



PROJECT MUSE®

Austerity and Aggression: Government Responses to IMF
Conditionality

Richard Clark, Anna M. Meyerrose

World Politics, Volume 77, Number 1, January 2025, pp. 111-154 (Article)

WORLD
POLITICS
*A Quarterly Journal of
International Relations*

Volume 77, Number 1 January 2025

Published by Johns Hopkins University Press

DOI: <https://doi.org/10.1353/wp.2025.a950024>

➔ *For additional information about this article*

<https://muse.jhu.edu/article/950024>

AUSTERITY AND AGGRESSION

Government Responses to IMF Conditionality

By RICHARD CLARK^{a*} and ANNA M. MEYERROSE^b

^a Department of Political Science, The University of Notre Dame, Notre Dame, Indiana

^b School of Politics and Global Studies, Arizona State University, Tempe, Arizona

* Corresponding author. Email: richard.clark@nd.edu

ABSTRACT

The International Monetary Fund (IMF) offers countries emergency financial support in exchange for the implementation of stringent policy conditions that often cause political and economic upheaval in target states. How do leaders in borrower countries respond to the backlash from publics and elites that often emerges in these cases? The authors argue that leaders seek to divert attention from economic issues under IMF conditionality by employing security-oriented rhetoric and sparking low-cost skirmishes internationally. Such diversionary tactics may help leaders to skirt blame for the short-term economic costs of IMF-imposed structural adjustment by driving a rally-around-the-flag effect. The authors pair text analysis of ruling party manifestos with regression analysis of the relationship between IMF conditionality and the initiation of interstate disputes and find support for their argument.

I. INTRODUCTION

RESEARCH on the domestic consequences of economic globalization has proliferated in recent years, with scholars finding aspects of the international economy such as trade and foreign direct investment can influence prospects for democratization,¹ citizen attitudes,² and even the rise of extremist parties.³ International financial institutions in particular have gained significant sway over domestic economic outcomes, with the International Monetary Fund (IMF) standing out as arguably the most domestically influential of the international financial institutions. Indeed, the IMF imposes stringent policy conditions on loan recipients, demanding austerity, tax reform, and privatization, among other policy changes.⁴ The IMF accomplishes these objectives via conditionality

¹ Gao 2021a.

² Mansfield, Milner, and Rudra 2021; Rodrik 2021.

³ Colantone and Stanig 2018.

⁴ Li, Sy, and McMurray 2015; Kentikelenis, Stubbs, and King 2016.

in the form of structural adjustment programs that have grown increasingly far-reaching and demanding over time.⁵⁵

The short-term domestic consequences of such IMF-imposed austerity—including rising income inequality and negative employment trends—have triggered mounting societal discontent and backlash against the governments that negotiate and implement it. Although previous research had argued leaders may accept IMF loans to tie their government's hands to implement welfare-enhancing reforms⁶ or to scapegoat the Fund for the short-term economic costs of liberalization,⁷ more recent work suggests scapegoating is ineffective at deflecting blame from the government in cases of stringent conditionality.⁸ IMF conditions are often incredibly salient domestically and can threaten the popularity of leaders and their reelection odds.⁹ Indeed, publics and elites alike can lose from IMF programs in the short-run as a result of public sector job and wage cuts, privatization, and the like. If this is the case, how do governments and leaders in these borrower countries respond to the backlash that emerges in the face of stringent IMF conditionality? More generally, how might leaders overcome domestic turmoil wrought by economic globalization?

The IMF's influence over domestic economic policy and its power to impose austerity from abroad present a unique set of challenges to recipient governments. Leaders cannot tailor austerity programs to their domestic contexts or roll back unpopular liberalization under IMF programs, differentiating such austerity provisions from those with domestic origins. They often lack credible outside options and bargaining leverage given the IMF's role as lender of last resort.¹⁰ Therefore, leaders face incentives to reorient voters' attention away from the short-term economic struggles that IMF programs engender. In particular, national security, foreign policy, and defense topics may be attractive alternatives to such leaders. Ruling elites often pivot to security issues in times of economic stress,¹¹ and the public tends to be receptive to their cues on these issues.¹² Elites can also benefit from ramping up military rhetoric and action.¹³

⁵ Babb and Carruthers 2008; Dreher 2009.

⁶ Keohane 1984.

⁷ Vreeland 1999; Vreeland 2004.

⁸ Kaya, Handlin, and Günaydin 2020.

⁹ Vreeland 2004. Cases of public protest against IMF conditions abound. See *France* 24. 2022. "Thousands Protest Argentina's Debt Deal with IMF." At <https://bit.ly/3qj0PqP>.

¹⁰ Henning 2011; Clark 2022.

¹¹ Ward et al. 2015; Traber, Giger, and Häusermann 2018; Pardos-Prado and Sagarzazu 2019.

¹² Guisinger 2009; Rho and Tomz 2017; Guisinger and Saunders 2017.

¹³ Snyder 1991.

Drawing on this research and the diversionary war literature, we argue that leaders in IMF program countries facing particularly stringent IMF programs—namely, those with a large number of conditions—may use diversionary security rhetoric and initiate small-scale interstate disputes to deflect attention from painful, internationally imposed economic adjustments. National security issues, and international disputes in particular, can induce a rally-around-the-flag effect domestically,¹⁴ buoying public and elite support for the government and distracting from short-term economic pain. Therefore, leaders should emphasize security topics when cueing the public in the face of stringent IMF conditionality while simultaneously downplaying economic issues. We also argue that these leaders are likely to initiate small-scale interstate disputes. Though they may prefer to cue on national security issues without initiating new disputes, leaders could look weak for doing so,¹⁵ and signals are most effective when they carry costs.¹⁶ However, we suggest that leaders are careful to keep such costs relatively low, especially because IMF program countries are mostly developing or economically vulnerable states. Therefore, we argue that these leaders will initiate conflicts that are unlikely to lead to significant material costs (for example, battle deaths or protracted ground wars) by taking actions less likely to incite a forceful retaliation.

Indeed, preliminary evidence shows that IMF program participants initiate these low-cost interstate skirmishes in the face of demanding IMF conditionality. Between 1978 and 2014, IMF program countries triggered 397 interstate disputes. One such country—Nicaragua—initiated in early 1999 a maritime dispute with Honduras shortly after agreeing to an IMF program that took a toll on its economy.¹⁷ Nicaragua then filed disputes against Honduras with the International Court of Justice, World Trade Organization, and Central American Court of Justice, making it a salient topic in the public consciousness.¹⁸ The conflict with Honduras helped to alleviate public pressure on President Alemán. Honduras was an attractive target for Nicaragua insofar as the two countries had a history of border tensions and low-level skirmishes,¹⁹ though a period of

¹⁴ Russett 1990.

¹⁵ Fearon 1994; Tomz 2007.

¹⁶ Fearon 1997.

¹⁷ *Wall Street Journal*. 1997. “Nicaragua to Enter IMF Talks to Shrink Debt, President Says.” At <https://www.wsj.com/articles/SB876412846343311000>, accessed November 20, 2024.

¹⁸ United Nations. 2007. “UN Court Awards Honduras Sovereignty of Four Cays in Dispute with Nicaragua.” At <https://bit.ly/30ih7X1>, accessed November 20, 2024. Though we focus on the initiation of MIDs in this article, future research might examine whether approaching other IOs is a common way to initiate disputes.

¹⁹ *New York Times*. 1988. “An Uneasy Border: Honduran-Nicaraguan Incidents.”

relative calm preceded the 1999 flare-up. Moreover, the Honduran and Nicaraguan governments were ideologically opposed for much of the 1980s and 1990s. Therefore, this conflict was likely to be salient among Nicaraguan citizens and stir up public support for the regime, which it ultimately did.²⁰ Moreover, Nicaragua suffered no casualties as a result of this dispute.²¹

To test our theory, we employ a multimethod approach. First, we translate and perform structural topic modeling on the entire corpus of party manifestos from the Comparative Manifesto Project database,²² finding that ruling parties revise their platforms to emphasize international relations and conflicts when their government has agreed to burdensome IMF loans, while simultaneously focusing less attention on contentious economic issues such as public spending and tax policy. Next, we pair data on IMF loan programs and conditionality during the period 1978–2014²³ with data on the initiation of militarized interstate disputes.²⁴ We find that states are significantly more likely to initiate low-cost interstate disputes, and in particular clashes with no casualties, after the onset of stringent IMF programs. Though observational and suggestive, these results indicate policymakers may attempt to draw attention away from IMF-imposed austerity in words and deeds by initiating and spotlighting interstate skirmishes.

This article revises and expands existing literature on elite responses to the domestic consequences of economic globalization, including its ties to conflict,²⁵ by showing that leaders face incentives to pivot to security issues under IMF-imposed economic pressures. More specifically, this article contributes to extensive work on the domestic politics of IMF lending by exploring strategies that leaders pursue to deflect negative public and elite sentiment in the face of intense IMF conditionality. Our theory is especially relevant when IMF conditionality is intrusive, since scapegoating often proves insufficient in these cases.²⁶ More broadly, our argument extends work that highlights the IMF's shortcomings, many of which result because the IMF does not sufficiently tailor programs to

²⁰ Granger 2007.

²¹ Instances such as this have played out in other regions of the world. For example, after entering an IMF program in 1994, in 1996 the Philippines initiated a militarized dispute with China in the South China Sea, the Mischief Reef Incident as it is known. The last armed conflict initiated by the Philippines with China prior to this occurred in 1966. The 1996 crisis was quite consequential, eventually reviving US–Philippine military ties; Austin 2003.

²² Volkens et al. 2020.

²³ Kentikelenis, Stubbs, and King 2016.

²⁴ Palmer et al. 2022.

²⁵ Drezner, Farrell, and Newman 2021.

²⁶ Kaya, Handlin, and Günaydin 2020.

domestic contexts,²⁷ as well as recent work on mounting backlash against the IMF.²⁸ We show that such backlash can lead conditionality to spill-over internationally, with leaders provoking or escalating conflicts to distract from the pains of IMF-imposed economic adjustment. Additionally, we contribute to the diversionary war literature by showing that instead of initiating full-blown military conflicts, governments often seek to divert attention from economic woes by initiating low-cost disputes. Last, we are among the first to consider the security dimension of state engagement with international financial institutions, and we encourage additional research in this vein.²⁹

II. THE DOMESTIC CONSEQUENCES OF IMF AUSTERITY

The IMF plays an important role in shaping member states' economic policies. It does so both in a surveillance and consultative role,³⁰ and by promoting far-reaching policy reforms in borrowing countries via conditionality.³¹ Indeed, IMF programs have become increasingly intrusive and demanding, with the Fund attaching more conditions covering a growing range of policy areas in recent years.³² Conditions increasingly pertain to labor markets in the form of wage restrictions, pension reforms, and the mandatory privatization of state-owned enterprises.³³ Such reforms are thought to be particularly painful to implement, especially when labor holds significant political sway.³⁴ Both publics and elites can lose from IMF programs, since elites often benefit from rampant corruption and state-owned enterprises.³⁵ Other common reforms pursued by the Fund include limits on public spending and social benefits,³⁶ currency devaluation, and restrictive fiscal and monetary policy.³⁷

Scholars have highlighted a range of deleterious short-term domestic consequences of IMF conditionality and corresponding structural adjustments. IMF conditions often require extensive labor market and public spending reforms, many of which have crucial distributional consequences within target states. Indeed, IMF structural adjustment programs have been

²⁷ Radelet and Sachs 1998; Goldstein 2003; Montinola 2010; Li, Sy, and McMurray 2015.

²⁸ Dreher and Gassebner 2012; Lee and Woo 2021.

²⁹ Though see Davis and Pratt 2021 on how security ties shape membership in economic IOs.

³⁰ Goes and Chapman 2024; Clark and Zucker 2022.

³¹ Babb and Carruthers 2008; Copelovitch 2010b.

³² Dreher 2009; Kentikelenis, Stubbs, and King 2016.

³³ Günaydin 2018; Reinsberg et al. 2019.

³⁴ Caraway, Rickard, and Anner 2012.

³⁵ Hellman 1998.

³⁶ Nooruddin and Simmons 2006.

³⁷ Dreher and Gassebner 2012.

linked to increased income inequality in borrower states beginning one year after program initiation.³⁸ IMF reforms have also been attributed to negative employment trends and waning social cohesion.³⁹ Perhaps as a result of these shortcomings, IMF programs have become increasingly unpopular and faced mounting backlash from labor unions, workers, and elites in target countries.⁴⁰ While the Fund was initially considered an effective scapegoat, allowing leaders to implement unpopular but necessary policies,⁴¹ more recent work suggests this scapegoating is often ineffective at deflecting blame from the government in cases of particularly stringent conditionality.⁴²

At its core, IMF backlash is closely linked to the dislocations resulting from IMF-imposed austerity, defined as any restrictive fiscal policy that leads to a reduction in government spending and public debt or an increase in taxation. The last decade and a half has witnessed myriad examples of leaders undertaking austerity to stabilize their economies, especially in the wake of the 2008 global financial crisis.⁴³ While conventional wisdom suggests that politicians will avoid or delay austerity due to the potential negative electoral consequences of these policies,⁴⁴ evidence exists that domestic officials do not always shy away from developing their own austerity programs⁴⁵ and may even face few electoral consequences for implementing them.⁴⁶ The lack of public backlash toward domestically imposed austerity has been attributed to governments' ability to craft their austerity packages in ways that accommodate voter preferences and sensitivities; for example, by avoiding pension cuts and increases to income taxes that are more likely to trigger protests.⁴⁷ In short, when domestic officials control their economic policies, they may be able to strategically design them to avoid widespread societal discontent. Moreover, in the event that these policies are unpopular, governments ultimately have the power to roll them back.

The imposition of austerity policies from abroad, however, creates a unique set of challenges for recipient governments. IMF programs are often insufficiently tailored to the domestic contexts in which they are

³⁸ Pastor 1987; Garuda 2000; Vreeland 2002; Oberdabernig 2013; Lang 2016.

³⁹ Steinwand and Stone 2008; Blanton, Blanton, and Peksen 2015.

⁴⁰ Caraway, Rickard, and Anner 2012; Günaydin 2018; Lee and Woo 2021.

