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INTERNATIONAL ORGANIZATIONS AND EDUCATIONAL PERFORMANCE IN AFRICA

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Do International Organizations Improve Domestic Institutions? Explaining Educational Outcomes in Africa
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ABSTRACT

Although international organizations are often seen as an important transformative power on the international arena, we know less about *how* and *when* they promote better domestic institutions. Using data on education outcomes in 53 African countries from 1994-2008, we show that IOs use several empirically distinct channels through which they influence domestic outcomes: conditionality, rankings and international integration. We find that integration and high international rankings have a positive impact on education outputs, while IOs have a negative influence when they use conditional aid. Our findings have implications both for the diffusion of the quality of government agenda, and for advancing our knowledge of IO power.

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Introduction

Do international organizations (IOs) improve domestic institutions? Although IOs are sometimes seen as the central transformative power on the international arena, the empirical evidence for their transformative power remains mixed. While broad empirical studies have confirmed the link between international integration and improved domestic institutions (Sandholtz and Gray 2003), several case studies have failed to find a positive link between IO engagement and better government institutions (Kelley 2004; Schimmelfennig 2005). That IOs stray both from what their creators intended (Barnett and Finnemore 1999) and their own internal goals and policies have been a central issue in IO studies. Although a diverse body of both international relations scholars and policy makers perceive IOs as a central transformative power in international society, we know less about *how* and *when* they influence domestic institutions.

This article develops a framework for the exercise of IO power, and uses it to explore how IOs influence domestic institutions. We suggest that the beneficial effects of IO attempts to influence domestic institutions vary substantially depending on the *type* of strategy used. We divide the power of IOs into attempts to promote reform either through pulling states toward itself – integration – or through pushing reforms from the outside – contestation (compare Bauhr and Nasiritousi 2012). In particular, we suggest that the level of integration, ie the extent to which IO integrate countries into networks of cultural exchange as oppose to contesting domestic orders, involved in the way IO exercise power may influence their effectiveness. We show that sizeable changes in integration into international organizations and signaling achievement and belonging using rankings can have beneficial effects, while contesting domestic orders using conditional aid or pointing out defectors may have negative effects on educational performance in Africa.

We thereby attempt to move beyond recent studies on whether or not foreign aid and IOs have positive effects at the aggregate level (Burnside & Dollar 2000; Easterly 2001, Hermes & Lensink 2001; Easterly 2006; Easterly & Pfutze 2008; Rajan & Subramanian 2008; Moyo 2009; Wright and Winters 2010; Mekasha & Tarp 2013; Arndt et al 2014) to better understand the effectiveness of the various strategies that IOs use to influence domestic institutions. Previous attempts to understand the influence of IOs tend to focus on one particular means through which IOs can influence domestic institutions such as aid conditionality (Collier 1997;Gitter & Barham 2009; Öhler, Nunnenkamp and Dreher 2010; Montinola 2010), rankings (Towns 2012: Rotberg 2004) membership in

the EU (Haughton, 2007**;** Grabbe 2006; Hughes *et al.* 2004; Jacoby 2004; Kelley 2006; Pridham 2005; Vachudova 2005; Schimmelfennig 2008 and Sedelmeier 2005) or the transformative power of international integration in general (Sandholz and Grey 2003). This article, instead, attempts to compare the influence of these manifold channels in one single model, and thereby seeks to provide an explanation for the divergent results in previous research on the influence of IOs.

An additional benefit of comparing the varying effects of different IO channels of influence is that such an approach could complement the large body of research that seeks explanations for IO successes and failure in variations in *domestic* conditions, such as domestic opposition to government reforms, level of development, lack of domestic leadership or level of democracy (Dollar and Svensson 2000; World Bank 2000; Montinola 2010). While a better understanding of the interplay between domestic and international factors is essential to understand the effects of reforms (Acharya 2004), most countries that are the target of IO interventions are characterized by weak institutions through which to implement reforms, a low political will for reforms due to high vested interests, as well as limited resources for carrying out comprehensive reforms (Fjeldstad and Isaksen 2008/7). Therefore, pointing out that IOs failed to meet their objectives because of unfavorable *domestic* conditions, leads to a very pessimistic view of the potential transformative power of international organizations (Bauhr and Nasiritousi, 2012). Instead, we shift the focus to variation in *international* conditions.

