 2019, then-Chancellor of Germany Angela Merkel even praised how E.U. funds were being spent in Hungary (Panyi 2021).

The elite praise and political cover came not just from Europe. While the Obama administration had a chilly relationship with Orbán, he was still invited to public ceremonial events such as gala dinners and diplomatic ties continued. In a visit to the White House, then U.S. president Donald Trump commended Orbán, telling him: "You're respected all over Europe. Probably, like me, a little bit controversial, but that's OK. You've done a good job and you've kept your country safe" (Borger and Walker 2019). In 2022, as Hungarian democracy continued to erode, the U.S. Conservative Political Action Conference (CPAC)—a large and influential gathering of conservatives around the world—hosted Orbán as a guest speaker, the idea being that he's "a potential model of what a Trump after Trump might look like" (Marantz 2022).

Orbán has also been adept at using Hungary's leverage within other IOs to threaten to forestall the spread of the LIO more broadly by promoting a rhetoric of disengagement. NATO is a prescient example. In 2022, after Russia's full-scale invasion of Ukraine, both Finland and Sweden applied to join the transatlantic defense pact to which Hungary has

²¹ In addition to the belief that they had more control over Fidesz within the European Union than outside, EPP parties, which include a number of conservative political parties across Europe such as the German CDU, Fidesz was a key to remaining the largest political group within the European Parliament (Garton Ash 2017; Kelemen 2017, 2020).

been a member since 1999. Any admission to the organization requires all 30 NATO members to agree. But the process of accession stalled in Hungary's parliament. In February 2023, Orbán publicly expressed concerns about allowing these two nations into the club. Among his claims were that both countries have propagated "outright lies" about the state of democracy and the rule of law in Hungary (Reuters 2023a). The regime is effectively using its veto power as a means to publicly defend against "false" perceptions of democratic backsliding in Hungary. Moreover, Hungary's foreign minister warned that Sweden should "act differently" if it wants to win its ally Turkey's support for NATO membership—the only other holdout (Spike 2023). The claim was in response to a recent Quran burning incident outside the Turkish embassy in Stockholm. Such rhetoric is being used to reject criticism of the erosion of Hungarian democracy while publicly aligning with another regime experiencing substantial autocratization.

Orbán's economic policies, even though they took away many of the privileges that transnational companies had enjoyed under the Socialist government, also lent him significant support amongst key foreign companies, especially in the manufacturing sector. His *Strategic Partnership Agreements* with transnational companies are but one example of how Orbán kept the goodwill of many foreign economic elites. There is no direct evidence that foreign companies used economic pressure on political elites to minimize a political assault on Orbán, which could have taken away those benefits. But, at the very least, some of those companies remained explicitly politically neutral and unwilling to sanction Orbán (Shehadi 2021), thereby acquiescing to their material role in supporting democratic backsliding. As a leading German newspaper in Hungary wrote, about 90 percent of German investors in Hungary would vote for Orbán (Book 2018).

In sum, Hungary's democratic backsliding offers vivid illustrations of the theoretical mechanisms through which international economic and political integration can support aspiring autocrats in their quest to erode democratic institutions. We find evidence that Orbán used rhetorical disengagement to stir up political support. At the same time, he exploited his country's material engagement with the LIO to create a support cadre made up of economic elites, to pursue clientelism and foster electoral support, and to fight off his political opponents. Using incremental strategies of erosion taken from the new autocrat's playbook, he faced little domestic or international opposition. We also find evidence that the West, until very recently, had little appetite to react to his transgressions as they were not only hard to detect but presented the West with a strategy that went against their beliefs that integration would ultimately lead to democracy. Together, these strategies allowed him to pursue policies that led to the ultimate demise of a liberal democracy in the center of Europe.

The extent to which this erosion will continue is an open debate. After nearly a decade of turning a blind eye as democracy was incrementally being rolled back, the European Union shifted its stance and started to express concern. They put into place a new

sanctioning regime in 2020 in reaction to such egregious violations of democracy and the rule of law in Hungary, as well as Poland (E.U. Regulation 2020/2092).²² But it is neither proven that these actions will be effective, nor did they immediately lead to meaningful actions. The European Parliament adopted a scathing report in 2022—with 433 votes in favor, 123 against, and 28 abstentions—deploring the continued reticence of the European Council to counter backsliding in Hungary, citing concerns over the lack of judicial independence, corruption, and human rights (European Parliament 2022).

The European Union then threatened suspension of some 7.5 billion euros—about 5 percent of Hungary’s estimated GDP—on charges of corruption. As the E.U. Budget Commission explained at the time, “It’s about breaches of the rule of law compromising the use and management of E.U. funds” (Baczynska and Szakacs 2022). In response, Orbán’s government pledged to implement various anti-corruption policies. But when these remedial policies did not go far enough, the European Union threatened to suspend nearly double the amount of funds as an attempt to reign in Hungary (Rankin 2022). In December 2022, the European Union suspended 22 billion euros earmarked for Hungary until the country demonstrates substantial progress against democratic erosion (Kasnyik 2022).

The European Union is not alone in coming to terms with the severity of Hungary’s erosion. In a reversal of Trump, the Biden administration has also taken a stronger, if mainly rhetorical, turn against the Orbán regime. In his 2021 signature Summit for Democracy, Biden brought together leaders from over 100 countries to pledge for democracy. Every member of the European Union was invited, but Hungary. The strategy was to shine a light on democratic erosion under Orbán (Bayer 2021). And in a 2022 speech at Stanford University, former president Barack Obama called Hungary an authoritarian regime, in company with the likes of China, the Philippines, and Brazil (Kafkadesk 2022).

It remains to be seen whether these actions will change Orbán’s strategy or whether they are too little too late. At the time of writing, there have been no marked improvements in Hungary’s quality of democracy. Orbán himself has threatened to veto any E.U. sanctions against Russia for the war against democracy in Ukraine (Reuters 2023b). The response to Biden’s actions has been public debate about double standards and a tit-for-tat snubbing by Orbán of Biden’s visit to Hungary in February of 2023 for a diplomatic gathering to work toward peace for Ukraine (Schwab and Crilly 2023).

²² The regulation allows the E.U. Commission to impose financial sanctions on member states if the breach the rule of law and those breaches affect, or seriously risk affecting, the financial interests of the European Union. The implementation was suspended to gain the Hungarian-Polish consent for the multi-annual budget and the post-pandemic European Recovery Fund. It was not until February 2021 that the European Court of Justice ruled that the conditionality regulation was in full compliance with E.U. law.

Conclusion

Democracy has long gone in fits and waves, and autocratization and the rise to power of aspiring autocrats is nothing new, though they are on the rise especially since the end of the Cold War. What is new this time is how aspiring autocrats use their deepening integration into the LIO to undermine the very democratic foundations of that order. What was once touted as the future of democracy and the triumph of globalization in all its facets is now one of the central threats to democratic governance and the LIO itself.

Using data on democratic backsliding, anti-pluralist political parties, domestic institutions, and global integration, we provide the first evidence that the integration of many newly democratized and hybrid regimes into the U.S.-led LIO after the end of the Cold War provides aspiring autocrats with the tools, resources, and support to pursue incremental executive aggrandizement. This has been especially harmful for democracy when local accountability institutions are weak and anti-pluralist forces lead government. Hungary is an alarming example that provides evidence for the causal mechanisms underlying our theory. But Hungary is by no means an outlier.

These findings have important implications for democracy and democracy promotion in an integrated world. They suggest moving beyond the assumption that integration into the LIO will unconditionally foster democratization and analyzing what makes democracies within the LIO more resilient to democratic backsliding. Although it seems easy to criticize the cooperative approach that has been pursued since the end of the Cold War, it is not evident that a more conflictual approach, through exclusion or sanctions, will yield more beneficial outcomes. To make matters more complicated, the current debate about democracy promotion through the LIO and the value of the LIO more generally has been highly politicized, and support for it has faltered even in many of its core proponents, including the United States. Our work suggests that there are worrying developments afoot: The simultaneous integration of autocrats into the LIO and the withdrawal of the United States undermines the very system the United States set up and promoted after World War II. These processes and forces will have major implications for the LIO itself in terms of global norms, the balance of power, the future and health of multilateralism, and the global economic system.

Despite these threats, our work also offers clear evidence that democracy can be resilient to the negative effects of integration. Our analysis implies that undermining the LIO to pursue democratic erosion is not an easy task. While some of these backsliding episodes have resulted in countries reverting to outright authoritarian rule, others managed to remain broadly democratic. Aspiring autocrats continuously must walk a tightrope between maintaining a political base of support and ensuring that they continue to benefit from integration. The need to balance rhetorical disengagement and material engagement provides potential openings for international accountability. The decision of the European Union to implement collective action against democratic backsliding, albeit very belatedly, is a good example. At the same time, our findings offer evidence that democratic accountability at the local level, whether through the legislature, judiciary, civil society, or media, can make democracies more resilient against attempts by leaders like Orbán to undermine democracy from within by using the LIO as a tool.