⁴¹ Vreeland 1999.

⁴² Smith and Vreeland 2004; Kaya, Handlin, and Günaydin 2020.

⁴³ Ortiz and Cummins 2013.

⁴⁴ Alesina, Favero, and Giavazzi 2018.

⁴⁵ Ponticelli and Voth 2020.

⁴⁶ Giger 2010; Arias and Stasavage 2019.

⁴⁷ Bansak, Bechtel, and Margalit 2021.

implemented,⁴⁸ and government officials do not have much authority to alter these programs in response to public demands. Indeed, since it is a lender of last resort, countries tend to approach the IMF when they have few options for financing left. A lack of outside options reduces countries' leverage to bargain down the stringency of conditions.⁴⁹ Unable to rescind or renegotiate these policies, we should expect politicians to seek alternative tools to deflect citizens' backlash and buoy public support. This expectation raises the question, How can leaders and ruling parties skirt domestic political sanctions when undertaking intrusive IMF loan programs?

III. LEADERS' RESPONSES TO IMF CONDITIONALITY

Research on how ruling elites respond to the negative domestic consequences of IMF conditionality is limited and focuses mostly on leaders' efforts to scapegoat the Fund for economic strife.⁵⁰ However, work on government responses to globalization more generally is expansive, offering several potential strategies available to elites in IMF target states. IMF conditionality is but one example of economic globalization constraining the set of policies available to governments.⁵¹ Economic integration has led to growing demands for economic protections and redistributive policies,⁵² and globalization can engender significant push-back to liberal economic policies and ideas.⁵³

Nevertheless, these demands often go unmet, largely because governments have limited control over economic policy levers in a globalized world. Survey evidence suggests that citizens are aware the international economy is increasingly responsible for national economic conditions, though respondents also recognize government policy control varies across issue areas and leaders are viewed as possessing greater leeway when it comes to sociocultural and national security issues.⁵⁴ Cognizant of these dynamics, the public may look to noneconomic policy areas, such as security and external relations, when evaluating government performance.

⁴⁸ Li, Sy, and McMurray 2015.

⁴⁹ Clark 2022.

⁵⁰ Vreeland 1999.

⁵¹ Meyerrose 2020; Schneider and Thomson 2023.

⁵² Hellwig 2016; Adam and Ftergioti 2019.

⁵³ Garrett 1998; Leibrecht, Klien, and Onaran 2011; Meinhard and Potrafke 2012.

⁵⁴ Hellwig 2014.

Political elites are also responsive to the economic policy constraints wrought by globalization.⁵⁵ For example, Dalston Ward and colleagues find that greater economic integration drives political parties to emphasize noneconomic issues during elections to appeal to voters.⁵⁶ This scenario may be especially true during economic crises, as leaders seek to evade blame for any hardship.⁵⁷

We extend and revise this literature, arguing that elites seek to shift the political focus away from economic issues when constraints are imposed from abroad, and specifically when their country comes under a stringent IMF structural adjustment program. Though most IMF programs today are considered stringent, we draw on work on IMF conditionality to specifically define stringent programs as those with a relatively large number of conditions.⁵⁸ In these cases, scapegoating is often ineffective,⁵⁹ leaving leaders to search for other ways to deflect blame. Building on the diversionary war literature, we contend one way in which elites can shift attention to noneconomic issues when implementing these stringent IMF programs is by changing the public discourse to focus on national security and other international issues. They may also back up this rhetoric by initiating small-scale, low-cost interstate skirmishes.

Scholars argue that leaders facing domestic hardships, such as a weak economy,⁶⁰ rising unemployment,⁶¹ or low approval ratings,⁶² might engage in conflict or use military force abroad in other ways to divert public attention and improve their electoral prospects.⁶³ Such conflicts may trigger a rally-around-the-flag effect and convey governing competence on the part of the leader or ruling party.⁶⁴ They may also help to line the pockets of elites on whom leaders rely.⁶⁵

Early empirical tests of this theory focused almost exclusively on the use of diversionary tactics by leaders in advanced democracies with extensive military capabilities, finding mixed results.⁶⁶ More recently, however,

⁵⁵ Rodrik 2021; Meyerrose and Watson 2024.

⁵⁶ Ward et al. 2015.

⁵⁷ Traber, Giger, and Häusermann 2018; Pardos-Prado and Sagarzazu 2019.

⁵⁸ Copelovitch 2010b; Kentikelenis, Stubbs, and King 2016; Clark 2022.

⁵⁹ Kaya, Handlin, and Günaydin 2020.

⁶⁰ James and Oneal 1991.

⁶¹ Fordham 1998.

⁶² DeRouen 2000.

⁶³ Ostrom and Job 1986; Levy 1998; Schenoni, Braniff, and Battaglini 2020.

⁶⁴ Hess and Orphanides 1995; Brulé, Marshall and Prins 2010.

⁶⁵ Snyder 1991.

⁶⁶ Lian and Oneal 1993; Gelpi 1997; Leeds and Davis 1997; Gowa 1998; Dassel and Reinhardt 1999.

scholars have expanded the universe of potential initiators beyond great powers to include low- and middle-income states by exploring less costly forms of interstate conflict, such as territorial disputes, as potential forms of diversionary behavior.⁶⁷ For instance, Sara Mitchell and Clayton Thyne find that states are more likely to initiate militarized disputes over contentious, salient issues, such as disputed claims over territory, maritime areas, and cross-border rivers.⁶⁸ By expanding the definition of diversionary war to include a wider range of conflict behavior, scholars have found that both democratic and autocratic leaders initiate these low-cost international disputes framed around domestically salient issues.⁶⁹

We draw on this expanded definition of diversionary conflict behavior and link it to leaders seeking to avoid domestic backlash under IMF-imposed austerity. While large-scale conflicts are unrealistically costly for most IMF borrower states, we contend that small-scale and low-cost skirmishes that risk few casualties can prove effective distractions from economic hardship for these states' publics. In particular, we predict that leaders in these states will seek to focus domestic attention on salient interstate issue claims both through rhetoric and action. When political elites have limited control over economic policy at home, they have incentives to shift public attention to noneconomic issues,⁷⁰ such as national security and external relations.⁷¹ By invoking highly salient issues related to the international domain that will be familiar to their domestic audiences, these leaders can induce a rally-around-the-flag effect to buoy public support for the government in power and distract public attention from short-term economic pain.⁷² This is especially true since voters are susceptible to elite cues on security topics,⁷³ and elites can benefit from militarization.⁷⁴ Therefore, our first prediction is:

—Hypothesis 1 (H1). Leaders and ruling parties that are subject to more stringent IMF programs will be more likely to shift their policy platforms to emphasize national security issues while simultaneously de-emphasizing economic policy topics.

⁶⁷ Tir 2010.

⁶⁸ Mitchell and Thyne 2010.

⁶⁹ Pickering and Kisangani 2005.

⁷⁰ Meyerrose 2024.

⁷¹ Hellwig 2014.

⁷² Note evidence exists that these effects are conditional on other factors (Gelpi, Feaver, and Reifler 2006), such as media coverage of the event (Baum and Potter 2019).

⁷³ Lenz 2012; Guisinger and Saunders 2017.

⁷⁴ Snyder 1991.

Research suggests these rallying effects may be limited to instances in which the external threat is credible.⁷⁵ We attempt to address the implications of this both theoretically and empirically. Theoretically, existing research suggests diversionary behavior by low- and middle-income states—which are the states most likely to receive IMF loans—is more likely to focus on territorial or other disputes that are highly salient to their domestic publics.⁷⁶

Furthermore, these types of disputes are often centered on some form of cross-border dispute, such as access to a waterway or territorial control. In the era of globalization, threats to border security are increasingly viewed as threats to sovereignty and to the state itself;⁷⁷ as such, these types of disputes should be viewed as credible by the domestic audience. Empirically, we offer several brief case studies in both the introduction and below that illustrate diversionary behavior by IMF loan recipients centered on international disputes that would be widely recognized and highly salient domestically. Furthermore, in our large-*n* analysis, the credibility of the external threat likely varies. However, we argue that including threats that are both more and less credible constitutes a hard test for our theory: any effects that we find will be biased downward by these noncredible threats.

Although shifting their rhetorical emphasis to security topics may temporarily move attention away from economic hardship, we do not expect rhetoric alone to be sufficient to deter societal backlash against intense conditionality. Although state leaders may prefer to cue the public on national security without engaging in interstate disputes, leaders risk being perceived as weak for doing so insofar as it indicates inconsistency between words and deeds.⁷⁸ Moreover, signals such as these are much more powerful and effective when they are associated with costly action, whether the audience is domestic or international.⁷⁹ Sinking costs by pursuing military activity in conjunction with security rhetoric may therefore better divert attention from domestic economic woes.⁸⁰ Alternatively, leaders may use military action to compensate for an observable loss in their policy competence—since economic policy failures

⁷⁵ Chapman and Reiter 2004; Chapman 2012.

⁷⁶ Mitchell and Thyne 2010.

⁷⁷ Simmons and Kenwick 2022.

⁷⁸ Fearon 1994; Tomz 2007; Weeks 2008; Chaudoin 2014; Kertzer and Brutger 2016; Casler and Clark 2021.

⁷⁹ Fearon 1997; Slantchev 2005; Fuhrmann and Sechser 2014. See Casler and Yarhi-Milo 2022 for a review.

⁸⁰ Reiter and Poast 2021.

can result in leaders ceding some control over domestic economic policy to the IMF, leaders may wish to signal that they are still in control of other foreign policy tools. They may also wish to convey that economic failures, which are obvious in the context of an IMF program, have not affected military preparedness. Last, leaders might initiate MIDs in an attempt to extract materiel concessions from foreign opponents to buy off the domestic opposition, either the elite or the masses,⁸¹ since the opposition often fares well in the face of IMF conditionality.

However, since IMF borrower states have limited financial and military resources at their disposal in most cases, leaders and ruling parties in these states will be careful to initiate only small-scale conflicts that are unlikely to lead to significant materiel costs. Furthermore, we expect these leaders to focus on skirmishes that pose little risk of casualties, as these could spark domestic blow-back.⁸² To ensure that these disputes will be low-cost, these leaders will initiate actions that entail limited if any militarized engagement, such as mere shows of force, that are less likely to provoke forceful retaliation from the target state. In short, we predict:

—Hypothesis 2 (H2). Leaders and ruling parties in states subject to more stringent IMF programs will be more likely to initiate small-scale interstate skirmishes, favoring the types of conflicts that result in few casualties.

We expect these dynamics to apply in both democratic and authoritarian contexts. While elected officials are undoubtedly more beholden to voters in democracies than in autocracies,⁸³ public opinion matters in all but the most repressive of autocratic states. Competitive authoritarian and hybrid regimes that hold regular (albeit less free and fair) elections, allow multiple parties to participate in the political process, and rely on institutions such as legislatures to manage the state have become increasingly common when compared to closed personalistic, military, or monarchical autocratic regimes.⁸⁴ In those institutionalized autocracies wherein elections, parties, and legislatures are regular parts of the political process—although these pseudo-democratic institutions are neither fully competitive nor representative—leaders use these institutions to maintain power by providing regular political rents and

⁸¹ Gao 2021b.

⁸² While we predict these leaders will favor low-cost skirmishes, there is evidence that authoritarian leaders may be less averse to costly conflicts. We account for this possibility in our analysis below by controlling for regime type.

⁸³ Fearon 1994; Gelpi and Griesdorf 2001.

⁸⁴ Levitsky and Way 2002.

co-opting the opposition.⁸⁵ One result is that citizens and regime insiders in these contexts are better positioned to extract policy concessions, with public opinion and government performance playing important roles.⁸⁶ Indeed, as Jakob Tolstrup argues: “All political actors, democratic or not, must pay attention to the preferences and interests of the groups that back them.”⁸⁷ These groups can include both domestic publics and elites who make up a leader’s selectorate.⁸⁸

IV. ILLUSTRATIVE EXAMPLES

Examples of our proposed theory have played out across the globe. Here, we provide two such examples for illustrative purposes.

BOLIVIA

Bolivia, one of South America’s poorest countries, implemented a series of structural adjustment programs between 1986 and 2005 to facilitate IMF loans. During this time, roughly half of Bolivia’s public investment was supported by international aid. Although the Bolivian government was initially able to resist international pressure for domestically unpopular privatization measures, an economic crisis in the late 1990s dramatically increased Bolivia’s fiscal deficits. As a result, in the late 1990s and early 2000s, the IMF placed additional pressure on the Bolivian government to cut public services and impose a flat tax on personal income, arguing that these policies would lead to steady economic growth. However, Bolivia’s economy grew at a dismal pace, and declining incomes combined with anger over tax increases and cuts to social programs led to increased domestic opposition to the IMF and its market-oriented reforms, with subsequent protests toppling two Bolivian presidents in quick succession.⁸⁹ First, in October 2003, five hundred thousand Bolivians marched on the presidential palace, forcing the sitting president, Sánchez de Lozada, to resign and flee to Miami. Lozada’s successor, President Carlos Mesa, faced similar pressure from the IMF to implement unpopular neoliberal reforms, and ultimately resigned in June 2005 in the face of extensive ongoing domestic protests.⁹⁰

⁸⁵ Gandhi 2010; Boix and Svolik 2013.

⁸⁶ Potter and Wang 2022.

⁸⁷ Tolstrup 2014, 129. We test this scope condition empirically by interacting our measure of IMF conditions (discussed below) with regime score, operationalized using the Polity indicator; Marshall, Gurr, and Jaggers 2016. We find little evidence that democracies and autocracies behave differently in response to IMF conditionality. See Appendix Figure A8.

⁸⁸ Morrow et al. 2006.

⁸⁹ Forero, Juan. 2005. “Bolivia Regrets IMF Experiment.” *New York Times*.

⁹⁰ Kohl and Farthing 2009.