The article investigates the effects of IO strategies for influencing domestic institutions using data on education outcomes in Africa. Improving education in developing nations is a cornerstone of current international development efforts. International actors have used both their normative and financial clout to accelerate educational performance, and universal access to primary education is one of eight goals in the UN Millennium Development Goals. In 2012, for example, IOs such as the World Bank and the UN allocated more than $3.7 billion (current US$) in official development assistance (ODA) for education (OECD 2014). The virtues of education are manifold: beyond effects at the individual level, education also influences a society's foundation for "good governance" or quality of government (QoG) through at least three channels: education's role in creating demand for accountability and associated institutions (such as a free press), reducing economic inequality, and increasing social trust (Botero, Ponce, and Shleifer 2012; Transparency International 2013; Uslaner and Rothstein 2012). It may thereby be one of the most effective measures available to curb government corruption. Education is also a fundamental human right and essential for the

exercise of all other human rights (UN 2013; UNESCO 2014), important for economic development and to break vicious circles where poverty is transmitted across generations (Akresh et al 2013).

We proceed as follows. In the next section, we review the current literature on how IOs influence domestic institutions and develop the hypotheses of the study. Section II presents our sample data and methods. We test the impact of IO power on education outcomes in 53 African countries from 1994-2008.[1] Section III presents our analysis and results. The final section concludes and examines the study's contribution to conceptual and empirical debates, and how the analysis helps us understand the success or failure of IO efforts to reform domestic institutions.

How international organizations influence domestic institutions

A large body of scholarship has sought to understand the processes that may lead countries across the world to sometimes converge around common policy goals, such as universal education, human rights, reduced corruption and gender equality (see Meyer et al 1997; Finnemore and Sikkink 1998; Checkel 2001; Kelley 2004; Towns 2012). Although most scholars recognize that there is a complex interdependence of international and domestic factors accounting for national change, several point to the potential transformative power of IOs. Understanding the effectiveness of IOs in producing desirable results is also important, not least in light of their substantial democratic deficits (Gutner and Thomson 2010). Buchanan and Keohane (2006: 422) note that a global governance institution receives support based primarily on its ability to "effectively perform the functions invoked to justify its existence." The extent to which IOs promote better domestic institutions may therefore be of central importance not only for desirable global outcomes and world developments, but also for the legitimacy of the global order.

Traditionally, important conceptual and empirical debates about power in international relations are structured around the material-normative dimensions of power. IOs influence norms either by pointing to the "appropriateness" of particular international norms or seek to incentivize states to adopt these norms using threats, sanctions or material rewards. IOs can thus influence norms in

[1] Using African data is a difficult test for the theory given the overall low education results in the region, which imply that it is difficult to promote better education outcomes for *any* actor.

member states by appealing either to the "logic of appropriateness" or to the "logic of consequentiality" (March and Olsen 1989). Furthermore, socializations scholars distinguish between several processes through which international norms gain ground and these processes are typically seen to involve coercion, persuasion, mimicry and/or learning (Haas 1992; Meyer, Boli, Thomas, and Fransisco 1997; Finnemore and Sikkink 1998; Alderson 2001; Checkel 2001; Goodman & Jinks 2004)

The material-normative dimension of IO power structures and offers essential insights into important aspects of IO power, and socialization theory contributes to a better understanding of the processes through which international norms gain ground. However, we suggest that both of these approaches are insufficient for understanding the *exercise* of IO power and thereby the conditions under which IOs have desired effects. This article proposes a more systematic comparison of the different means or strategies that IO use to promote domestic change. In particular, we suggest that IOs have four broad means at their disposal in their attempts to influence domestic institutions. IOs can promote reforms by a) using rankings and country evaluations, b) placing conditions on economic assistance, c) promoting interaction with international organizations and between member states, and d) through the membership processes in connection to the enlargement of IOs.