Supplementary Information

The International Liberal Foundations of Democratic Backsliding

Table of Contents

Appendix A: Autocracies, Democracies, and the LIO

Appendix B: Anti-pluralism in Electoral and Liberal Democracies

Appendix C: List of Variables and Descriptive Statistics

Appendix D: Main and Conditional Results

Appendix E: Type of Integration

Appendix F: Main Explanatory Variable

Appendix G: Democratic Backsliders

Appendix H: Model Specification

Appendix I: Alternative Dependent Variables

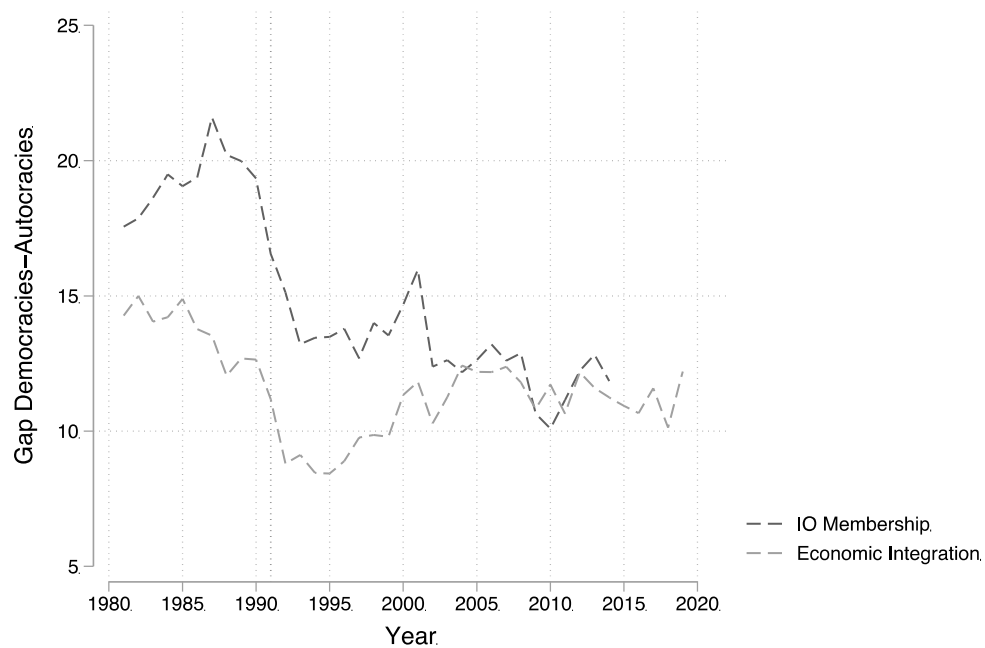
Appendix J: Geopolitical Interests

Appendix K: Democratic Resilience

Appendix A: Integration of Autocracies and Democracies

The figure illustrates the increasing integration of former autocracies into the global economy and international organizations by graphing the gap in the average economic integration and IO membership between autocratic and democratic regimes.²³ The figure presents a substantial decline in the gap between democracies and autocracies after the end of the Cold War, driven by the increasing integration of autocracies into the LIO after the collapse of the Soviet Union.

Figure: Gap in IO Membership and Economic Integration

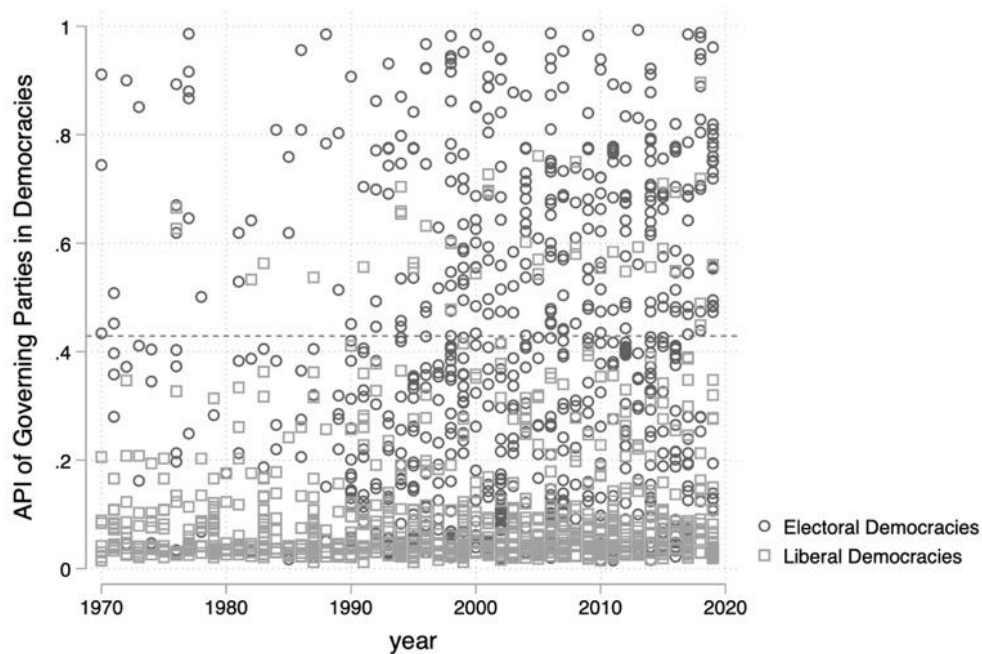


²³ We measure economic integration using the authoritative KOF economic globalization index (Dreher 2006) and the number of IO memberships by country using the COW IO data set (Pevehouse et al. 2019). We distinguish between democracies and autocracies by using V-Dem's polyarchy measure (Coppedge et al. 2022).

Appendix B: Anti-pluralism in Electoral and Liberal Democracies

The figure illustrates the degree of political anti-pluralist control of government parties across time.²⁴ The graph plots each government parties' API score. The round markers indicate the API score of political parties in electoral democracies, the square markers are API scores of political parties in liberal democracies. Following convention in the literature, everything above the line (API score of 0.42) implies that the political party as autocratic aspirations. The figure illustrates that anti-pluralism is not limited to hybrid regimes. Over time, anti-pluralism of government parties is on the rise in both electoral and liberal democracies. There are quite a few cases where countries were headed by aspiring (anti-pluralist) autocrats in government.

Figure: Anti-pluralism in Governments: Time and Geography. Source: Lührmann, Medzihorsky, and Lindberg (2021)



²⁴ We adopt the V-Dem definitions and measures of electoral and liberal democracy and for the purposes of visualization exclude electoral autocracies here.

Appendix C: List of Variables and Descriptive Statistics

Variable Name	Description	Data Source
Democratic Backsliding	Democratic Backsliding is coded as 1 if the country experiences an initial 0.01 decrease on the EDI and a total decrease of at least -0.10 throughout the entire backsliding episode, and 0 otherwise	Edgell et al. 2021
Economic Integration	KOF Economic Globalization Index: annual weighted aggregation of information on <i>de facto</i> and <i>de jure</i> trade and financial globalization, including trade in goods and services, trade regulations, tariffs and agreements, financial direct investment, investment restrictions and capital account openness	Dreher 2006
Financial Integration	KOF Financial Globalization Index: annual weighted aggregation of information on <i>de facto</i> and <i>de jure</i> financial globalization in financial direct investment, investment restrictions, and capital account openness	Dreher 2006
Trade Integration	KOF Trade Globalization Index: annual weighted aggregation of information on <i>de facto</i> and <i>de jure</i> trade globalization, including trade in goods and services, trade regulations, tariffs, and agreements	Dreher 2006
IO Memberships	Total number of memberships in international organizations.	Pevehouse et al. 2021
Polarization	Extent to which society is polarized into antagonistic, political camps using V-Dem “v2cacamps” indicator	Coppedge et al. 2022
Government API	Average V-Party anti-pluralism score (v2xpa_antiplural) of all political parties that are either a member of the government or officially supporting the government (v2pagovsup)	Lindberg et al. 2022