These events paved the way for a staunchly leftist and antiglobalization candidate, Evo Morales, to narrowly win the 2005 Bolivian presidential election. Morales came to power in part on a platform focused on reducing Bolivian dependence on the IMF and other US-dominated financing sources—an objective he eventually achieved when Bolivia finished repaying its debts to the IMF in 2019—and was committed to reversing the deeply unpopular IMF-driven economic policies implemented by his predecessors. While Morales was able to uphold these promises eventually, in 2006 his administration still faced domestic unrest in the form of strikes and roadblocks by protesters who felt the proposed economic reforms were not being implemented quickly enough.⁹¹

In the context of this lingering domestic opposition to IMF-imposed policies and two recently deposed presidents, the newly elected President Morales drew on a highly salient and historically prevalent conflict with neighboring Chile to shore up support for his rule and distract the public.⁹² In an 1879 conflict known as the Saltpeter War, Chile emerged as a regional power and in the process took a significant amount of Bolivian territory, including a stretch of Pacific coastline that left Bolivia completely landlocked. Access to this coastline is widely viewed in Bolivia as a key step toward sustainable economic growth. Into the present, Bolivian textbooks portray this 1879 conflict as a Chilean land grab, the nation commemorates this loss each year on the Day of the Sea, and a monument near a Bolivian Naval Base shows a Bolivian soldier impaling a Chilean soldier with a bayonet beside the words “What once was ours, will be ours once more.” In 2006, Morales revived this conflict by lobbying to regain that coastline from Chile and eventually taking his (ultimately unsuccessful) case all the way to the International Court of Justice.⁹³

TURKEY

We also see examples of diversionary behavior in the form of direct military clashes, which come on the heels of domestic opposition to IMF-imposed austerity. Facing rising inflation, Turkey worked with the IMF to design a three-year stabilization program focused on reducing budget deficits and increasing the pace of privatization in the late 1990s. This program was implemented in December 1999; however, the Turkish lira continued to appreciate, triggering capital flight, a liquidity shortage,

⁹¹ Romero, Simon. 2006. “Bolivia Reaches for a Slice of the Coast That Got Away.” September 24. *New York Times*.

⁹² Tir 2010.

⁹³ BBC. 2018. “Bolivia Sea Dispute: UN Rules in Chile’s Favour.” October 1. At <https://www.bbc.com/news/world-latin-america-45708671>, accessed November 20, 2024.

inflation rates of several-thousand percent, and, eventually, a full-blown economic crisis that lasted into 2001. In response, the IMF offered additional loans, and the Turkish government, in turn, agreed to cut social spending and public wages.⁹⁴ These measures provoked a series of protests. For example, in December 2000, thousands of workers in Ankara walked out on strike against unemployment, low wages, and cuts to social security. Such protests were focused on the IMF-backed inflation-reduction plan, with many protesters wearing pins saying “IMF Get Out. This country is ours!”⁹⁵ These protests continued throughout 2001.⁹⁶

Amid this domestic unrest, the Turkish government initiated multiple uses of force against Iraq in 2000 and 2001 over shared water rights on the Tigris River,⁹⁷ an issue that is salient from both a national security and regional development perspective in Turkey. Conflicts over water resources have become particularly pervasive in the water-scarce Middle East in recent decades.⁹⁸ Furthermore, since the 1950s, Turkey has developed a series of hydroelectric and irrigation projects along the Tigris; such projects have become a symbol of national pride and therefore are often strategically emphasized by ruling elites seeking to improve their electoral prospects.⁹⁹ As such, initiating militarized disputes with Iraq over access to the Tigris proved an effective strategy for the government to distract from growing domestic opposition to IMF-imposed policies.

These two cases are consistent with the article’s argument but could be exceptional. Analysis of panel data in the next section enables us to test whether the argument holds systematically across the universe of available cases.

V. DATA AND RESULTS

We test our predictions on a universe of cases that includes all IMF member states from 1978 to 2014. Our research design involves two sets of analyses.¹⁰⁰ We start by showing that ruling parties’ manifestos are reoriented around issues of national security and foreign policy,

⁹⁴ Dufour and Orhangazi 2009.

⁹⁵ CBC. 2001. “Turks Protest IMF Reforms.” At <https://www.cbc.ca/news/world/turks-protest-imf-reforms-1.257469>, accessed November 20, 2024.

⁹⁶ CBC. 2001. “Turks Protest IMF Reforms.”

⁹⁷ Mitchell and Thyne 2010.

⁹⁸ Hensel et al. 2008.

⁹⁹ Çarkoğlu and Eder 2001.

¹⁰⁰ All R code necessary to replicate analyses can be found at <https://doi.org/10.7910/DVN/5EK3YS>.

de-emphasizing economic issues, when their countries are under burdensome IMF loans. Then, we conduct regression analyses with data on the intrusiveness of IMF programs and IMF member states' initiation of interstate disputes, finding that countries under particularly stringent IMF programs are more likely to initiate these conflicts than countries that are under fewer IMF conditions. We also provide evidence that these disputes are relatively low-cost skirmishes that frequently result in no casualties.

DIVERSIONARY RHETORIC: PARTY MANIFESTOS

To test our prediction that leaders and ruling parties in states subject to more intensive IMF conditions will shift their rhetoric to emphasize security and foreign policy issues while downplaying those related to economics, we use data from the Comparative Manifesto Project (CMP) data set,¹⁰¹ which includes party manifestos at the party-election year level from fifty-six countries.¹⁰² These party manifestos provide useful measures of the types of issues that parties debate, the relative emphasis they place on different topics, and capture the extent to which an issue is salient to a party.¹⁰³

While the existing CMP data set codes whether a given manifesto's content covers several different issues areas,¹⁰⁴ the data are not amenable to more detailed text analysis since the manifestos are in their country's native language. Moreover, the CMP coding simply tells us whether a given topic is covered in the entire manifesto, which makes it difficult to determine how governments are specifically using language in each area. Therefore, we translate all manifesto texts into English using Google Translate.¹⁰⁵ Doing so enables us to closely explore how manifesto content changes when states are under stringent IMF programs and to identify which topics become more or less prevalent. The CMP data divide each manifesto in its corpus into quasi-sentences. Our final translated English data set includes 783,797 quasi-sentences drawn from

¹⁰¹ Volkens et al. 2020.

¹⁰² See Appendix 1 for a list of these countries and their respective number of IMF program years.

¹⁰³ Burgoon 2012.

¹⁰⁴ The major issue areas identified in the CMP data set are external relations; freedom and democracy; political system; economy; welfare and quality of life; fabric of society; and social groups.

¹⁰⁵ Importantly, manifesto text is available for each manifesto coded in the CMP, so we do not lose observations. Recent work in political methodology shows topic models estimated using machine-translated documents (from Google Translate) are highly similar to ones estimated using human-translated data with respect to topical prevalence and content (de Vries, Schoonvelde and Schumacher 2018) and that combining Google Translate with topic models is an effective strategy (Reber 2019). We run the text through the API twice to ensure all text is translated, and we drop the few pieces of non-English text before conducting analysis. Therefore, we are confident in this approach.

1,306 party manifestos linked to 440 parties that competed in elections between 1954 and 2020.

Since IMF program implementation, and therefore domestic backlash to these policies, falls primarily within the purview of the ruling party or coalition, we focus exclusively on the translated manifesto data for parties in power. To do so, we combine our translated manifesto data with the ParlGov data set,¹⁰⁶ which includes detailed information on parties, elections, and cabinet composition. In our analysis, we operationalize parties in power as those that are represented in the ruling cabinet.¹⁰⁷ Executives and their supporting institutions are often the most important opinion leaders domestically, and therefore the rhetoric espoused by parties represented in this branch of government should be the most influential when it comes to steering public opinion on foreign policy and security issues.¹⁰⁸

We use these translated manifestos from parties in power to estimate a structural topic model (STM).¹⁰⁹ In this model, we look specifically at the extent to which stringent IMF programs in IMF member states lead parties in power to emphasize issues related to security or foreign policy while de-emphasizing or avoiding economic topics that might remind voters of their ongoing IMF-imposed economic hardships.¹¹⁰ Appendix Figure A2 in the supplementary material shows common words associated with each topic from the model. Representative responses for each of the ten topics can be found in Appendix Table A1.

¹⁰⁶ Döring and Manow 2021.

¹⁰⁷ We also considered using the government support (*v2pagovsup*) indicator from the Varieties of Party Identity and Organization (V-Party) data set to capture if a party supports the government in power but find that the ParlGov indicator has far fewer missing observations (23) in our data than the V-Party one (2,354).

¹⁰⁸ Lenz 2012; Guisinger and Saunders 2017.

¹⁰⁹ To do so, we use the *stm* package in R to tune the number of topics and estimate parameters. We select the number of topics that maximizes semantic coherence and exclusivity (ten topics for the main analysis, see Appendix Figure A1). We preprocess all text by eliminating common English stopwords, numbers, and punctuation. We also lowercase all text.

¹¹⁰ As noted above, the CMP data set codes the percent of text devoted to various issues, including a series of “external relations” topics, which encompasses military and foreign relations. For robustness, we conduct a regression of the percentage of manifesto text from cabinet parties devoted to *aggressive* external relations (in the form of support for military action or negative sentiment toward other countries) on the count of binding IMF conditions, including a relevant set of controls, and identify a positive and statistically significant relationship between the two (see Appendix Table A6). We also regress the percent of cabinet parties’ manifestos referencing economic topics related to IMF program conditions on the count of binding IMF conditions and find no significant relationship (see Appendix Table A7); this provides additional support for our argument that ruling parties are likely to avoid emphasizing economic issues while implementing demanding and domestically unpopular IMF conditions. Taken together, these robustness checks suggest the CMP coding is picking up similar trends to our *stm*, though our test is more comprehensive and systematic.

For our main independent variable, we measure the intrusiveness of IMF conditionality with a count of the number of binding conditions applied in an IMF project–year. To construct this count variable, we use conditionality data from Alexander Kentikelenis, Thomas Stubbs, and Lawrence King.¹¹¹ They conduct extensive archival research, compiling an original database of conditions extracted from IMF source documents, such as letters of intent, covering all IMF program–years from 1978 to 2014. Following leading papers on IMF conditionality, our unit of analysis is the IMF member country–year.¹¹² Our data set includes country–year observations for which the number of IMF conditions in effect is zero—that is, no program. We therefore examine how moving from zero or relatively few conditions to more conditions relates to a country’s propensity to emphasize security and foreign policy issues.

The STMs (and subsequent MIDS analyses) also include a battery of theoretically relevant covariates, as well as country and year fixed effects. We control first for ethnic fractionalization,¹¹³ which may influence regime stability and therefore propensity to engage in armed conflict and promote security-oriented rhetoric. We also control for a state’s ability to initiate conflicts with a measure of military capabilities using countries’ scores on the Composite Index of National Capabilities. State size has been linked to military capabilities, so we control for population size as well. Furthermore, since research on authoritarian regimes suggests executive tenure influences an executive’s probability of inciting conflict, we also include a variable measuring the number of years the current executive has been in power.¹¹⁴ Although heavily contested, the democratic peace literature overwhelmingly finds a relationship between regime type and conflict behavior; therefore, we control for regime type.¹¹⁵ A related body of work identifies a capitalist peace. In line with this literature, we anticipate more developed countries with more open economies should be less likely to initiate conflicts; therefore, we also control for GDP per capita and trade openness.¹¹⁶ Last, we control for ideal point distance between each country and the United States on important votes in the UN General Assembly.¹¹⁷ Those that are ideologically close to the

¹¹¹ Kentikelenis, Stubbs, and King 2016.

¹¹² E.g., Stone 2008; Copelovitch 2010b; Clark 2022.

¹¹³ Drazanova 2020.

¹¹⁴ Cruz, Kefer, and Scartascini 2020.

¹¹⁵ Marshall, Gurr, and Jagers 2016.

¹¹⁶ Gartzke 2007.

¹¹⁷ Bailey, Strezhnev, and Voeten 2017. We focus on important votes since these are the ones that Congress is briefed on and should therefore be most likely to shape the behavior of US-led international financial institutions; Clark and Dolan 2021.

United States may be able to ignore IMF conditions.¹¹⁸ Notably, while the manifesto data contain both OECD and non-OECD countries, the inclusion of country fixed effects allows us to isolate the impact of IMF conditions within affected countries.¹¹⁹

The results from this analysis can be found in Figure 1.¹²⁰ In accordance with our theory, we find manifestos are significantly more likely to emphasize international issues when countries are under demanding IMF programs ($p < 0.05$). The model allows us to evaluate what types of statements from the manifestos fall under each of the three statistically significant topics in the model. Looking at the “international relations” topic, we find the representative examples do in fact reference issues related to conflict and international security. For example, one party states: “the time of military force is not over in Europe . . . defense policy should be based on credible national defense.” This excerpt is notable because it explicitly mentions a need for the use of military force. Another reads: “The conflicts in the Middle East; the war in Syria; the terrorist power in Iraq, Syria, and Lebanon; and the conflict between Israel and Palestine are clear threats to international peace and security”; and this statement is used by the relevant political party to justify increased military presence in the Middle East. These and other excerpts give us confidence that the topics the model has identified are broadly capturing our concepts of interest.¹²¹ Although economic as well as security content is present in the vignettes most associated with this topic, security issues are relatively more prominent than are economic ones.¹²²

We also find ruling parties in states under stringent IMF conditions are less likely to discuss an array of economic issues affected by IMF programs—namely, public spending and economic growth. The IMF often mandates dramatic cuts to public spending in areas such as education and health care; curtailing public services; and other policies that impede short-term growth. It might pay for parties in power to de-emphasize such topics in favor of international security issues.

¹¹⁸ Stone 2012.

¹¹⁹ The complete list of countries included appears in Appendix 1.

¹²⁰ Appendix Table A2 reports the full results of the STM analysis.

¹²¹ The broader set of representative responses in Appendix Table A1 capture international issues rather than domestic topics such as law and order that often use similar language.

¹²² Only twenty-seven of the one hundred documents with the highest proportion of content assigned to the international relations topic contain economic themes as denoted by the presence of words including “econ” in them. However, because this is an unsupervised approach, not all excerpts deal perfectly with security, and some economic foreign relations content is present. We also further probe the relative weight of economic and international security issues in a robustness check, as is discussed subsequently.

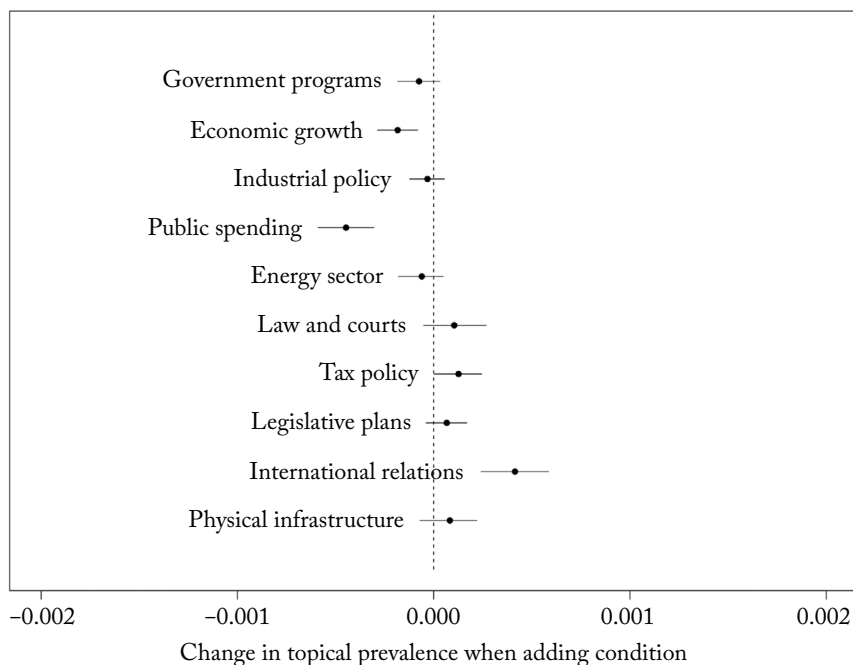


FIGURE 1
STRUCTURAL TOPIC MODEL RESULTS (MAIN ANALYSIS)^a

^a Substantively, the effect size corresponds to the change in the proportion of the text relevant to a given topic when one IMF condition is added. The topics are further illustrated in the supplementary material (Table A1 and Figure A2). The plot depicts 90-percent confidence intervals.

For robustness, we also examine how opposition parties' manifestos shift in response to IMF conditionality.¹²³ We anticipate that the opposition will not pivot to international security issues under IMF programs, instead focusing on economic or other topics.¹²⁴ The results for this analysis appear in Figure 2, and they again accord with expectations. While the prevalence of a number of topics shifts under IMF programs, opposition parties are no more likely to emphasize international security issues. Instead, they become more likely to discuss civil liberties, such as for example, self-determination and nondiscrimination. They are also prone to discuss tax policy and economic growth, both of which are impacted by IMF programs in ways that can be harmful to the public's

¹²³ We define opposition parties as those not represented in the cabinet.

¹²⁴ Diagnostics for this test are presented in Appendix Figure A4; common words from the topics appear in Appendix Figure A5; representative responses can be found in Appendix Table A4; and full regression results are reported in Appendix Table A5.

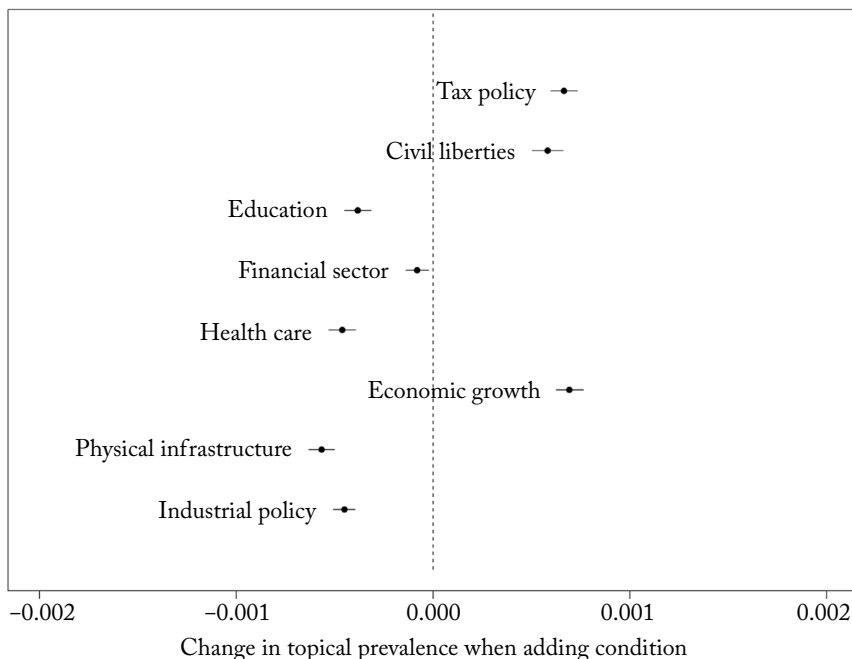


FIGURE 2
STRUCTURAL TOPIC MODEL RESULTS (OPPOSITION ANALYSIS)^a

^a Substantively, the effect size corresponds to the change in the proportion of the text relevant to a given topic when one IMF condition is added. The topics are further illustrated in the supplementary material (Table A4 and Figure A5). The plot depicts 90-percent confidence intervals.

pocketbooks in the short-term and therefore may weaken public and elite support for parties in power. We also find opposition parties downplay several other issues, including education, health care, and industrial policy to emphasize these IMF-related topics.

While these results are encouraging, the main model does not allow us to directly account for the temporal sequence of events—that is, whether manifestos are released before or after IMF programs are launched. If our theory is correct, we would expect an IMF program and related conditions to take effect prior to the release of ruling parties' manifestos, though IMF negotiations often span several months and become salient domestically before a program begins (and thus appears in the data). Therefore, we perform additional robustness checks. First, we repeat the main STM with a one-year lagged measure of the count of IMF conditions, and results are similar.¹²⁵ Additionally, we estimate regression models

¹²⁵ See Appendix Figure A3 and Table A3.

using the hand-coded topical prevalence for international issues versus economic issues in the CMP data set and lag all independent variables by one year to ensure that the IMF programs precede the manifestos. Here we find further evidence in support of our theory—ruling parties are more likely to discuss international issues and downplay economic topics that are often severely constrained by IMF programs in manifestos published after IMF conditions take effect.¹²⁶

In short, we find that ruling parties in states under demanding IMF programs are more likely to emphasize international issues while at the same time downplaying economic ones. These findings are supported by a placebo analysis that analyzes the content of opposition parties' manifestos, as well as additional models accounting for the temporal sequence of events. Since STMs rely on somewhat restrictive assumptions, we also use the existing CMP coding of manifestos to estimate standard regression models, finding results consistent with those from the STMs. As we show in Appendix 1 in the supplementary material, thirty countries for which manifesto data are available were under an IMF program for at least one year during the time period we analyze. However, the CMP data set only includes data from a subset of relatively stable countries that have received IMF loans. Therefore, although in our models we control for relevant domestic factors, the dynamics that we identify in our STM analysis may be relevant only to certain types of countries. Moreover, STM itself has limitations; results are often quite sensitive to the number of topics chosen and to how the text is preprocessed. While we follow conventional wisdom and verify the appropriateness of our choices with diagnostics in the supplementary material, we must acknowledge the limitations of this type of text analysis.

DIVERSIONARY ACTION: MILITARIZED INTERSTATE DISPUTES

In the previous section, we provided evidence that ruling parties in states under strict IMF conditionality are more likely to reorient their policy platforms to emphasize international security while de-emphasizing economic issues compared to ruling parties in countries under fewer or no IMF conditions. We further argue that ruling governments have incentives to match their words with actions, bolstering the credibility of their signals to domestic and international audiences. For our conflict initiation test, the primary dependent variable is the number of MIDs initiated by a given country in a given year.¹²⁷ These data cover the entire period for which we have IMF conditionality data (1978–2014). The

¹²⁶ See Appendix tables A8 and A9.

¹²⁷ Palmer et al. 2022.

MIDS data set codes the “primary initiators,” or the “states that are involved in a dispute when it begins on the side that first takes action.”¹²⁸ In cases in which a dispute escalates, the primary initiator remains the country that issued the first provocation. We are therefore confident that this coding captures the true initiator of a given dispute. Notably, the disputes are mostly low cost, rarely involving casualties (only 3 percent of MIDS in our sample involve casualties), and therefore accord with our theoretical framework predicting that low- and middle-income states subject to IMF conditionality will engage in small-scale international skirmishes, rather than full scale wars.

Figure 3 shows the distribution of the types of disputes initiated by IMF borrower countries in our data set. Of the twenty-two types of actions coded in the MIDS data set, fifteen are represented in our data. Except for four instances of states either declaring or joining interstate wars, the most common actions are relatively low-cost maneuvers, such as small clashes and even more passive shows of force, that leaders may consider unlikely to provoke retaliation.

As before, our key independent variable is the number of binding conditions applied in an IMF project-year. Since the MIDS measure is overdispersed, we employ a negative binomial model as our primary specification. Moreover, the MIDS data exhibit significant geographic and temporal variation, illustrated in Appendix figures A6 and A7 in the supplementary material. To account for any time- or country-specific shocks, we therefore include country and year fixed effects in all models. The covariate set is the same as in the above STM tests; we standardize all continuous covariates to assist with model convergence, and we cluster robust standard errors at the country level.

Finally, in some models, we impute missing covariate data, as is common in work focusing on international financial institutions.¹²⁹ Doing so allows us to avoid “advanced democracy bias,” which occurs since many countries that do not report data are low capacity countries with weak political institutions.¹³⁰ Although imputation can introduce bias when observations are not missing at random,¹³¹ it is beneficial when missingness affects auxiliary variables as opposed to the main independent variables of interest and when missingness is largely a factor of observed characteristics such as development and state capacity.¹³² However, we

¹²⁸ Leeds 2003, 431.

¹²⁹ Schneider and Tobin 2020; Clark 2022.

¹³⁰ Lall 2016.

¹³¹ Pepinsky 2018.

¹³² Lall 2016; Arel-Bundock and Pelc 2018.

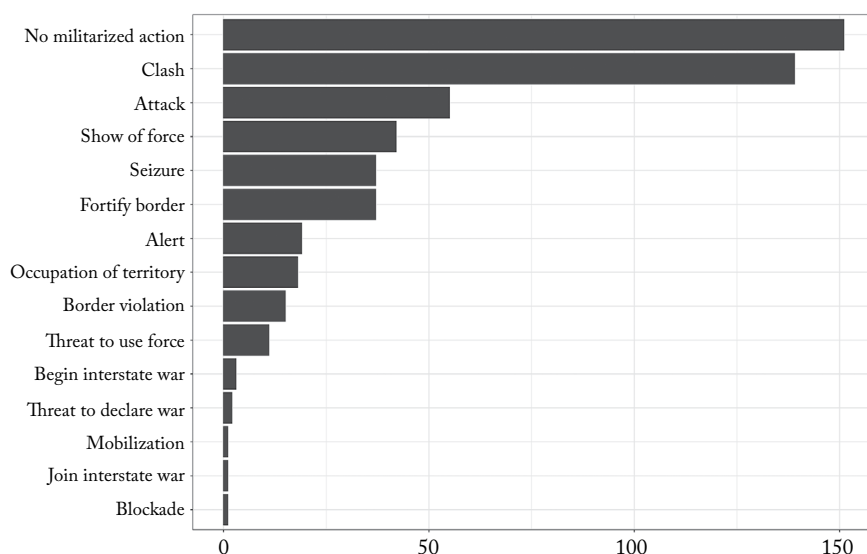


FIGURE 3
FREQUENCY OF MILITARY ACTIONS INITIATED BY
IMF BORROWER COUNTRIES 1978–2014

also replicate our results on a nonimputed sample.¹³³ Descriptive statistics for both our imputed and nonimputed samples can be found in Appendix tables A10–A11.

We begin with a parsimonious model that regresses the number of MIDS initiated by a given country on the count of conditions measure (model 1 in Table 1). We then incorporate our full cohort of covariates described above (model 2 in Table 1).

Next, we instrument for selection into IMF programs (model 3 in Table 1). We do so to address endogeneity concerns. First, nations facing security challenges may pursue policies, such as inflationary military spending, that invite a balance of payments crisis and an IMF program. Countries that are most likely to enter IMF programs may be both likely to receive stringent conditions and to start conflicts, perhaps due to economic insecurity or volatility. To address this possibility, we utilize the compound instrument from Timon Forster and coauthors.¹³⁴ The compound instrument consists of two interaction terms—one accounting

¹³³ See Appendix Table A12. Around 40 percent of observations are lost in this test. As such, though the results are similar, it is not our preferred specification.

¹³⁴ Forster et al. 2019. This is similar to the approach taken by Lang 2016 and defended as excludable by Stubbs et al. 2020.

TABLE 1
MAIN RESULTS^a

	<i>Number of MIDs</i>		
	<i>Model 1</i>	<i>Model 2</i>	<i>Model 3</i>
Conditions	0.049*** (0.016)	0.044*** (0.017)	0.004*** (0.001)
GDPPC		-0.073 (0.077)	-0.076 (0.100)
Trade openness		-0.070 (0.052)	-0.065 (0.057)
Population		0.004 (0.096)	0.269 (0.370)
CINC		0.031 (0.036)	0.176*** (0.049)
Major power		0.602* (0.335)	1.036*** (0.398)
Polity2		-0.076 (0.048)	-0.151*** (0.054)
Executive years in office		-0.008 (0.025)	0.001 (0.031)
Ethnic fractionalization		0.099 (0.074)	0.184* (0.110)
UN voting (ideal pt dist from US)		-0.155*** (0.040)	-0.035 (0.050)
Predicted prob of IMF program	No	No	Yes
Country fixed effects	Yes	Yes	Yes
Year fixed effects	Yes	Yes	Yes
Model type	Negative binomial	Negative binomial	Negative binomial
N	7397	7397	6474

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

^a Independent variables lagged by one year. Robust standard errors clustered at country level. Missing covariate data imputed by multiple imputation. In model 3, we correct for endogeneity of the number of conditions and program participation in an instrumental variable approach using compound instruments: the interaction of the within-country average of the number of conditions with the IMF budget constraint; and the interaction of the within-country average of IMF program participation with the IMF budget constraint. First stage results can be found in Appendix tables A22–A23. GDPPC = gross domestic product per capita; CINC = Composite Index of National Capability score.

for endogeneity of IMF program participation and one accounting for endogeneity of IMF conditionality. The former is operationalized via the interaction term of the budget constraint of the IMF (as measured by the ratio of member states receiving support from the Fund in a given year) and a country's likelihood of drawing on Fund support (as measured by the ratio of years in the data that a country has participated in

an IMF program). The latter is operationalized via the interaction term of the budget constraint of the IMF and cross-sectional variation in the average number of conditions that a country receives. As Stubbs and colleagues suggest, this compound instrument meets the exclusion restriction because: “country-specific changes in conditionality that deviate from its long-run average are brought about only by decisions of the IMF that do not pertain to any given country, such as the introduction of social spending floors in the late-1990s or the streamlining initiative of the early 2000s.”¹³⁵ They further suggest that the primary barriers to identification are the “potential direct effects of the general propensity of a country to obtain a specific amount of conditions in any given year on the outcome variable,” but such effects are absorbed by country fixed-effects. The first stage models also include an array of covariates common in selection models in the literature.¹³⁶ Notably, the compound instruments each pass weak instrument F tests. The first-stage results appear in Appendix tables A22–A23 with test statistics.