Variable Name	Description	Data Source
Populism	Average V-Party populism score (v2xpa_populism) of all political parties that are either a member of the government or officially supporting the government (v2pagovsup)	Lindberg et al. 2022
Democratic Stock	Sum of country's V-Dem scores, with a 1 percent annual depreciation rate	Gerring 2005
Accountability	Composite measure of vertical, horizontal, and diagonal accountability using V-dem.	Lührmann, Marquardt, and Mechkova 2020
Per Capita GDP	Annual per capita GDP (in constant 2005 US\$)	World Development Indicators, World Economics and Politics Dataverse
GDP Growth	Annual GDP growth (in %)	World Development Indicators, World Economics and Politics Dataverse
Presidentialism	Binary variable that takes the value 1 if the chief executive is unitary (V-Dem v2exhoshog=1) and directly elected by the population (V-Dem v2expathhs=7)	Coppedge et al. 2022
Democratization	Democratization is coded as 1 if the country experiences an initial 0.01 increase on the EDI and a total increase of at least -0.10 throughout the entire democratization episode, and 0 otherwise	Lührmann and Lindberg (2019)
Democratic Breakdown	Variable that takes the value of 1 if the backsliding episode leads to democratic breakdown and subsequently autocratic regression, 0 otherwise	Lührmann and Lindberg (2019)

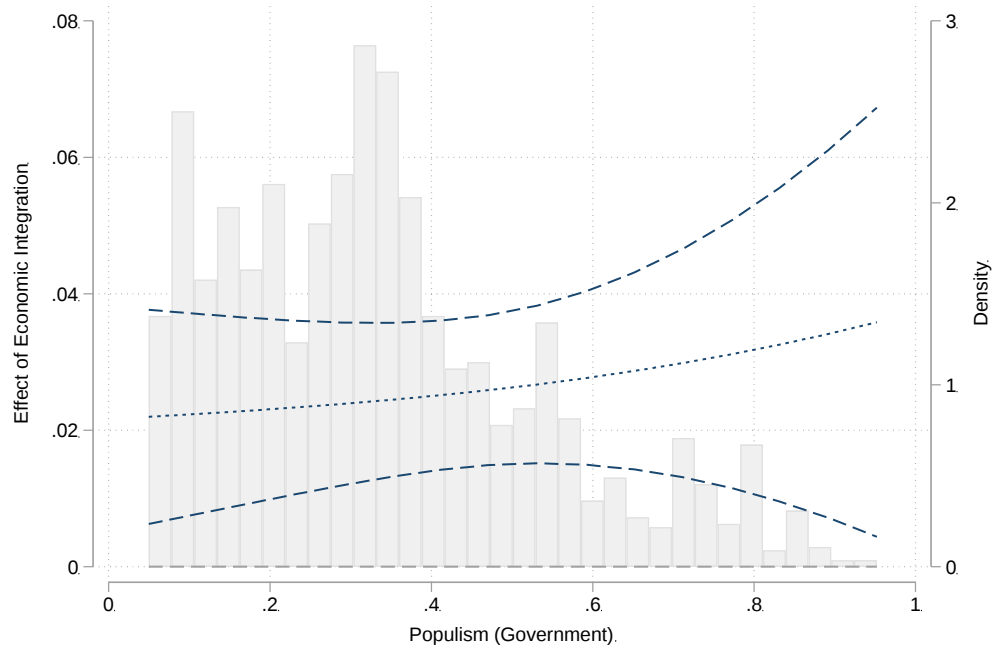
	mean	sd	min	max
Economic Integration	59.4632	15.67462	16.02952	90.85888
Financial Integration	62.99039	16.5462	13.03831	93.1143
Trade Integration	55.9219	17.25902	14.92078	91.63609
IO Memberships (#)	72.84191	19.12035	23	125
Polarization	-.7764355	1.281334	-3.817	2.996
Anti-pluralism (Gov)	.2891744	.2512966	.017	.993
Populism (Gov)	.3354798	.1923034	.0496667	.952
Democratic Stock	38.41399	22.6128	1.72161	95.07465
Per Capita GDP	17454.46	18985.44	322.7779	91565.73
GDP Growth	3.512107	3.646935	-14.81416	34.38957
Presidentialism	.2961841	.4567115	0	1
Accountability	1.374328	.4275445	-.5120759	2.168298
Horizontal Accountability	1.116019	.6182536	-1.141719	2.377501
Diagonal Accountability	1.387886	.4179317	-.914034	2.166188
Vertical Accountability	1.243994	.3468386	-.7090216	1.931787
<i>N</i>	1651			

Appendix D: Main and Conditional Results

	(1) Main	(2) API	(3) Populism	(4) Personalism	(5) Predicted API
Economic Integration	0.861*** (0.185)	1.206*** (0.216)	0.874** (0.349)	0.770* (0.396)	0.880*** (0.208)
Anti-pluralism (Gov)	-0.331 (0.242)	-0.437* (0.257)	-0.331 (0.242)		-0.212 (0.426)
Populism (Gov)	0.385** (0.157)	0.453*** (0.175)	1.777** (0.759)	0.425 (0.307)	0.367** (0.160)
Democratic Stock	0.177 (0.215)	0.156 (0.211)	0.177 (0.214)	0.317 (0.432)	0.250 (0.227)
Per Capita GDP	-1.189*** (0.296)	-0.829** (0.323)	-1.191*** (0.297)	-1.818** (0.738)	-1.320*** (0.422)
GDP Growth	-0.528** (0.228)	-0.578** (0.264)	-0.528** (0.227)	-0.994** (0.390)	-0.536** (0.230)
Presidentialism	0.181 (0.127)	0.107 (0.131)	0.182 (0.132)	0.333 (0.252)	0.119 (0.137)
Polarization	0.671*** (0.200)	0.518** (0.204)	0.673*** (0.202)	0.831** (0.345)	0.763** (0.352)
Interaction		0.745*** (0.238)	-0.027 (0.579)	0.788* (0.439)	
Personalism				-0.330 (0.537)	
Spline 1	-0.586*** (0.072)	-0.588*** (0.072)	-0.586*** (0.072)	-0.571*** (0.112)	-0.584*** (0.071)
Spline 2	3.278*** (0.510)	3.259*** (0.509)	3.278*** (0.510)	3.425*** (0.827)	3.255*** (0.514)
Spline 3	-5.823*** (0.940)	-5.784*** (0.936)	-5.824*** (0.939)	-6.255*** (1.533)	-5.782*** (0.951)
Constant	0.958*** (0.278)	1.232*** (0.305)	0.335 (0.424)	1.099** (0.555)	1.239*** (0.411)
Wald Test	316.517***	316.687***	318.685***	105.588***	348.905***
N	1951	1951	1951.000	491	1951

Standard errors in parentheses

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$



Note, the graph illustrates the effect of *Economic Integration* on *Democratic Erosion* for different levels of *Government Populism*.

Appendix E: Type of Integration

	(1) IO I	(2) IO II	(2) AIOs	(3) De Facto	(4) Trade	(5) Finance
Political Integration	1.398*** (0.271)	1.945*** (0.348)	1.502*** (0.307)			
Anti-pluralism (Gov)	-0.158 (0.238)	-0.238 (0.303)	-0.070 (0.253)	-0.200 (0.184)	0.013 (0.196)	-0.128 (0.190)
Populism (Gov)	0.092 (0.185)	0.306 (0.228)	0.122 (0.179)	0.089 (0.151)	0.143 (0.153)	0.073 (0.153)
Democratic Stock	-0.591 (0.408)	-0.918** (0.388)	-0.673* (0.397)	0.355 (0.232)	0.506** (0.237)	0.239 (0.251)
Per Capita GDP	-0.585* (0.339)	-1.577*** (0.421)	-0.673* (0.362)	-0.769*** (0.265)	-1.174*** (0.281)	-1.178*** (0.286)
GDP Growth	-0.200 (0.165)	-0.678* (0.360)	-0.161 (0.162)	-0.176 (0.171)	-0.188 (0.159)	-0.228 (0.186)
Presidentialism	0.030 (0.140)	0.195 (0.152)	0.009 (0.145)	0.106 (0.130)	0.228* (0.135)	0.034 (0.133)
Polarization	0.904*** (0.296)	1.006*** (0.318)	0.832*** (0.300)	0.728*** (0.205)	0.643*** (0.207)	0.802*** (0.201)
AIO Memberships			-0.070 (0.069)			
Economic Integration		1.262*** (0.279)		0.348** (0.148)		
Trade Integration					0.755*** (0.168)	
Financial Integration						0.911*** (0.217)
Spline 1	-0.583*** (0.080)	-0.596*** (0.073)	-0.585*** (0.078)	-0.602*** (0.086)	-0.606*** (0.084)	-0.619*** (0.087)
Spline 2	3.264*** (0.595)	3.304*** (0.520)	3.276*** (0.580)	3.406*** (0.605)	3.459*** (0.585)	3.479*** (0.616)
Spline 3	-5.822*** (1.120)	-5.906*** (0.967)	-5.852*** (1.097)	-6.044*** (1.106)	-6.157*** (1.071)	-6.169*** (1.129)
Constant	0.701** (0.342)	-0.177 (0.422)	0.896** (0.394)	1.271*** (0.271)	1.029*** (0.279)	1.229*** (0.270)
Wald Test	243.136***	199.709***	236.964***	355.364***	303.137***	323.358***
N	1596	1674	1562	1834	1834	1834