In all models in Table 1, we identify a statistically significant relationship between IMF program stringency and the initiation of MIDs. Specifically, we find a one-standard-deviation increase in the number of IMF conditions applied corresponds to around a 5-percent increase in the number of MIDs initiated by the program country in columns 1 and 2. When accounting for endogeneity in column 3, the effect size is attenuated to a 0.4-percent increase.

For robustness, we replicate our main analysis with the *scope of conditionality* as our main independent variable. This measure captures the number of policy areas to which conditionality applies in a given year; IMF programs with more conditions covering more policy areas are thought to be more cumbersome for leaders.¹³⁷ The results with the alternate stringency measure can be found in Table 2, and they once again offer support for our theory—a one-standard-deviation increase in the number of policy areas covered by an IMF program corresponds to around a 3-percent increase in the number of MIDs initiated by the IMF program country.¹³⁸

¹³⁵ Stubbs et al. 2020, 46.

¹³⁶ See e.g., Reinsberg, Stubbs and Kentikelenis 2021.

¹³⁷ Stone 2008.

¹³⁸ The compound instrument utilized in column 3 includes the interaction between the IMF’s budget constraint and a country’s propensity to draw on Fund resources (as with the count of conditions DV) and the interaction between the IMF’s budget constraint and cross-sectional variation in the average number of categories of conditions a country receives. The coefficient on our variable of interest increases when accounting for endogeneity in Table 2, which may indicate limitations to this approach. See Lal et al. 2021.

TABLE 2
ALTERNATE STRINGENCY MEASURE ROBUSTNESS CHECK^a

	<i>Number of MID's</i>		
	<i>Model 1</i>	<i>Model 2</i>	<i>Model 3</i>
Conditions	0.023** (0.009)	0.021** (0.009)	0.039*** (0.011)
GDPPC		-0.072 (0.077)	-0.061 (0.096)
Trade openness		-0.069 (0.052)	-0.059 (0.056)
Population		0.003 (0.096)	0.219 (0.363)
CINC		0.028 (0.036)	0.181*** (0.048)
Major power		0.606* (0.337)	1.036*** (0.398)
Polity2		-0.079* (0.048)	-0.151*** (0.053)
Executive years in office		-0.007 (0.025)	0.001 (0.031)
Ethnic fractionalization		0.095 (0.074)	0.187* (0.109)
UN voting (ideal pt dist from US)		-0.155*** (0.040)	-0.041 (0.049)
Predicted prob of IMF program	No	No	Yes
Country fixed effects	Yes	Yes	Yes
Year fixed effects	Yes	Yes	Yes
Model type	Negative binomial	Negative binomial	Negative binomial
N	7397	7397	6474

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

^a Robust standard errors clustered at country level. Missing data imputed with multiple imputation. In model 3, we correct for endogeneity of the number of categories and program participation in an instrumental variable approach using compound instruments: the interaction of the within-country average of the number of categories with the IMF budget constraint; and the interaction of the within-country average of IMF program participation with the IMF budget constraint. First stage results can be found in Appendix tables A22–A23.

Next, we test whether our framework applies across various regime types, as we argue it should, given the importance of elites and publics in opposing IMF conditionality. To do so, we conduct two tests. First, we interact Polity2 scores with our conditionality measure, otherwise replicating our main model specification. We find few differences in government responses to conditionality by regime type. Second, we interact a measure

of labor rights and organization with our conditions measure.¹³⁹ Countries with strong labor groups (a measure of mass power) often oppose IMF programs,¹⁴⁰ and so we might expect the masses in these countries to exert stronger diversionary pressures on leaders. However, we again find no significant interaction effect.¹⁴¹ On the whole, these results suggest that leaders may be seeking to divert elite attention as much as mass attention. Indeed, IMF programs are harmful to elites who benefit from state-owned enterprises and corruption, and so diversionary conflict may be an attempt to maintain elite support in the midst of stringent IMF conditions.

We argue that while states subject to IMF conditionality will be more likely to engage in diversionary conflict, the type of conflicts they initiate will be relatively minor despite being salient to their domestic audience. Since recipients of IMF programs are predominantly low- and middle-income countries, they lack the materiel resources to engage in full-scale war. Leaders also wish to avoid the potential political pitfalls associated with conflicts that are costly in terms of financial and human capital. Therefore, these states are more likely and able to engage in low-cost conflicts such as territorial and border disputes. As we illustrated in Figure 3, various types of border clashes and shows of force are indeed the predominant types of conflict in our data.

Nevertheless, as an additional test we reestimate our main models with dependent variables that distinguish between the number of MIDs with and without casualties initiated by a given country. When we regress the number of MIDs with no casualties initiated by a country on its count of conditions (model 1 in Table 3), we identify an even larger and statistically significant relationship between IMF conditions and conflict initiation than in our baseline models. However, when we look exclusively at conflicts that resulted in casualties (model 2 in Table 3), we find no significant relationship between IMF program severity and conflict initiation. With *number of casualties* as a proxy for the cost of a conflict, we find support for our prediction that leaders in IMF target states who adopt diversionary tactics will favor relatively low-cost interstate disputes.

This result is important because it addresses concerns about potential reverse causality—conflictual foreign policy can contribute to economic

¹³⁹ Pond 2018.

¹⁴⁰ Caraway, Rickard, and Anner 2012.

¹⁴¹ Interaction plots for these tests can be found in Appendix figures A8–A9, and full regression results appear in Appendix Table A26.

TABLE 3
SEVERITY OF MIDS^a

	<i>MIDs w/o casualties; Model 1</i>	<i>MIDs with casualties; Model 2</i>
Conditions	0.049** (0.020)	0.065 (0.056)
GDPPC	-0.041 (0.065)	-0.271 (0.560)
Trade openness	-0.002 (0.054)	-0.035 (0.154)
Population	0.098 (0.088)	0.413* (0.247)
CINC	0.037 (0.033)	-0.285** (0.128)
Major power	0.311 (0.238)	-26.804 (204875.000)
Polity2	-0.053 (0.050)	-0.166 (0.123)
Executive years in office	-0.010 (0.023)	-0.011 (0.046)
Ethnic fractionalization	0.065 (0.072)	0.485** (0.188)
UN voting (ideal pt dist from US)	-0.178*** (0.039)	0.100 (0.113)
Country fixed effects	Yes	Yes
Year fixed effects	Yes	Yes
Model type	Negative binomial	Negative binomial
N	7397	7397

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

^a Independent variables lagged by one year. Robust standard errors clustered at country level. Missing covariate data imputed by multiple imputation.

difficulties if it results in damage to critical infrastructure (such as during bombing campaigns) or large-scale economic sanctions (in retaliation for military activity). However, such strong retaliation is unlikely in cases in which countries favor low-cost diversionary activity over more escalatory military actions, and the former types of diversionary tactics clearly drive our results.

We also perform a series of additional robustness checks to ensure that our findings are not driven by our particular specification. First, we repeat our main analysis from Table 1 on unimputed data.¹⁴² Second,

¹⁴² Appendix Table A12.

because our theory pertains primarily to conditions associated with IMF austerity, we restrict the sample of IMF conditions to those dealing explicitly with austerity; for example, cuts to public spending, tax increases, and privatization.¹⁴³ Next, we adjust our conditionality measure by dropping conditions that were eventually waived by the IMF; this measure then captures the number of conditions that were enforced by the Fund in a given country-year.¹⁴⁴ Fourth, we drop the OECD countries from the sample to show relatively powerful states are not biasing the core findings.¹⁴⁵ Fifth, we control for IMF program type since not all programs are traditional stand-by arrangements. We specifically implement a binary indicator for programs that are more concessional.¹⁴⁶ Sixth, we replicate the model with the data restricted to IMF program participants.¹⁴⁷

Further, since our primary models are relatively parsimonious, we include additional covariates of interest in a robustness check. These include measures of the current economic situation (current account to GDP ratio, FDI to GDP ratio, inflation, and financial crisis); lagged MIDs; US aid; and a binary measure of state fragility.¹⁴⁸

Next, we swap country and year fixed effects for random effects.¹⁴⁹ We also exchange country fixed effects for region fixed effects to ensure that the results are not being driven by specific regional skirmishes or characteristics.¹⁵⁰ In each of these tests, results remain robust.

We also perform a sensitivity analysis to examine how strong an unobserved confounder would have to be to change the qualitative conclusions of the analysis.¹⁵¹ This step is important since our analysis is observational and endogeneity concerns remain even when utilizing instrumental variables.¹⁵² We find that confounders would need to be stronger than the reference set of all covariates included in our main analysis, which is encouraging.¹⁵³ Still, in absolute terms, the results indicate some sensitivity to omitted variables since only 1.4 percent of the residual variance of both the treatment and the outcome would need to be explained by an omitted variable to make the treatment effect insignificant at the 0.05

¹⁴³ Appendix Table A13.

¹⁴⁴ Appendix Table A14.

¹⁴⁵ Appendix Table A15.

¹⁴⁶ Appendix Table A16.

¹⁴⁷ Appendix Table A17.

¹⁴⁸ See Appendix Table A18. Fragile countries and those with weaker economies and a history of MIDs may be more likely to initiate conflicts. Aid is another proxy for closeness to the United States.

¹⁴⁹ Appendix Table A19.

¹⁵⁰ Appendix Table A20.

¹⁵¹ Cinelli, Ferwerda, and Hazlett 2020.

¹⁵² Lal et al. 2021.

¹⁵³ See Appendix Table A21.

level. As such, our collection of results offers suggestive evidence to support our theory.

Finally, we conduct two placebo tests. The first utilizes data on World Bank conditions in place of IMF conditions. World Bank conditions, administered through Development Policy Financing, are relatively soft,¹⁵⁴ pertaining to issues such as reporting requirements and climate change that are less likely to cause domestic political and economic turmoil. As such, our theory would anticipate little if any need for diversionary conflict in the face of more stringent World Bank conditionality. Readers can find the results swapping a count of binding World Bank conditions for IMF conditions in Appendix Table A24. We find a positive but statistically insignificant relationship between the burdensomeness of World Bank conditionality and state initiation of interstate disputes. Second, we examine lending from regional financing arrangements, which are regionally focused balance-of-payments organizations that do not attach costly conditions to their loans.¹⁵⁵ We swap the count of IMF conditions for a measure of the volume of lending states received from regional financing arrangements outside of IMF loan agreements in a given year. The results can be found in Appendix Table A25, and we once again identify no significant relationship. This result suggests that any incentives to launch a diversionary conflict are linked to particularly stringent or costly loan conditions, namely those imposed by the IMF, rather than the receipt of emergency lending itself or the presence of an economic crisis that necessitates such funding.

STRATEGIC IMPORTANCE AND MID INITIATION

A large literature emphasizes how strategically important countries, such as US allies, receive special treatment from the IMF.¹⁵⁶ This conduct comes in the form of lenient conditionality packages, or the ability to simply ignore conditions altogether. In additional tests, we therefore examine whether US allies drive our results, perhaps flexing their foreign policy muscles amid IMF programs.

While we control for UN voting proximity with the United States in all models, we also interact this measure with the count of conditions for robustness. The interaction plot appears in Figure 4, while the regression results in table form can be found in Appendix Table A28. We detect no statistically significant interaction effect, though the figure

¹⁵⁴ Clark and Dolan 2021.

¹⁵⁵ Clark 2022.

¹⁵⁶ Copelovitch 2010a; Stone 2011; Nelson 2017.

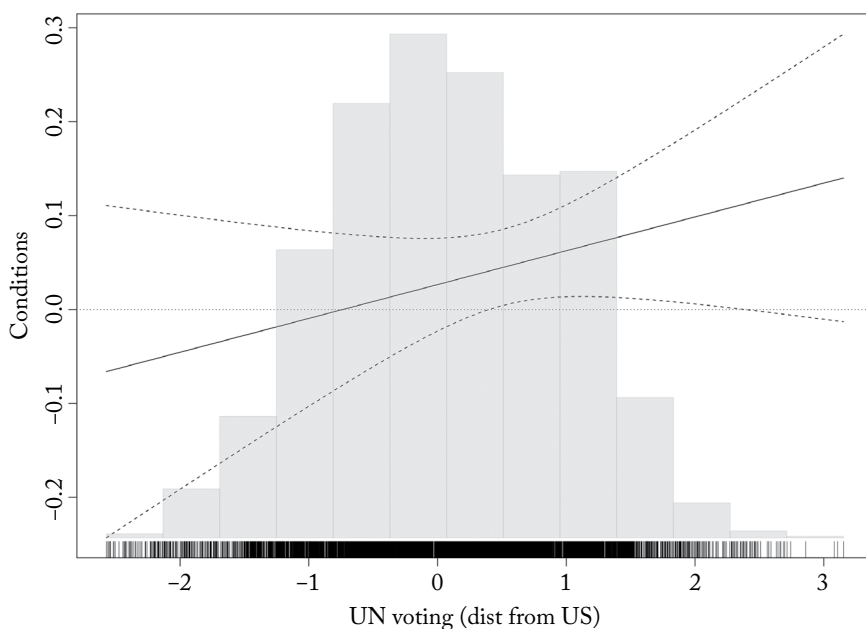


FIGURE 4
UN VOTING (IDEAL PT DIST FROM US) INTERACTION WITH
IMF CONDITIONALITY^a

^a Full regression results and model description can be found in Appendix Table A28.

suggests countries that vote with the United States less often at the UN may be more susceptible to our hypothesized mechanism.

As an additional test, we account for US troop deployments. Existing research shows that countries hosting US troops are more likely to experience financial crises, more likely to take IMF loans, and that the presence of US troops alters states' foreign policy positions.¹⁵⁷ We therefore control for the presence of US troops in a robustness check¹⁵⁸ and interact US troops with the count of IMF conditions.¹⁵⁹ Our results are robust to the inclusion of US troops as a control variable, but we detect a highly statistically significant interaction effect when we interact US troops with IMF conditionality. Figure 5 shows that countries that do not host American military personnel in large numbers are more likely to initiate MIDs under stringent IMF programs, while countries in which a

¹⁵⁷ Machain and Morgan 2013; Aklin and Kern 2019.

¹⁵⁸ See Appendix Table A27.

¹⁵⁹ Figure 5 and Appendix Table A28.

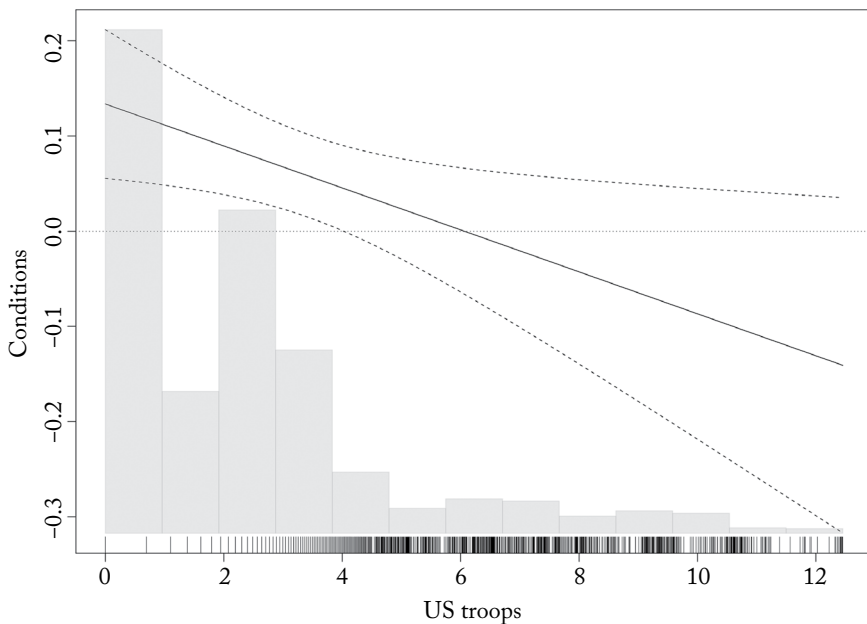


FIGURE 5
US TROOPS INTERACTION WITH IMF CONDITIONALITY^a

^a Full regression results and model description can be found in Appendix Table A27.

large number of US troops are stationed appear no more likely to do so, perhaps because countries that are strategically important to the United States receive breaks on IMF conditions, meaning these programs produce fewer domestic economic hardships. These findings generally align with our expectations, since only the most stringent and burdensome IMF programs should be associated with diversionary conflict by recipient states. Nonetheless, we encourage future research to better disentangle the relationships among IMF conditions, strategic importance, and conflict behavior.

VI. CONCLUSION

The IMF combats moral hazard concerns by linking its emergency lending to conditionality, which frequently entails costly policy reforms in the loan-receiving countries. Short-term economic dislocations from such reforms spark domestic backlash against governments that enter into agreements with the Fund. These programs, imposed from abroad,

present challenges to domestic governments because they lack the ability to curtail unpopular policies to alleviate discontent. Ruling governments in IMF target states thus employ alternative means to maintain public and elite support. Drawing on the logic of diversionary conflict, we show that ruling parties seek to distract these groups from the economic pains associated with IMF programs by pivoting to security and foreign policy issues. These governments can employ escalatory rhetoric and initiate low-cost disputes to insulate themselves from political blow-back as they implement IMF loan programs. A multimethod approach offers support for this framework, showing that governments and ruling parties shift their policy platforms away from economic affairs and toward external relations while also initiating low-cost interstate disputes when they are under stringent IMF programs.

This piece makes several important contributions. Scholars of diversionary war have mostly examined whether leaders can benefit from inciting interstate conflicts to avert blame for domestic issues with domestic causes, finding overall conflicting evidence.¹⁶⁰ They have also focused primarily on costly wars. In this article, we shift the focus to domestic strife imposed from abroad by examining the IMF, and we focus in particular on smaller scale disputes. In doing so, we build on the extensive literature interested in government responses to globalization and the backlash that has accompanied it. Globalization often ties the hands of governments, imposing economic costs that are unevenly distributed across the populace.¹⁶¹ Future work could probe whether diversionary tactics are more effective at helping leaders to skirt blame for IMF-imposed economic pain than scapegoating the Fund,¹⁶² or whether such strategies can be complementary. Generally, this research highlights the importance of examining the strategic interaction between domestic and international politics, and the ways in which elites in countries subject to significant international interference in their domestic economy respond to these challenges.

While these findings offer insight into one tool that elites may use to divert discontent brought on by the IMF, they also point to several fruitful areas for additional research. Having established that leaders and parties adopt these diversionary tactics, scholars should explore the extent to which they are effective at distracting public and elite attention. Does this diversionary behavior lead to shifts in public opinion? Are

¹⁶⁰ Gelpi 1997; Gowa 1998; Levy 1998; Schenoni, Braniff, and Battaglini 2020.

¹⁶¹ Rodrik 2021.

¹⁶² Vreeland 1999.

elites less likely to challenge rulers? In the case of states that hold elections, do these small-scale conflicts increase incumbents' prospects for reelection? Next, scholars might expand the scope of conflicts beyond MIDS; our motivating example from Nicaragua suggests that states might leverage international organizations such as the World Trade Organization and International Court of Justice to initiate disputes, for instance. The evidence presented here also raises questions related to international peace and stability. Under what circumstances, if any, do these small-scale skirmishes escalate into serious conflicts? Even when leaders attempt to keep provocations relatively small, it is difficult to tell *ex ante* when conflicts might escalate, and at what cost.

Last, this research carries consequential (and potentially worrisome) policy implications. Our findings suggest that IMF programs, and specifically the stringent conditionality imposed on countries by the Fund, might unintentionally trigger interstate conflicts. Though we find that such conflicts tend to be relatively low-cost in terms of casualties, the IMF would certainly prefer not to increase tensions between member states. This piece therefore echoes a large body of work encouraging the IMF to consider the domestic consequences of its reform packages and better tailor conditionality to countries' unique circumstances.¹⁶³

SUPPLEMENTARY MATERIAL

Supplementary material for this article can be found at <http://muse.jhu.edu/resolve/282>.

DATA

Replication files for this article can be found at <https://doi.org/10.7910/DVN/5EK3YS>.

REFERENCES

- Adam, Antonis, and Stamatia Ftergioti. 2019. "Neighbors and Friends: How Do European Political Parties Respond to Globalization?" *European Journal of Political Economy* 59: 369–84. At <https://doi.org/10.1016/j.ejpoleco.2019.05.002>.
- Aklin, Michael, and Andreas Kern. 2019. "Moral Hazard and Financial Crises: Evidence from US Troop Deployments." *International Studies Quarterly* 63, no. 1: 15–29. At <https://doi.org/10.1093/isq/sqy047>.
- Alesina, Alberto, Carlo Favero, and Francesco Giavazzi. 2018. *Austerity: When It Works and When It Doesn't*. Princeton, N.J.: Princeton University Press.
- Arel-Bundock, Vincent, and Krzysztof J. Pelc. 2018. "When Can Multiple Imputation Improve Regression Estimates?" *Political Analysis* 26, no. 2: 240–45. At <https://doi.org/10.1017/pan.2017.43>.

¹⁶³ E.g., Li, Sy, and McMurray 2015.

- Arias, Eric, and David Stasavage. 2019. "How Large are the Political Costs of Fiscal Austerity?" *Journal of Politics* 81, no. 4: 1517–22. At <https://doi.org/10.1086/704781>.
- Austin, Greg. 2003. "Unwanted Entanglement: The Philippines' Spratly Policy as a Case Study in Conflict Enhancement?" *Security Dialogue* 34, no. 1: 41–54. At <https://www.jstor.org/stable/26298120>.
- Babb, Sarah L., and Bruce G. Carruthers. 2008. "Conditionality: Forms, Function, and History." *Annual Review of Law and Social Science* 4: 13–29. At <https://doi.org/10.1146/annurev.lawsocsci.4.110707.172254>.
- Bailey, Michael A., Anton Strezhnev, and Erik Voeten. 2017. "Estimating Dynamic State Preferences from United Nations Voting Data." *Journal of Conflict Resolution* 61, no. 2: 430–56. At <https://www.jstor.org/stable/26363889>.
- Bansak, Kirk, Michael M. Bechtel, and Yotam Margalit. 2021. "Why Austerity? The Mass Politics of a Contested Policy." *American Political Science Review* 115, no. 2: 486–505. At <https://doi.org/10.1017/S0003055420001136>.
- Baum, Matthew A., and Philip B. K. Potter. 2019. "Media, Public Opinion, and Foreign Policy in the Age of Social Media." *Journal of Politics* 81, no. 2: 747–56. At <https://doi.org/10.1086/702233>.
- Blanton, Robert G., Shannon Lindsey Blanton, and Dursun Peksen. 2015. "The Impact of IMF and World Bank Programs on Labor Rights." *Political Research Quarterly* 68, no. 2: 324–36. At <https://www.jstor.org/stable/24371835>.
- Boix, Carles, and Milan W. Svolik. 2013. "The Foundations of Limited Authoritarian Government: Institutions, Commitment, and Power-Sharing in Dictatorships." *Journal of Politics* 75, no. 2: 300–16. At <https://doi.org/10.1017/S0022381613000029>.
- Brulé, David J., Bryan W. Marshall, and Brandon C. Prins. 2010. "Opportunities and Presidential Uses of Force: A Selection Model of Crisis Decision-Making." *Conflict Management and Peace Science* 27, no. 5: 486–510. At <https://www.jstor.org/stable/26275260>.
- Burgoon, Brian. 2012. "Partisan Embedding of Liberalism: How Trade, Investment, and Immigration Affect Party Support for the Welfare State." *Comparative Political Studies* 45, no. 5: 606–35. At <https://doi.org/10.1177/0010414011427132>.
- Caraway, Teri L., Stephanie J. Rickard, and Mark S. Anner. 2012. "International Negotiations and Domestic Politics: The Case of IMF Labor Market Conditionality." *International Organization* 66, no. 1: 27–61. At <https://www.jstor.org/stable/41428945>.
- Çarkoğlu, Ali, and Mine Eder. 2001. "Domestic Concerns and the Water Conflict over the Euphrates-Tigris River Basin." *Middle Eastern Studies* 37, no. 1: 41–71. At <https://www.jstor.org/stable/4284138>.
- Casler, Don, and Keren Yarhi-Milo. 2022. "Signaling, Resolve, and Reputation in International Politics." In Leonie Huddy, David O. Sears, Jack S. Levy, and Jennifer Jerit, eds., *Oxford Handbook of Political Psychology*, 3rd ed. New York, N.Y.: Oxford University Press: 426–46.
- Casler, Don, and Richard Clark. 2021. "Trade Rage: Audience Costs and International Trade." *Journal of Conflict Resolution* 65, no. 6: 1098–130. At <https://doi.org/10.1177/0022002721994085>.
- Chapman, Terrence L. 2012. *Securing Approval: Domestic Politics and Multilateral Authorization for War*. Chicago, Ill.: University of Chicago Press.

- Chapman, Terrence L., and Dan Reiter. 2004. "The United Nations Security Council and the Rally 'Round the Flag Effect." *Journal of Conflict Resolution* 48, no. 6: 886–909. At <https://www.jstor.org/stable/4149799>.
- Chaudoin, Stephen. 2014. "Audience Features and the Strategic Timing of Trade Disputes." *International Organization* 68, no. 4: 877–911. At <https://www.jstor.org/stable/43283282>.
- Cinelli, Carlos, Jeremy Ferwerda, and Chad Hazlett. 2020. "sensemakr: Sensitivity Analysis Tools for OLS in R and Stata." *Journal of Statistical Software* 10, no. 2: 1–28. At <https://doi.org/10.2139/ssrn.3588978>.
- Clark, Richard. 2022. "Bargain Down or Shop Around? Outside Options and IMF Conditionality." *Journal of Politics* 84, no. 3: 1791–805. At <https://doi.org/10.1086/719269>.
- Clark, Richard, and Lindsay R. Dolan. 2021. "Pleasing the Principal: US Influence in World Bank Policymaking." *American Journal of Political Science* 65, no. 1: 36–51. At <https://doi.org/10.1111/ajps.12531>.
- Clark, Richard, and Noah Zucker. 2022. "Climate Cascades: IOs and the Prioritization of Climate Action." *American Journal of Political Science* 68, no. 4: 1299–1314. At <https://doi.org/10.1111/ajps.12793>.
- Colantone, Italo, and Piero Stanig. 2018. "The Trade Origins of Economic Nationalism: Import Competition and Voting Behavior in Western Europe." *American Journal of Political Science* 62, no. 4: 936–53. At <https://doi.org/10.1111/ajps.12358>.
- Copelovitch, Mark S. 2010a. *The International Monetary Fund in the Global Economy: Banks, Bonds, and Bailouts*. New York, N.Y.: Cambridge University Press.
- Copelovitch, Mark S. 2010b. "Master or Servant? Common Agency and the Political Economy of IMF Lending." *International Studies Quarterly* 54, no. 1: 49–77. At <https://doi.org/10.1111/j.1468-2478.2009.00577.x>.
- Cruz, Cesi, Philip Keefer, and Carlos Scartascini. 2020. "Database of Political Institutions 2020." [Codebook]. At <https://publications.iadb.org/en/database-political-institutions-2020-dpi2020>, accessed November 6, 2024.
- Dassel, Kurt, and Eric Reinhardt. 1999. "Domestic Strife and the Initiation of Violence at Home and Abroad." *American Journal of Political Science* 43, no. 1: 56–85. At <https://www.jstor.org/stable/2991785>.
- Davis, Christina L., and Tyler Pratt. 2021. "The Forces of Attraction: How Security Interests Shape Membership in Economic Institutions." *Review of International Organizations* 16, no. 4: 903–29. At <https://doi.org/10.1007/s11558-020-09395-w>.
- DeRouen, Karl, Jr. 2000. "Presidents and the Diversionary Use of Force: A Research Note." *International Studies Quarterly* 44, no. 2: 317–28. At <https://www.jstor.org/stable/3014000>.
- de Vries, Erik, Martijn Schoonvelde, and Gijs Schumacher. 2018. "No Longer Lost in Translation: Evidence that Google Translate Works for Comparative Bag-of-Words Text Applications." *Political Analysis* 26, no. 4: 417–30. At <https://doi.org/10.1017/pan.2018.26>.
- Döring, Holger, and Philip Manow. 2021. "Parliaments and Governments Database (ParlGov): Information on Parties, Elections and Cabinets in Modern Democracies." Technical Report. At <https://www.parlgov.org>.