Standard errors in parentheses

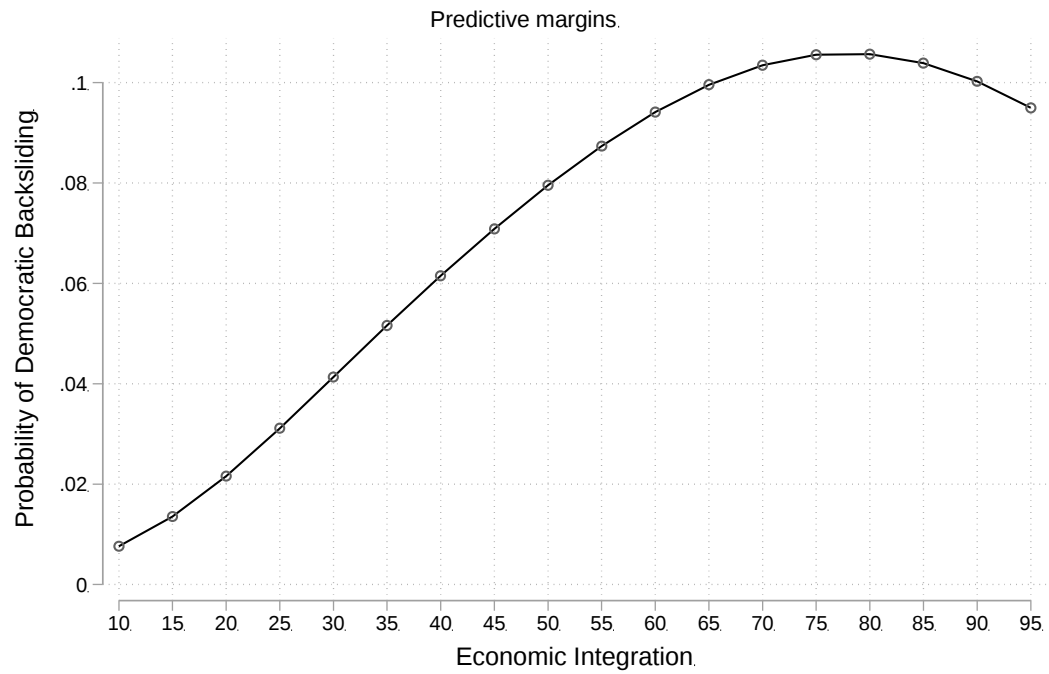
* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Appendix F: Alternative Main Explanatory Variables

	(1) 5-year	(2) Lag (1)	(3) Lag (2)	(4) Lag all	(5) Non-Linear
Economic Integration	0.883*** (0.188)	0.855*** (0.186)	0.821*** (0.182)	0.847*** (0.181)	0.171*** (0.062)
Anti-pluralism (Gov)	-0.340 (0.240)	-0.346 (0.242)	-0.380 (0.242)	-0.342 (0.233)	-0.282 (0.252)
Populism (Gov)	0.379** (0.155)	0.378** (0.155)	0.376** (0.154)	0.350** (0.142)	0.469*** (0.178)
Democratic Stock	0.148 (0.216)	0.163 (0.215)	0.122 (0.218)	0.197 (0.201)	0.203 (0.208)
Per Capita GDP	-1.194*** (0.302)	-1.179*** (0.300)	-1.126*** (0.298)	-1.128*** (0.276)	-1.018*** (0.306)
GDP Growth	-0.531** (0.227)	-0.536** (0.230)	-0.547** (0.229)	0.045 (0.103)	-0.545** (0.244)
Presidentialism	0.155 (0.125)	0.168 (0.125)	0.153 (0.123)	0.205* (0.124)	0.101 (0.129)
Polarization	0.667*** (0.201)	0.676*** (0.201)	0.682*** (0.202)	0.377** (0.150)	0.636*** (0.204)
Economic Integration ²					-0.001** (0.001)
Spline 1	-0.587*** (0.072)	-0.585*** (0.072)	-0.585*** (0.072)	-0.606*** (0.078)	-0.589*** (0.072)
Spline 2	3.288*** (0.510)	3.272*** (0.507)	3.270*** (0.506)	3.373*** (0.537)	3.295*** (0.509)
Spline 3	-5.842*** (0.939)	-5.813*** (0.934)	-5.808*** (0.933)	-5.962*** (0.982)	-5.856*** (0.937)
Constant	0.997*** (0.281)	0.985*** (0.281)	1.042*** (0.281)	1.042*** (0.259)	-4.490*** (1.736)
Wald Test	320.328***	321.152***	325.116***	377.928***	325.873***
N	1951	1950	1948	2022	1951

Standard errors in parentheses

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$



Note, the graph illustrates the non-linear effect of *Economic Integration* on *Democratic Erosion*.

Appendix G: Democratic Backsliders

	(1) High Income	(2) Med-Low Income	(3) Dem. Stock I	(4) Dem. Stock II
Economic Integration	5.152*** (1.786)	0.848*** (0.246)	0.733*** (0.210)	0.628* (0.364)
Per Capita GDP	-0.228 (1.522)	-2.650*** (0.931)	-0.835** (0.327)	-0.823 (0.536)
Anti-pluralism (Gov)	6.234** (2.490)	-0.420 (0.274)	-0.258 (0.277)	-0.139 (0.476)
Populism (Gov)	-0.138 (0.420)	0.486*** (0.171)	0.477*** (0.175)	0.888*** (0.293)
Democratic Stock	-5.088*** (1.967)	0.478 (0.296)	-0.093 (0.240)	-0.616* (0.339)
GDP Growth	-1.727** (0.756)	-0.406* (0.242)	-0.556** (0.240)	-0.555 (0.452)
Presidentialism	-1.988*** (0.762)	0.138 (0.164)	0.137 (0.132)	0.152 (0.207)
Polarization	-0.828 (0.761)	0.649*** (0.225)	0.596*** (0.230)	0.093 (0.283)
Spline 1	-0.993*** (0.266)	-0.579*** (0.079)	-0.564*** (0.077)	-0.672*** (0.134)
Spline 2	5.492*** (1.690)	3.391*** (0.575)	3.100*** (0.539)	3.617*** (0.916)
Spline 3	-9.471*** (3.010)	-6.101*** (1.078)	-5.500*** (0.993)	-6.342*** (1.656)
Constant	6.444*** (2.208)	-0.045 (0.518)	1.348*** (0.332)	2.652*** (0.585)
Wald Test	112.805***	207.795***	326.051***	235.564***
N	820	1131	1803	1336

Standard errors in parentheses

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Appendix H: Model Specification

	(1) Region FE	(2) Country FE	(3) OLS	(4) IV	(5) STADL
Economic Integration	0.779*** (0.238)	3.132* (1.638)	0.025*** (0.007)	0.607*** (0.125)	0.807*** (0.197)
Anti-pluralism (Gov)	0.025 (0.285)	1.676** (0.830)	-0.015* (0.009)	-0.110 (0.121)	-0.324 (0.243)
Populism (Gov)	0.279 (0.182)	0.340 (0.496)	0.017*** (0.006)	0.142* (0.074)	0.367** (0.156)
Democratic Stock	0.757* (0.456)	10.866*** (3.380)	0.018*** (0.007)	0.069 (0.116)	0.165 (0.216)
Per Capita GDP	-0.602 (0.601)	-11.521** (4.882)	-0.025*** (0.005)	-0.724*** (0.196)	-1.190*** (0.301)
GDP Growth	-0.610*** (0.211)	-0.904* (0.489)	-0.019** (0.009)	-0.316*** (0.112)	-0.528** (0.230)
Presidentialism	-0.118 (0.199)	0.008 (0.422)	0.008 (0.005)	0.122* (0.066)	0.171 (0.127)
Polarization	0.794*** (0.249)	3.774 (2.431)	0.025*** (0.006)	0.370*** (0.092)	0.638*** (0.197)
Spline 1	-0.576*** (0.066)	-0.860*** (0.228)	-0.061*** (0.003)	-0.287*** (0.025)	-0.583*** (0.073)
Spline 2	3.375*** (0.469)	6.189*** (1.775)	0.301*** (0.015)	1.532*** (0.188)	3.284*** (0.511)
Spline 3	-6.079*** (0.870)	-11.324*** (3.298)	-0.516*** (0.026)	-2.692*** (0.351)	-5.847*** (0.939)
Spatio-Temporal Lag					1.136 (1.072)
Constant	1.228*** (0.457)	-16.848** (7.346)	0.709*** (0.032)	0.457*** (0.165)	0.818*** (0.316)
Wald Test	252.711***	135.748***		347.315***	315.551***
N	1239	533	1951	1951	1951

Standard errors in parentheses

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Notes:

(1) In the main analysis we assume that *Economic Integration* is exogenous to democratic backsliding, but one could be concerned that it is endogenous. In Model 4, we implement an instrumental variable approach whereby we exploit the geographically diffuse character of economic integration. In particular, following Lang and Tavares (2018) we instrument *Economic Integration* with a measure of the country-period specific, inverse-distance weighted average of the lagged *Economic Integration* scores of all other countries (see also Acemogly et al. (2019) who use a similar instrument in a different context).²⁵ The instrument is a strong predictor of *Economic Integration* (consistent with the idea that globalization diffuses across borders across periods especially in close geographic proximity). It is also plausibly excludable because prior *Economic Integration* in neighboring countries only affects democratic erosion through *Economic Integration* and not through alternative causal pathways. The table presents the results of Newey's minimum chi-squared two-step estimator. The *F*-test of the reduced form regression is large and statistically significant ($F = 1236.71$), indicating that the instrument is strong. The effect of *Economic Integration* is robust using the instrumental variable approach. The Wald test of exogeneity ($\chi^2(1) = 6.99$) allows us to reject the null hypothesis of exogeneity, which suggest that *Economic Integration* is endogenous.

(2) Model 5 implements a spatiotemporal autoregressive distributed lag model (STADL) to account for the possibility of spatial or temporal dependence, dynamics, and effects. STADL uses distributed lags in both space and time (Cook, Hays, and Franzese 2023). Model 3 presents the findings with the spatial lag, which is insignificant. The main results are robust to the inclusion of the spatial lag.

²⁵ The geographical distance between two countries is the population-weighted distance between the capital cities of the two countries.

Appendix I: Alternative Dependent Variables

	(1) Regime Change	(2) Breakdown	(3) Hybrid	(4) Lib. Dem.	(5) Democratization
Economic Integration	1.489** (0.626)	1.087*** (0.266)	0.304** (0.122)	2.219*** (0.790)	-0.174 (0.107)
Anti-pluralism (Gov)	-0.187 (0.366)	-0.826*** (0.318)	-0.363*** (0.136)	3.128*** (0.990)	0.030 (0.130)
Populism (Gov)	1.044*** (0.358)	1.234*** (0.194)	0.299*** (0.093)	-0.370 (0.417)	-0.082 (0.087)
Democratic Stock	-0.169 (0.419)	0.319 (0.296)	0.051 (0.147)	-1.755*** (0.587)	-0.858*** (0.173)
Per Capita GDP	-1.258*** (0.483)	-4.313*** (0.703)	-0.659*** (0.209)	-0.003 (0.713)	-0.773*** (0.228)
GDP Growth	-0.899*** (0.291)	-0.242 (0.298)	-0.077 (0.115)	-2.122*** (0.473)	-0.253** (0.124)
Presidentialism	-0.145 (0.284)	-0.174 (0.166)	0.023 (0.079)	-1.021 (0.743)	0.075 (0.068)
Polarization	-0.109 (0.450)	0.647*** (0.233)	0.261** (0.115)	-0.641 (0.441)	0.126 (0.112)
Spline 1	10.324 (7.516)	-0.457*** (0.078)	-0.598*** (0.058)	-1.129*** (0.399)	0.015 (0.024)
Spline 2	-43.214 (30.909)	2.740*** (0.609)	3.512*** (0.416)	6.688*** (2.576)	-0.053 (0.169)
Spline 3	71.226 (50.723)	-5.017*** (1.167)	-6.293*** (0.772)	-11.825*** (4.584)	0.057 (0.316)
Constant	-158.213 (112.835)	-2.542*** (0.454)	1.106*** (0.179)	3.951*** (0.913)	-1.424*** (0.236)
Wald Test	143.976***	166.515***	641.197***	197.021***	243.815***
N	1951	1951	3115	927	1951

Standard errors in parentheses

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Appendix J: Geopolitical Interests

	(1) US	(2) Autocrats	(3) NRR
Economic Integration	0.888*** (0.188)	0.743*** (0.198)	0.842*** (0.190)
Anti-pluralism (Gov)	-0.369 (0.249)	-0.294 (0.252)	-0.372 (0.249)
Populism (Gov)	0.431*** (0.158)	0.338** (0.152)	0.401** (0.159)
Democratic Stock	0.158 (0.207)	0.437* (0.238)	0.117 (0.223)
Per Capita GDP	-1.191*** (0.302)	-1.539*** (0.323)	-1.168*** (0.306)
GDP Growth	-0.597*** (0.231)	-0.585*** (0.216)	-0.561** (0.228)
Presidentialism	0.176 (0.132)	0.312** (0.152)	0.195 (0.128)
Polarization	0.612*** (0.211)	0.671*** (0.211)	0.642*** (0.204)
POTUS Visits	0.126 (0.098)		
Distance (USA)	0.323** (0.144)		
Distance (China)		-0.290** (0.144)	
Distance (Russia)		-0.209 (0.196)	
Natural Resource Rents			-0.160 (0.265)
Spline 1	-0.598*** (0.072)	-0.592*** (0.071)	-0.587*** (0.071)
Spline 2	3.379*** (0.507)	3.386*** (0.497)	3.268*** (0.502)
Spline 3	-6.022*** (0.932)	-6.048*** (0.920)	-5.802*** (0.927)
Constant	0.926*** (0.277)	0.725** (0.287)	0.966*** (0.298)
Wald Test	318.529***	308.987***	313.956***
N	1951	1951	1916

Standard errors in parentheses

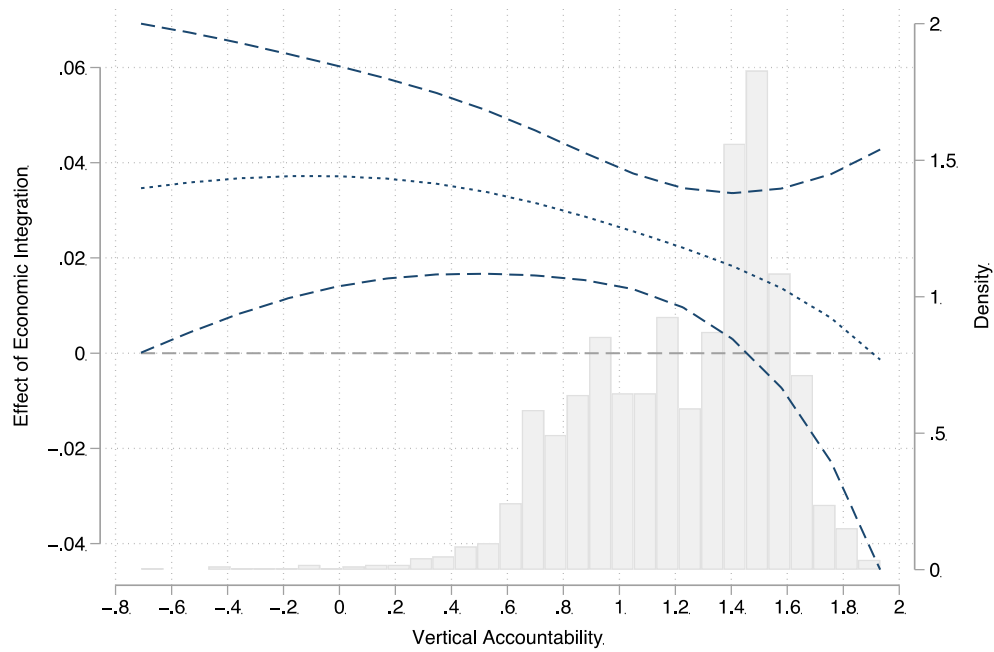
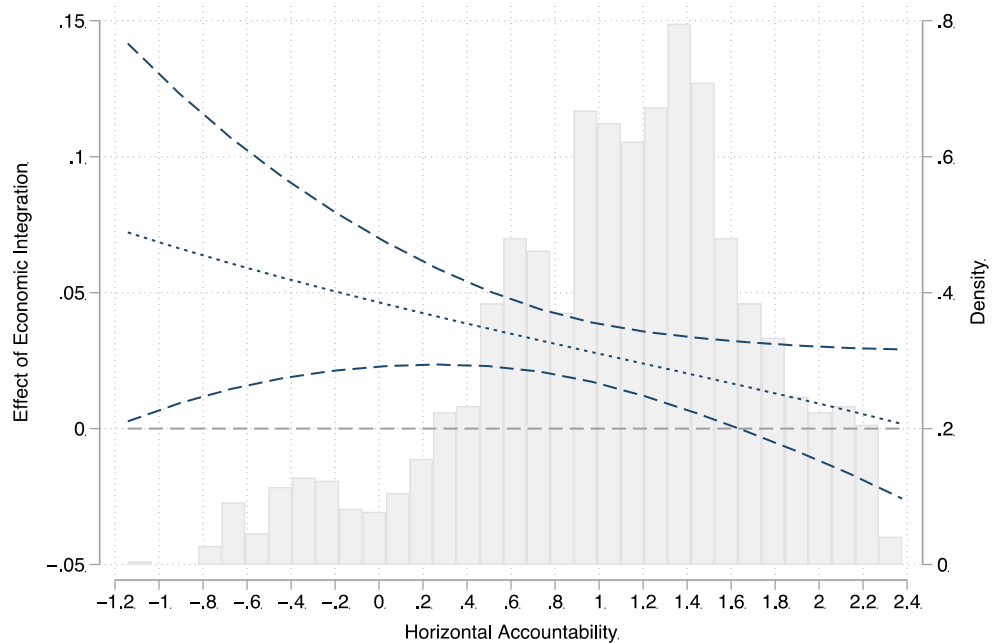
* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