- Drazanova, Lenka. 2020. "Introducing the Historical Index of Ethnic Fractionalization (HIEF) Dataset: Accounting for Longitudinal Changes in Ethnic Diversity." *Journal of Open Humanities Data* 6: 1–8. At <https://doi.org/10.5334/johd.16>.
- Dreher, Axel. 2009. "IMF Conditionality: Theory and Evidence." *Public Choice* 141: 233–67. At <https://doi.org/10.1007/s11127-009-9486-z>.
- Dreher, Axel, and Martin Gassebner. 2012. "Do IMF and World Bank Programs Induce Government Crises? An Empirical Analysis." *International Organization* 66, no. 2: 329–58. At <https://doi.org/10.1017/S0020818312000094>.
- Drezner, Daniel W., Henry Farrell, and Abraham L. Newman. 2021. *The Uses and Abuses of Weaponized Interdependence*. Washington, D.C.: Brookings Institution Press.
- Dufour, Mathieu, and Özgür Orhangazi. 2009. "The 2000–2001 Financial Crisis in Turkey: A Crisis for Whom?" *Review of Political Economy* 21, no. 1: 101–22. At <https://doi.org/10.1080/09538250802517014>.
- Fearon, James D. 1994. "Domestic Political Audiences and the Escalation of International Disputes." *American Political Science Review* 88, no. 3: 577–92. At <https://doi.org/10.2307/2944796>.
- Fearon, James D. 1997. "Signaling Foreign Policy Interests: Tying Hands versus Sinking Costs." *Journal of Conflict Resolution* 41, no. 1: 68–90. At <https://www.jstor.org/stable/174487>.
- Fordham, Benjamin. 1998. "The Politics of Threat Perception and the Use of Force: A Political Economy Model of US Uses of Force, 1949–1994." *International Studies Quarterly* 42, no. 3: 567–90. At <https://www.jstor.org/stable/2600751>.
- Forster, Timon, Alexander E. Kentikelenis, Bernhard Reinsberg, Thomas H. Stubbs, and Lawrence P. King. 2019. "How Structural Adjustment Programs Affect Inequality: A Disaggregated Analysis of IMF Conditionality, 1980–2014." *Social Science Research* 80: 83–113. At <https://doi.org/10.1016/j.ssresearch.2019.01.001>.
- Fuhrmann, Matthew, and Todd S. Sechser. 2014. "Signaling Alliance Commitments: Hand-Tying and Sunk Costs in Extended Nuclear Deterrence." *American Journal of Political Science* 58, no. 4: 919–35. At <https://doi.org/10.1111/ajps.12082>.
- Gandhi, Jennifer. 2010. *Political Institutions under Dictatorship*. New York, N.Y.: Cambridge University Press.
- Gao, Jacque. 2021a. "Democratization in the Shadow of Globalization." *International Organization* 75, no. 3: 698–734. At <https://doi.org/10.1017/S0020818321000059>.
- Gao, Jacque. 2021b. "Solving the Guardianship Dilemma by War." *Journal of Theoretical Politics* 33, no. 4: 455–74. At <https://doi.org/10.1177/095162982111043235>.
- Garrett, Geoffrey. 1998. *Partisan Politics in the Global Economy*. New York, N.Y.: Cambridge University Press.
- Gartzke, Erik. 2007. "The Capitalist Peace." *American Journal of Political Science* 51, no. 1: 166–91. At <https://www.jstor.org/stable/4122913>.
- Garuda, Gopal. 2000. "The Distributional Effects of IMF Programs: A Cross-Country Analysis." *World Development* 28, no. 6: 1031–51. At [https://doi.org/10.1016/S0305-750X\(00\)00002-4](https://doi.org/10.1016/S0305-750X(00)00002-4).

- Gelpi, Christopher. 1997. "Democratic Diversions: Governmental Structures and the Externalization of Domestic Conflict." *Journal of Conflict Resolution* 41, no. 2: 255–82. At <https://www.jstor.org/stable/174373>.
- Gelpi, Christopher F., and Michael Griesdorf. 2001. "Winners or Losers? Democracies in International Crisis, 1918–94." *American Political Science Review* 95, no. 3: 633–47. At <https://www.jstor.org/stable/3118238>.
- Gelpi, Christopher, Peter D. Feaver, and Jason Reifler. 2006. "Success Matters: Casualty Sensitivity and the War in Iraq." *International Security* 30, no. 3: 7–46. At <https://muse.jhu.edu/article/193617>.
- Giger, Nathalie. 2010. "Do Voters Punish the Government for Welfare State Retrenchment? A Comparative Study of Electoral Costs Associated with Social Policy." *Comparative European Politics* 8, no. 4: 415–43. At <https://doi.org/10.1057/cep.2009.4>.
- Goes, Iasmin, and Terrence L. Chapman. 2024. "Can 'Soft' Advice from International Organizations Catalyze Natural Resource Sector Reform?" *International Studies Quarterly* 68, no. 2: sqae048. At <https://doi.org/10.1093/isq/sqae048>.
- Goldstein, Morris. 2003. "IMF Structural Programs." In Martin Feldstein, ed., *Economic and Financial Crises in Emerging Market Economies*. Chicago, Ill.: University of Chicago Press: 363–437.
- Gowa, Joanne. 1998. "Politics at the Water's Edge: Parties, Voters, and the Use of Force Abroad." *International Organization* 52, no. 2: 307–24. At <https://www.jstor.org/stable/2601277>.
- Granger, C. Leah. 2007. "The Role of International Tribunals in Natural Resource Disputes in Latin America." *Ecology Law Quarterly* 34, no. 4: 1297–347. At <https://doi.org/10.15779/Z38CV8M>.
- Guisinger, Alexandra. 2009. "Determining Trade Policy: Do Voters Hold Politicians Accountable?" *International Organization* 63, no. 3: 533–57. At <https://doi.org/10.1017/S0020818309090183>.
- Guisinger, Alexandra, and Elizabeth N. Saunders. 2017. "Mapping the Boundaries of Elite Cues: How Elites Shape Mass Opinion across International Issues." *International Studies Quarterly* 61, no. 2: 425–41. At <https://doi.org/10.1093/isq/sqx022>.
- Günaydin, Hakan. 2018. "Who Can Reform the Labor Market? IMF Conditionality, Partisanship, and Labor Unions." *International Interactions* 44, no. 5: 888–918. At <https://doi.org/10.1080/03050629.2018.1448807>.
- Hellman, Joel S. 1998. "Winners Take All: The Politics of Partial Reform in Post-communist Transitions." *World Politics* 50, no. 2 (January): 203–34. At <https://doi.org/10.1017/S0043887100008091>.
- Hellwig, Timothy. 2014. "Balancing Demands: The World Economy and the Composition of Policy Preferences." *Journal of Politics* 76, no. 1: 1–14. At <https://doi.org/10.1017/S002238161300128X>.
- Hellwig, Timothy. 2016. "The Supply Side of Electoral Politics." In Jack Vowles and Georgios Xezonakis, eds., *Globalization and Domestic Politics: Parties, Elections, and Public Opinion*. New York, N.Y.: Oxford University Press: 31–51.
- Henning, C. Randall. 2011. "Coordinating Regional and Multilateral Financial Institutions." Peterson Institute for International Economics Working Paper 11–9. At <https://www.piie.com/publications/working-papers/coordinating-regional-and-multilateral-financial-institutions>, accessed November 15, 2024.

- Hensel, Paul R., Sara McLaughlin Mitchell, Thomas E. Sowers II, and Clayton L. Thyne. 2008. "Bones of Contention: Comparing Territorial, Maritime, and River Issues." *Journal of Conflict Resolution* 52, no. 1: 117–43. At <https://doi.org/10.1177/0022002707310425>.
- Hess, Gregory D., and Athanasios Orphanides. 1995. "War Politics: An Economic, Rational-Voter Framework." *American Economic Review* 85, no. 4: 828–46. At <https://www.jstor.org/stable/2118234>.
- James, Patrick, and John R. Oneal. 1991. "The Influence of Domestic and International Politics on the President's Use of Force." *Journal of Conflict Resolution* 35, no. 2: 307–32. At <https://www.jstor.org/stable/174149>.
- Kaya, Ayse, Sam Handlin, and Hakan Günaydin. 2020. "Populism and Voter Attitudes toward International Organizations: Cross-Country and Experimental Evidence on the International Monetary Fund." Paper prepared for the 2020 Political Economy of International Organization Annual Meeting. At <https://bit.ly/2Q76mlc>, accessed November 15, 2024.
- Kentikelenis, Alexander E., Thomas H. Stubbs, and Lawrence P. King. 2016. "IMF Conditionality and Development Policy Space, 1985–2014." *Review of International Political Economy* 23, no. 4: 543–82. At <https://doi.org/10.1080/09692290.2016.1174953>.
- Keohane, Robert O. 1984. *After Hegemony: Cooperation and Discord in the World Political Economy*. Princeton, N.J.: Princeton University Press.
- Kertzer, Joshua D., and Ryan Brutger. 2016. "Decomposing Audience Costs: Bringing the Audience Back into Audience Cost Theory." *American Journal of Political Science* 60, no. 1: 234–49. At <https://doi.org/10.1111/ajps.12201>.
- Kohl, Benjamin, and Linda Farthing. 2009. "Less Than Fully Satisfactory Development Outcomes: International Financial Institutions and Social Unrest in Bolivia." *Latin American Perspectives* 36, no. 3: 59–78. At <https://doi.org/10.1177/0094582X09334300>.
- Lal, Apoorva, Mackenzie William Lockhart, Yiqing Xu, and Ziwen Zu. 2021. "How Much Should We Trust Instrumental Variable Estimates in Political Science? Practical Advice Based on over 60 Replicated Studies." Working Paper. At <https://bit.ly/3MRkNnX>, accessed November 15, 2024.
- Lall, Ranjit. 2016. "How Multiple Imputation Makes a Difference." *Political Analysis* 24, no. 4: 414–33. At <https://doi.org/10.1093/pan/mpw020>.
- Lang, Valentin F. 2016. "The Economics of the Democratic Deficit: The Effect of IMF Programs on Inequality." Paper presented at the 2015 Political Economy of International Organizations conference. At http://wp.peio.me/wp-content/uploads/PEIO9/102_80_1443642587119_Lang30092015.pdf, accessed November 15, 2024.
- Lee, Su-Hyun, and Byungwon Woo. 2021. "IMF = I'M Fired! IMF Program Participation, Political Systems, and Workers' Rights." *Political Studies* 69, no. 3: 514–37. At <https://doi.org/10.1177/0032321720905318>.
- Leeds, Brett Ashley. 2003. "Do Alliances Deter Aggression? The Influence of Military Alliances on the Initiation of Militarized Interstate Disputes." *American Journal of Political Science* 47, no. 3: 427–39. At <https://www.jstor.org/stable/3186107>.
- Leeds, Brett Ashley, and David R. Davis. 1997. "Domestic Political Vulnerability and International Disputes." *Journal of Conflict Resolution* 41, no. 6: 814–34. At <https://www.jstor.org/stable/174432>.