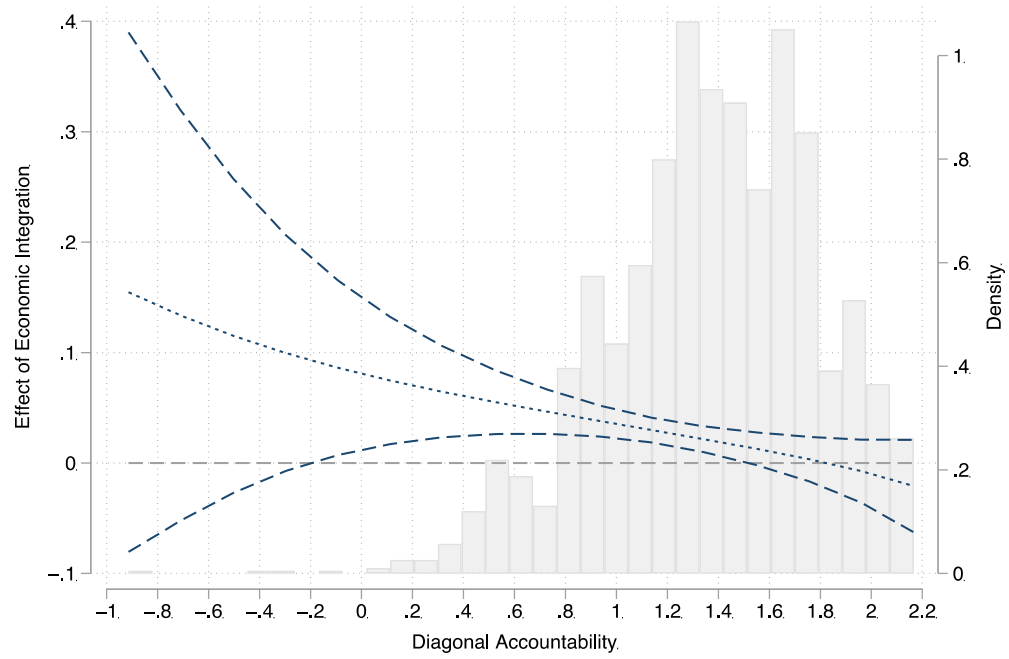
Appendix K: Democratic Resilience

	(1) Accountability	(2) Horizontal	(3) Vertical	(4) Diagonal
Economic Integration	2.403*** (0.538)	1.569*** (0.306)	2.041*** (0.567)	2.767*** (0.573)
Democratic Stock				
Interaction	-1.268*** (0.416)	-0.638** (0.263)	-1.070** (0.461)	-1.515*** (0.451)
Populism (Gov)	0.434*** (0.156)	0.418*** (0.148)	0.466*** (0.163)	0.455*** (0.152)
Per Capita GDP	-1.142*** (0.258)	-0.989*** (0.252)	-1.376*** (0.259)	-0.893*** (0.250)
GDP Growth	-0.570** (0.252)	-0.512** (0.231)	-0.566** (0.255)	-0.545** (0.238)
Presidentialism	0.166 (0.116)	0.198* (0.113)	0.149 (0.119)	0.146 (0.119)
Polarization	0.600*** (0.200)	0.582*** (0.205)	0.491** (0.196)	0.621*** (0.201)
Spline 1	-0.602*** (0.068)	-0.616*** (0.072)	-0.590*** (0.065)	-0.603*** (0.068)
Spline 2	3.298*** (0.469)	3.460*** (0.487)	3.184*** (0.445)	3.317*** (0.469)
Spline 3	-5.810*** (0.861)	-6.128*** (0.890)	-5.587*** (0.818)	-5.850*** (0.860)
Accountability	1.611*** (0.463)	0.444 (0.300)	2.168*** (0.461)	1.357*** (0.492)
Constant	-0.357 (0.541)	1.036*** (0.333)	-0.936* (0.506)	-0.109 (0.554)
Wald Test	318.476***	322.922***	318.308***	326.443***
N	2050	2050	2050	2050

Robust standard errors in parentheses

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$





References

- Acemoglu, Daron, and James A. Robinson. 2006. *Economic Origins of Dictatorship and Democracy*. New York: Cambridge University Press.
- Arriola, Leonardo R., Jed Devaro, and Anne Meng. 2021. "Democratic Subversion: Elite Cooptation and Opposition Fragmentation." *American Political Science Review* 115(4): 1358–72.
- Baczynska, Gabriela, and Gergeley Szakacs. 2022. "In a First, European Union Moves to Cut Hungary Funding over Damaging Democracy." *Reuters*. <https://www.reuters.com/world/first-eu-seen-moving-cut-money-hungary-over-damaging-democracy-2022-09-18/>.
- Ballard-Rosa, Cameron, Judith Goldstein, and Nita Rudra. 2023. "Trade as Villain: The Fading American Dream and Declining Support for Globalization." *The Journal of Politics*.
- Bartels, Larry M. 2023. *Democracy Erodes from the Top: Leaders, Citizens, and the Challenges of Populism in Europe*. Princeton: Princeton University Press.
- Bartha, Attila. 2016. "Adversarial Narratives in Populist Policy-Making: The Case of Hungarian Industrial Policy." In Brighton.
- Bartlett, David L. 1997. *The Political Economy of Dual Transformations: Market Reform and Democratization in Hungary*. Ann Arbor, Mich: University of Michigan Press.
- Bayer, Lili. 2020. "How Orban Broke the EU – and Got Away with It." *Politico*. <https://www.politico.eu/article/how-viktor-orban-broke-the-eu-and-got-away-with-it-hungary-rule-of-law/>.
- . 2021. "Biden Sees If a Snub Will Get Orbán's Attention." *Politico*. <https://www.politico.eu/article/joe-biden-viktor-orban-hungary-democracy-summit-snub/>.
- Bermeo, Nancy. 2016. "On Democratic Backsliding." *Journal of Democracy* 27(1): 5–19.
- Boese, Vanessa A. et al. 2021. "How Democracies Prevail: Democratic Resilience as a Two-Stage Process." *Democratization* 28(5): 885–907.

Book, Simon. 2018. "Deutsche Firmen in Osteuropa: Geschäfte Machen Beim Europafeind." *WirtschaftsWoche*. <https://www.wiwo.de/my/politik/europa/deutsche-firmenin-osteuropa-geschaefte-machen-beim-europafeind/20903608.html> (February 25, 2023).

Borger, Julian, and Shaun Walker. 2019. "Trump Lauds Hungary's Nationalist PM Orbán for 'Tremendous Job.'" *The Guardian*. <https://www.theguardian.com/us-news/2019/may/13/trump-latest-viktor-orban-hungary-prime-minister-white-house>.

Broz, J. Lawrence, Jeffrey Frieden, and Stephen Weymouth. 2021. "Populism in Place: The Economic Geography of the Globalization Backlash." *International Organization* 75(2): 464–94.

Cinar, Ipek, and Monika Nalepa. 2022. "Mass or Elite Polarization as the Driver of Authoritarian Backsliding? Evidence from 14 Polish Surveys (2005–2021)." *Journal of Political Institutions and Political Economy* 3(3–4): 433–48.

Colantone, Italo, and Piero Stanig. 2018a. "Global Competition and Brexit." *American Political Science Review* 112(2): 201–18.

———. 2018b. "The Trade Origins of Economic Nationalism: Import Competition and Voting Behavior in Western Europe." *American Journal of Political Science* 62(4): 936–53.

Cook, Scott J., Jude C. Hays, and Robert J. Franzese. 2023. "STADL Up! The Spatiotemporal Autoregressive Distributed Lag Model for TSCS Data Analysis." *American Political Science Review* 117(1): 59–79.

Cooley, Alexander. 2015. "Authoritarianism Goes Global: Countering Democratic Norms." *Journal of Democracy* 26(3): 49–63.

Cottiero, Christina, and Stephan Haggard. 2021. "The Rise of Authoritarian Regional International Organizations." : 23.

Dahl, Robert. 1999. "Can International Organizations Be Democratic? A Sceptic's View." In *Democracy's Edges*, eds. Ian Shapiro and Casiano Hacker-Cordon. Cambridge: Cambridge University Press.

Dariusz, Kalan. 2020. "How EU Fraud Schemes Work in Orbán's Hungary." *Balkan Insight*. <https://balkaninsight.com/2020/12/08/how-eu-fraud-schemes-work-in-orbans-hungary/>.

De Vries, Catherine E., Sara B. Hobolt, and Stefanie Walter. 2021. "Politicizing International Cooperation: The Mass Public, Political Entrepreneurs, and Political Opportunity Structures." *International Organization* 75(2): 306–32.

Dellmuth, Lisa, Jan Aart Scholte, Jonas Tallberg, and Soetkin Verhaegen. 2022a. *Citizens, Elites, and the Legitimacy of Global Governance*. 1st ed. Oxford University Press/Oxford. <https://academic.oup.com/book/43783> (October 3, 2022).

———. 2022b. "The Elite–Citizen Gap in International Organization Legitimacy." *American Political Science Review* 116(1): 283–300.

Diamond, Larry Jay, Marc F. Plattner, and Christopher Walker, eds. 2016. *Authoritarianism Goes Global: The Challenge to Democracy*. Baltimore: Johns Hopkins University Press.

Dreher, Axel. 2006. "Does Globalization Affect Growth? Evidence from a New Index of Globalization." *Applied Economics* 38(10): 1091–1110.

Erdelyi, Katalin. 2018. "Hungarian Government Spent €40 Million on Anti-Soros Propaganda in 2017." *Atlatzo.hu*. <https://english.atlatzo.hu/2018/02/04/hungarian-government-spent-e40-million-on-anti-soros-propaganda-in-2017/>.

European Parliament. 2022. "MEPs: Hungary Can No Longer Be Considered a Full Democracy." <https://www.europarl.europa.eu/news/en/press-room/20220909IPR40137/meps-hungary-can-no-longer-be-considered-a-full-democracy>.

Ezrow, Lawrence, and Timothy Hellwig. 2014. "Responding to Voters or Responding to Markets? Political Parties and Public Opinion in an Era of Globalization." *International Studies Quarterly* 58(4): 816–27.

Farrell, Henry, and Abraham L. Newman. 2021. "The Janus Face of the Liberal International Information Order: When Global Institutions Are Self-Undermining." *International Organization* 75(2): 333–58.

Frantz, Erica, Andrea Kendall-Taylor, Jia Li, and Joseph Wright. 2022. "Personalist Ruling Parties in Democracies." *Democratization* 29(5): 918–38.

Frantz, Erica, Andrea Kendall-Taylor, Carisa Nietzsche, and Joseph Wright. 2021. "How Personalist Politics Is Changing Democracies." *Journal of Democracy* 32(3): 94–108.

Fukuyama, Francis. 1992. *The End of History and the Last Man*. New York : Toronto : New York: Free Press ; Maxwell Macmillan Canada ; Maxwell Macmillan International.

Gábor Scheiring. 2020. "The Retreat of Liberal Democracy. Authoritarian Capitalism and the Accumulative State in Hungary." <http://www.scivee.tv/node/25924> (February 21, 2023).

Galston, W.A. 2017. *Anti-Pluralism: The Populist Threat to Liberal Democracy*. Yale University Press.

Garton Ash, Timothy. 2017. "We Know the Price of Appeasement. That's Why We Must Stand up to Viktor Orbán." *The Guardian*. <https://www.theguardian.com/commentisfree/2017/apr/12/viktor-orban-appeasement-merkel-centre-right-hungary>.

Gerring, John. 2008. "Case Selection for Case-Study Analysis: Qualitative and Quantitative Techniques." In *Oxford Handbook of Political Methodology*, eds. Janet M. Box-Steffensmeier, Henry E. Brady, and David Collier. Oxford University Press, 645–84.

Goldstein, Judith, and Robert Gulotty. 2019. "The Globalisation Crisis: Populism and the Rise of an Anti-Trade Coalition." *European Review of International Studies* 6(3): 57–83.

Grillo, Edoardo, and Carlo Prato. 2023. "Reference Points and Democratic Backsliding." *American Journal of Political Science* 67(1): 71–88.

Grumbach, Jacob M. 2022. "Laboratories of Democratic Backsliding." *American Political Science Review*: 1–18.

Gurieiev, Sergei, and Daniel Treisman. 2022. *Spin Dictators: The Changing Face of Tyranny in the 21st Century*. Princeton: Princeton University Press.

Haggard, Stephan, and Robert Kaufman. 2021a. *Backsliding: Democratic Regress in the Contemporary World*. 1st ed. Cambridge University Press. <https://www.cambridge.org/core/product/identifier/9781108957809/type/element> (August 18, 2022).

———. 2021b. "The Anatomy of Democratic Backsliding." *Journal of Democracy* 32(4): 27–41.

Hellwig, Timothy. 2015. *Globalization and Mass Politics: Retaining the Room to Maneuver*. Cambridge: Cambridge University Press.

- Helmke, Gretchen, Mary Kroeger, and Jack Paine. 2022. "Democracy by Deterrence: Norms, Constitutions, and Electoral Tilting." *American Journal of Political Science* 66(2): 434–50.
- Jee, Haemin, Hans Lueders, and Rachel Myrick. 2022. "Towards a Unified Approach to Research on Democratic Backsliding." *Democratization* 29(4): 754–67.
- Johnson, Juliet, and Andrew Barnes. 2015. "Financial Nationalism and Its International Enablers: The Hungarian Experience." *Review of International Political Economy* 22(3): 535–69.
- Kafkadesk. 2022. "Hungary Is 'Authoritarian Regime', Says Obama." *Kafkadesk Budapest*. <https://kafkadesk.org/2022/04/26/hungary-is-authoritarian-regime-says-obama/>.
- Kasnyik, Marton. 2022. "EU Freezes Nearly €22 Billion in Funds Earmarked for Hungary." *Bloomberg*. <https://www.bloomberg.com/news/articles/2022-12-23/eu-freezes-almost-22-billion-in-hungary-funds-in-blow-to-orban?leadSource=uverify%20wall>.
- Kelemen, R. Daniel. 2017. "Europe's Other Democratic Deficit: National Authoritarianism in Europe's Democratic Union." *Government and Opposition* 52(2): 211–38.
- . 2020. "The European Union's Authoritarian Equilibrium." *Journal of European Public Policy* 27(3): 481–99.
- Keohane, Robert O., Stephen Macedo, and Andrew Moravcsik. 2009a. "Democracy-Enhancing Multilateralism." *International Organization* 63(1): 1–31.
- . 2009b. "Democracy-Enhancing Multilateralism." *International Organization* 63(1): 1–31.
- Keszhelyi, Christian. 2017. "Hungary's Economy Heavily Depends on EU Funds, Study Finds." <https://bbj.hu/budapest/culture/history/hungary-s-economy-heavily-depends-on-eu-funds-study-finds>.
- Knight, Ben. 2017. "Merkel's MEPs Criticized for Appeasing Hungary." *Deutsche Welle*. <https://www.dw.com/en/angela-merkels-meps-criticized-for-appeasing-hungarys-viktor-orban/a-39281876> (March 14, 2023).
- Lake, David A., Lisa L. Martin, and Thomas Risse. 2021. "Challenges to the Liberal Order: Reflections on *International Organization*." *International Organization* 75(2): 225–57.

Lang, Valentin F., and Marina Mendes Tavares. 2018. "The Distribution of Gains from Globalization."

Levitsky, Steven, and Daniel Ziblatt. 2018. *How Democracies Die*. First edition. New York: Crown.

Linz, J.J. 1978. *Crisis, Breakdown and Reequilibration*. Johns Hopkins University Press.

Linz, Juan J., and Alfred C. Stepan. 1996. *Problems of Democratic Transition and Consolidation: Southern Europe, South America, and Post-Communist Europe*. Baltimore: Johns Hopkins University Press.

Little, Andrew T, and Anne Meng. 2023. "Subjective and Objective Measurement of Democratic Backsliding."