- Leibrecht, Markus, Michael Klien, and Oezlem Onaran. 2011. "Globalization, Welfare Regimes and Social Protection Expenditures in Western and Eastern European Countries." *Public Choice* 148: 569–94. At <https://doi.org/10.1007/s11127-010-9685-7>.
- Lenz, Gabriel S. 2012. *Follow the Leader? How Voters Respond to Politicians' Policies and Performance*. Chicago, Ill.: The University of Chicago Press.
- Levitsky, Steven, and Lucan Way. 2002. "Elections without Democracy: The Rise of Competitive Authoritarianism." *Journal of Democracy* 13, no. 2: 51–65. At <https://doi.org/10.1353/jod.2002.0026>.
- Levy, Jack S. 1998. "The Causes of War and the Conditions of Peace." *Annual Review of Political Science* 1, no. 1: 139–65. At <https://doi.org/10.1146/annurev.polisci.1.1.139>.
- Li, Larry, Malick Sy, and Adela McMurray. 2015. "Insights into the IMF Bailout Debate: A Review and Research Agenda." *Journal of Policy Modeling* 37, no. 6: 891–914. At <https://doi.org/10.1016/j.jpolmod.2015.09.007>.
- Lian, Bradley, and John R. Oneal. 1993. "Presidents, the Use of Military Force, and Public Opinion." *Journal of Conflict Resolution* 37, no. 2: 277–300. At <https://www.jstor.org/stable/174524>.
- Machain, Carla Martinez, and T. Clifton Morgan. 2013. "The Effect of US Troop Deployment on Host States' Foreign Policy." *Armed Forces & Society* 39, no. 1: 102–23. At <https://www.jstor.org/stable/48609007>.
- Mansfield, Edward D., Helen V. Milner, and Nita Rudra. 2021. "The Globalization Backlash: Exploring New Perspectives." *Comparative Political Studies* 54, no. 13: 2267–85. At <https://doi.org/10.1177/00104140211024286>.
- Marshall, Monty G., Ted Robert Gurr, and Keith Jagers. 2016. "Polity IV Project: Political Regime Characteristics and Transitions, 1800–2010." Center for Systemic Peace [data manual]. College Park, Pa.: University of Maryland. At <http://www.systemicpeace.org/polity/polity4.htm>.
- Meinhard, Stephanie, and Niklas Potrafke. 2012. "The Globalization–Welfare State Nexus Reconsidered." *Review of International Economics* 20, no. 2: 271–87. At <https://doi.org/10.1111/j.1467-9396.2012.01021.x>.
- Meyerrose, Anna M. 2020. "The Unintended Consequences of Democracy Promotion: International Organizations and Democratic Backsliding." *Comparative Political Studies* 53, no. 10–11: 1547–81. At <https://doi.org/10.1177/0010414019897689>.
- Meyerrose, Anna M. 2024. "Building Strong Executives and Weak Institutions: How European Integration Contributes to Democratic Backsliding." *Review of International Organizations* 19: 307–43. At <https://doi.org/10.1007/s11558-023-09507-2>.
- Meyerrose, Anna M., and Sara Watson. 2024. "The Effects of Import Shocks, Electoral Institutions, and Radical Party Competition on Legislator Ideology: Evidence from France." *British Journal of Political Science* 54, no. 3: 547–72. At <https://doi.org/10.1017/S0007123423000662>.
- Mitchell, Sara McLaughlin, and Clayton L. Thyne. 2010. "Contentious Issues as Opportunities for Diversionary Behavior." *Conflict Management and Peace Science* 27, no. 5: 461–85. At <https://www.jstor.org/stable/26275259>.

- Montinola, Gabriella R. 2010. "When Does Aid Conditionality Work?" *Studies in Comparative International Development* 45, no. 3: 358–82. At <https://doi.org/10.1007/s12116-010-9068-6>.
- Morrow, James D., Bruce Bueno de Mesquita, Randolph M. Siverson, and Alastair Smith. 2006. "Selection Institutions and War Aims." *Economics of Governance* 7, no. 1: 31–52. At <https://doi.org/10.1007/s10101-005-0108-z>.
- Nelson, Stephen C. 2017. *The Currency of Confidence: How Economic Beliefs Shape the IMF's Relationship with Its Borrowers*. Ithaca, N.Y.: Cornell University Press.
- Nooruddin, Irfan, and Joel W. Simmons. 2006. "The Politics of Hard Choices: IMF Programs and Government Spending." *International Organization* 60, no. 4: 1001–33. At <https://www.jstor.org/stable/3877854>.
- Oberdabernig, Doris A. 2013. "Revisiting the Effects of IMF Programs on Poverty and Inequality." *World Development* 46: 113–42. At <https://doi.org/10.1016/j.worlddev.2013.01.033>.
- Ortiz, Isabel, and Matthew Cummins. 2013. "The Age of Austerity: A Review of Public Expenditures and Adjustment Measures in 181 Countries." Working Paper. At https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2260771.
- Ostrom, Charles W., Jr., and Brian L. Job. 1986. "The President and the Political Use of Force." *American Political Science Review* 80, no. 2: 541–66. At <https://www.jstor.org/stable/1958273>.
- Palmer, Glenn, Roseanne W. McManus, Vito D'Orazio, Michael R. Kenwick, Mikaela Karstens, Chase Bloch, Nick Dietrich, Kayla Kahn, Kellan Ritter, and Michael J. Soules. 2022. "The MID5 Dataset, 2011–2014: Procedures, Coding Rules, and Description." *Conflict Management and Peace Science* 39, no. 4: 470–82. At <https://doi.org/10.1177/0738894221995743>.
- Pardos-Prado, Sergi, and Iñaki Sagarzazu. 2019. "Economic Performance and Center-Periphery Conflicts in Party Competition." *Party Politics* 25, no. 1: 50–62. At <https://doi.org/10.1177/1354068818816978>.
- Pastor, Manuel, Jr. 1987. "The Effects of IMF Programs in the Third World: Debate and Evidence from Latin America." *World Development* 15, no. 2: 249–62. At [https://doi.org/10.1016/0305-750X\(87\)90080-5](https://doi.org/10.1016/0305-750X(87)90080-5).
- Pepinsky, Thomas B. 2018. "A Note on Listwise Deletion versus Multiple Imputation." *Political Analysis* 26, no. 4: 480–88. At <https://doi.org/10.1017/pan.2018.18>.
- Pickering, Jeffrey, and Emizet F. Kisangani. 2005. "Democracy and Diversionary Military Intervention: Reassessing Regime Type and the Diversionary Hypothesis." *International Studies Quarterly* 49, no. 1: 23–43. At <https://doi.org/10.1111/j.0020-8833.2005.00333.x>.
- Pond, Amy. 2018. "Worker Influence on Capital Account Policy: Inflow Liberalization and Outflow Restrictions." *International Interactions* 44, no. 2: 244–67. At <https://doi.org/10.1080/03050629.2017.1344125>.
- Ponticelli, Jacopo, and Hans-Joachim Voth. 2020. "Austerity and Anarchy: Budget Cuts and Social Unrest in Europe, 1919–2008." *Journal of Comparative Economics* 48, no. 1: 1–19. At <https://doi.org/10.1016/j.jce.2019.09.007>.
- Potter, Philip B. K., and Chen Wang. 2022. "Governmental Responses to Terrorism in Autocracies: Evidence from China." *British Journal of Political Science* 52, no. 1: 358–80. At <https://doi.org/10.1017/S0007123420000514>.

- Radelet, Steven, and Jeffrey D. Sachs. 1998. "The East Asian Financial Crisis: Diagnosis, Remedies, Prospects." *Brookings Papers on Economic Activity* 1: 1–90. At <https://www.brookings.edu/articles/the-east-asian-financial-crisis-diagnosis-is-remedies-prospects>, accessed November 18, 2024.
- Reber, Ueli. 2019. "Overcoming Language Barriers: Assessing the Potential of Machine Translation and Topic Modeling for the Comparative Analysis of Multilingual Text Corpora." *Communication Methods and Measures* 13, no. 2: 102–25. At <https://doi.org/10.1080/19312458.2018.1555798>.
- Reinsberg, Bernhard, Thomas Stubbs, and Alexander Kentikelenis. 2022. "Compliance, Defiance, and the Dependency Trap: International Monetary Fund Program Interruptions and their Impact on Capital Markets." *Regulation and Governance* 16, no. 4: 1022–41. At <https://doi.org/10.1111/rego.12422>.
- Reinsberg, Bernhard, Thomas Stubbs, Alexander Kentikelenis, and Lawrence King. 2019. "The Political Economy of Labor Market Deregulation during IMF Interventions." *International Interactions* 45, no. 3: 532–59. At <https://doi.org/10.1080/03050629.2019.1582531>.
- Reiter, Dan, and Paul Poast. 2021. "The Truth about Tripwires: Why Small Force Deployments Do Not Deter Aggression." *Texas National Security Review* 4, no. 3: 33–53. At <http://dx.doi.org/10.26153/tsw/13989>.
- Rho, Sungmin, and Michael Tomz. 2017. "Why Don't Trade Preferences Reflect Economic Self-Interest?" *International Organization* 71, no. S1: S85–S108. At <https://doi.org/10.1017/S0020818316000394>.
- Rodrik, Dani. 2021. "Why Does Globalization Fuel Populism? Economics, Culture, and the Rise of Right-Wing Populism." *Annual Review of Economics* 13: 133–70. At <https://doi.org/10.1146/annurev-economics-070220-032416>.
- Russett, Bruce. 1990. "Economic Decline, Electoral Pressure, and the Initiation of Interstate Conflict." In Charles S. Gochman and Alan Ned Sabrosky, eds., *Prisoners of War? Nation-States in the Modern Era*. Lexington, Mass.: DC Heath: 123–40.
- Schenoni, Luis L., Sean Braniff, and Jorge Battaglini. 2020. "Was the Malvinas/Falklands a Diversionary War? A Prospect-Theory Reinterpretation of Argentina's Decline." *Security Studies* 29, no. 1: 34–63. At <https://doi.org/10.1080/09636412.2020.1693618>.
- Schneider, Christina J., and Jennifer L. Tobin. 2020. "The Political Economy of Bilateral Bailouts." *International Organization* 74, no. 1: 1–29. At <https://doi.org/10.1017/S0020818319000389>.
- Schneider, Christina J., and Robert Thomson. 2023. "Globalization and Promissory Representation." *American Journal of Political Science* 68, no. 1: 304–18. At <https://doi.org/10.1111/ajps.12789>.
- Simmons, Beth A., and Michael R. Kenwick. 2022. "Border Orientation in a Globalizing World." *American Journal of Political Science* 66, no. 4: 853–70. At <https://doi.org/10.1111/ajps.12687>.
- Slantchev, Branislav L. 2005. "Military Coercion in Interstate Crises." *American Political Science Review* 99, no. 4: 533–47. At <https://doi.org/10.1017/S0003055405051865>.

- Smith, Alastair, and James Raymond Vreeland. 2004. "The Survival of Political Leaders and IMF Programs." In Gustav Ranis, James Raymond Vreeland, and Stephen Kosack, eds., *Globalization and the Nation State*. London, UK: Routledge: 283–309.
- Snyder, Jack. 1991. *Myths of Empire: Domestic Politics and International Ambition*. Ithaca, N.Y.: Cornell University Press.
- Steinwand, Martin C., and Randall W. Stone. 2008. "The International Monetary Fund: A Review of the Recent Evidence." *Review of International Organizations* 3, no. 2: 123–49. At <https://doi.org/10.1007/s11558-007-9026-x>.
- Stone, Randall W. 2008. "The Scope of IMF Conditionality." *International Organization* 62, no. 4: 589–620. At <https://doi.org/10.1017/S0020818308080211>.
- Stone, Randall W. 2011. *Controlling Institutions: International Organizations and the Global Economy*. New York, N.Y.: Cambridge University Press.
- Stone, Randall W. 2012. *Lending Credibility: The International Monetary Fund and the Post-Communist Transition*. Princeton, N.J.: Princeton University Press.
- Stubbs, Thomas, Bernhard Reinsberg, Alexander Kentikelenis, and Lawrence King. 2020. "How to Evaluate the Effects of IMF Conditionality." *Review of International Organizations* 15: 29–73. At <https://doi.org/10.1007/s11558-018-9332-5>.
- Tir, Jaroslav. 2010. "Territorial Diversion: Diversionary Theory of War and Territorial Conflict." *Journal of Politics* 72, no. 2: 413–25. At <https://www.jstor.org/stable/10.1017/s0022381609990879>.
- Tolstrup, Jakob. 2014. "External Influence and Democratization: Gatekeepers and Linkages." *Journal of Democracy* 25, no. 4: 126–38. At <http://doi.org/10.1353/jod.2014.0076>.
- Tomz, Michael. 2007. "Domestic Audience Costs in International Relations: An Experimental Approach." *International Organization* 61, no. 4: 821–40. At <https://doi.org/10.1017/S0020818307070282>.
- Traber, Denise, Nathalie Giger, and Silja Häusermann. 2018. "How Economic Crises Affect Political Representation: Declining Party-Voter Congruence in Times of Constrained Government." *West European Politics* 41, no. 5: 1100–24. At <https://doi.org/10.1080/01402382.2017.1378984>.
- Volkens, Andrea, Tobias Burst, Werner Krause, Pola Lehmann, Theres Matthieß, Nicolas Merz, Sven Regel, Bernhard Weißels, and Lisa Zehnter. 2020. "The Manifesto Data Collection. Manifesto Project (MRG/CMP/MARPOR)." Version 2020b. Berlin, Germany: WZB. At <https://doi.org/10.25522/manifesto.mps.2020b>.
- Vreeland, James Raymond. 1999. "The IMF: Lender of Last Resort or Scapegoat." Paper prepared for annual meeting of the Midwest Political Science Association, Chicago, Ill., April 15–17. At <https://www.files.ethz.ch/isn/30242/1999-03.pdf>, accessed November 18, 2024.
- Vreeland, James Raymond. 2002. "The Effect of IMF Programs on Labor." *World Development* 30, no. 1: 121–39. At [https://doi.org/10.1016/S0305-750X\(01\)00101-2](https://doi.org/10.1016/S0305-750X(01)00101-2).

- Vreeland, James Raymond. 2004. "The International and Domestic Politics of IMF Programs." Paper prepared for the Reinventing Bretton Woods Committee and World Economic Forum conference, Amsterdam, November 18–19. At <https://bit.ly/3gvqA1n>, accessed November 18, 2024.
- Ward, Dalston, Jeong Hyun Kim, Matthew Graham, and Margit Tavits. 2015. "How Economic Integration Affects Party Issue Emphases." *Comparative Political Studies* 48, no. 10: 1227–59. At <https://doi.org/10.1177/0010414015576745>.
- Weeks, Jessica L. 2008. "Autocratic Audience Costs: Regime Type and Signaling Resolve." *International Organization* 62, no. 1: 35–64. At <https://www.jstor.org/stable/40071874>.

AUTHORS

RICHARD CLARK is an assistant professor of political science at the University of Notre Dame. He can be reached at richard.clark@nd.edu.

ANNA M. MEYERROSE is an assistant professor of politics and global studies at Arizona State University. She can be reached at anna.meyerrose@asu.edu.

ACKNOWLEDGMENTS

We thank Don Casler, Leslie Johns, Ayse Kaya, Austin Knappe, Peter Rosendorff, Jim Vreeland, participants in several workshops at Princeton University, and participants at a workshop at the University of Salzburg for helpful comments on previous drafts.

KEY WORDS

IMF, austerity, conflict, domestic policy space, party manifestos