Lührmann, Anna, and Staffan I. Lindberg. 2019. "A Third Wave of Autocratization Is Here: What Is New about It?" *Democratization* 26(7): 1095–1113.

Lührmann, Anna, Kyle L. Marquardt, and Valeriya Mechkova. 2020. "Constraining Governments: New Indices of Vertical, Horizontal, and Diagonal Accountability." *American Political Science Review* 114(3): 811–20.

Mainwaring, Scott, and Aníbal Pérez-Liñán. 2014. *Democracies and Dictatorships in Latin America: Emergence, Survival, and Fall*. 1st ed. Cambridge University Press. <https://www.cambridge.org/core/product/identifier/9781139047845/type/book> (March 10, 2023).

Mansfield, Edward D., Helen V. Milner, and Nita Rudra. 2021. "The Globalization Backlash: Exploring New Perspectives." *Comparative Political Studies* 54(13): 2267–85.

Mansfield, Edward D., and Nita Rudra. 2021. "Embedded Liberalism in the Digital Era." *International Organization* 75(2): 558–85.

Marantz, Andrew. 2022. "Does Hungary Offer A Glimpse Of Our Authoritarian Future?" *New Yorker*. <https://www.newyorker.com/magazine/2022/07/04/does-hungary-offer-a-glimpse-of-our-authoritarian-future>.

Mares, Isabela, and Lauren Young. 2019. "Varieties of Clientelism in Hungarian Elections." *Comparative Politics* 51(3): 449–80.

Meyerrose, Anna M. 2020. "The Unintended Consequences of Democracy Promotion: International Organizations and Democratic Backsliding." *Comparative Political Studies* 53(10–11): 1547–81.

Milner, Helen V. 2021. "Voting for Populism in Europe: Globalization, Technological Change, and the Extreme Right." *Comparative Political Studies* 54(13): 2286–2320.

Milner, Helen V., and Bumba Mukherjee. 2009. "Democratization and Economic Globalization." *Annual Review of Political Science* 12: 163–81.

Norris, Pippa, and Ronald Inglehart. 2019. *Cultural Backlash: Trump, Brexit, and Authoritarian Populism*. Cambridge: Cambridge University Press.

Panyi, Szabolcs. 2021. "How Orban Played Germany, Europe's Great Power." *European Press Prize*. <https://www.europeanpressprize.com/article/how-orban-played-germany-europes-great-power/> (February 25, 2023).

Pevehouse, Jon C.W., Timothy Nordstrom, Roseanne W. McManus, and Anne Spencer Jamison. 2019. "Tracking Organizations in the World: The Correlates of War IGO Version 3.0 Datasets." *Journal of Peace Research* 57(3). <https://correlatesofwar.org/datasets/igos/>.

Plümper, Thomas, Christina J. Schneider, and Vera E. Troeger. 2006. "The Politics of EU Eastern Enlargement: Evidence from a Heckman Selection Model." *British Journal of Political Science* 36(1): 17–38.

Rankin, Jennifer. 2022. "EU Seeks to Freeze €13bn in Funding to Hungary over Corruption Fears." *The Guardian*. <https://www.theguardian.com/world/2022/nov/30/brussels-seeking-to-freeze-13bn-of-eu-funds-to-hungary-over-corruption-fears>.

Reuters. 2023a. "Hungary Signals Fresh Delay in Finland, Sweden NATO Approval." <https://www.reuters.com/world/europe/hungary-signals-fresh-delay-finland-sweden-nato-approval-2023-02-25/>.

———. 2023b. "Hungary Will Veto EU Sanctions on Russian Nuclear Energy, PM Orban Says." <https://www.reuters.com/world/europe/hungary-will-veto-eu-sanctions-russian-nuclear-energy-pm-orban-2023-01-27/>.

Rodrik, Dani. 1997. *Has Globalization Gone Too Far?* Washington, D.C.: Institute for International Economics.

———. 2012. *The Globalization Paradox: Democracy and the Future of the World Economy*. Oxford: Oxford University Press.

Rooduijn, M. 2014. "The Nucleus of Populism: In Search of the Lowest Common Denominator." *Government and Opposition* 16(4): 573–99.

Rovny, Jan. 2023. "Antidote to Backsliding: Ethnic Politics and Democratic Resilience." *American Political Science Review*: 1–19.

Rudra, Nita. 2005. "Globalization and the Strengthening of Democracy in the Developing World." *American Journal of Political Science* 49: 704–30.

Scheiring, Gábor. 2021. "Dependent Development and Authoritarian State Capitalism: Democratic Backsliding and the Rise of the Accumulative State in Hungary." *Geoforum* 124: 267–78.

Schneider, Christina J., and Robert Thomson. 2023. "Globalization and Promissory Representation." *American Journal of Political Science* forthcoming.

Schwab, Nikki, and Rob Crilly. 2023. "Hungary's Far-Right Prime Minister Viktor Orban SNUBS Biden and Bucharest Nine Meeting on President's Final Day in Warsaw after Saying Only Trump Could End War in Ukraine." *Daily Mail*. <https://www.dailymail.co.uk/news/article-11779823/Hungarys-far-right-Prime-Minister-Viktor-Orban-SNUBS-Biden-Bucharest-Nine.html>.

Shehadi, Sebastian. 2021. "How German Automotive Investment in Hungary Exposes the Dark Reality of Globalization." *Investment Monitor*. <https://www.investmentmonitor.ai/features/german-automotive-investment-hungary-orban/> (February 25, 2023).

Spike, Justin. 2023. "Hungary FM: Sweden Should 'Act Differently; To Join NATO.'" *AP News*. <https://apnews.com/article/russia-ukraine-nato-politics-hungary-government-sweden-8ca1cf7cae4f88805bca2732a03e7f45>.

Staffan. I. Lindberg, Nils D'Äüpont, Masaaki Higashijima, Yaman Berker Kavasoglu, Kyle L. Marquardt, Michael Bernhard, Holger Döring, Allen Hicken, Melis Laebens, Juraj Medzihorsky, Anja Neundorf, Ora John Reuter, Saskia Ruth-Lovell, Keith R. Weghorst, Nina Wiesehomeier, Joseph Wright, Nazifa Alizada, Paul Bederke, Lisa Gastaldi, Sandra Grahn, Garry Hindle, Nina Ilchenko, Johannes Von Römer, Steven Wilson, Daniel Pemstein, Brigitte Seim. 2022. "V-Party Dataset V2." <https://www.v-dem.net/vpartyds.html> (June 30, 2023).

Svolik, Milan w. 2020. "When Polarization Trumps Civic Virtue: Partisan Conflict and the Subversion of Democracy by Incumbents." *Quarterly Journal of Political Science* 15(1): 3–31.

Tansey, Oisín. 2016. *International Politics of Authoritarian Rule*. Oxford: Oxford University Press. <https://oxford.universitypressscholarship.com/10.1093/acprof:oso/9780199683628.001.0001/acprof-9780199683628> (November 15, 2021).

Than, Krisztina, and Gergely Szakacs. 2023. "Hungary Ready to Help Audi Plan Return to Full Capacity." *Automotive News Europe*. <https://europe.autonews.com/automakers/hungary-ready-help-audi-plant-return-full-capacity> (February 25, 2023).

Toth, Csaba, and Peter Virovacz. 2013. "Winners and Losers. An Assessment of the Hungarian Flat Tax Reform with Microsimulation." *Public Finance Quarterly* 58(4): 369–85.

UNCTAD. 2019. *Foreign Direct Investment: Inward and Outward Flows and Stock, Annual*. UNCTAD, FDI/MNE Database. <https://unctadstat.unctad.org/wds/TableView/tableView.aspx?ReportId=96740>.

U.S. Department of State. 2021. "U.S. Relations with Hungary." <https://www.state.gov/u-s-relations-with-hungary/>.

Vachudova, Milada. 2020. "Ethnopolitism and Democratic Backsliding in Central Europe." *East European Politics* 36(3): 318–40.

Waldner, David, and Ellen Lust. 2018. "Unwelcome Change: Coming to Terms with Democratic Backsliding." *Annual Review of Political Science* 21(1): 93–113.

Walter, Stefanie. 2021. "The Backlash Against Globalization." *Annual Review of Political Science* 24(1): 421–42.

Wilkin, Peter. 2016. *Hungary's Crisis of Democracy: The Road to Serfdom*. Lanham, Maryland: Lexington Books.

Wyatt, Derrick. 2022. "Those Calling for the EU to Expel Hungary Should Think Again." *LSE European Politics and Policy Blog*. <https://blogs.lse.ac.uk/europpblog/2022/05/31/those-calling-for-the-eu-to-expel-hungary-should-think-again/> (March 13, 2023).