These strategies can be place on the contestation-integration continuum. We conceive of *contestation* as IO power that builds on opportunities to formulate and put forward their preferences to the governments that they try to influence, and that the primary means by which they do so is to challenge and contest existing domestic orders. Contestation could thereby involve encouraging domestic norm promoters or institutions, which indirectly challenges opposition to the adoption of specific norms of policies (be they investments in education, anticorruption policies, or abuses of human rights). [2] IOs can contest domestic orders using aid conditionality or pointing out underachievers using international rankings of governance performance. *Integration,* on the other hand, is defined as IO power that builds on assimilating governments in international settings.[3] IOs integrate countries into international setting by offering membership and interaction with international organizations or signaling belonging and success using international governance rankings.

[2] In other words, contestation does not imply that IOs contest the entire country (or even specific actors within it). Rather IOs contest actors, structures or institutions that are perceived to hinder the adoption of particular norms or policies.
[3] Thus, our use of the terms contestation and inclusiveness does not correspond to Dahl's (1971) use of these terms, since it is not used to depict aspects of democracy but aspects or strategies for IO influence. compare Dahl 1971).

Thus, while the normative/material dimension focuses on the type of persuasive powers IOs possess, the contestation/integration dimension focuses on what means of actions that IOs use to influence states. IOs can use material incentives such as threatening to withdraw aid, promising investments or membership, or promoting a transformative, ideological, or moral discourse on the superiority of good government institutions (Moravcsik 2000). We see IOs as having not only the power to classify, fix meanings and articulate desirable norms and a material power to signal material incentives and possibly even coercion, as suggested by the material-normative distinction: IOs also have the power to diffuse these norms. Norms can be diffused either through contestation or through integration. Thus, the distinction between contestation and integration complements the distinction between material and normative power by facilitating an understanding of the methods used to exercise IO power to promote norms.[4]

Thus, our first hypothesis is that the performance of international organizations is not only determined by what they are or what resources they possess but also what they *do* (compare Barnett and Finnemore 1999; Gutner and Thomson 2010). In other words, what type of channel of influence IOs use will matter for their impact on domestic developments, and IOs have different effects on domestic institutions depending on the strategy they use. This forms our first hypothesis:

H1. Conditionality, rankings and integration are empirically distinct channels of IO influence

There are several reasons to expect that the different IO strategies may influence domestic institutions very differently, which adds to the complexities involved in attempts to assess the overall effectiveness of aid or IOs. However, studies comparing the effects of different IO strategies are still largely lacking. While there has been a recent upsurge in studies making important contributions to our understanding of the impact of aid on public service delivery and education (see for instance Michaelowa and Weber 2007; Wolf 2007; Dreher et al. 2008 and Christensen et al 2011), we know less about the relative effectiveness of the different channels of IO influence.

Aid conditionality is the most visible and in some contexts controversial means through which IOs can contest domestic political orders. Conditionality is commonly defined as the setting of policy

[4] It is important to note here that there may also be relationships between the different strategies that international organizations use. Donors may for instance use rankings to determine where to direct conditional aid.Thus, many of the strategies used by international organizations are used simultaneously.

goals in exchange for access to aid (Montinola 2010).[5] As pointed out by Collier (1997) and others this assumes a conflict of interest between the donors and the recipient, and that donors attempt to "buy" policy reforms. Several studies argue that this approach to aid has largely failed (Collier 1997; Killick, Gunatilaka, and Marr 1988), and that incentives to improve policies in order to access aid will not hinder countries from reversing reforms after having been selected as aid recipients (Mosley et al 2004). The problems associated with conditional aid is perhaps particularly salient in relation to international financial institutions such as the World Bank and IMF (Vreeland 2003; Dreher & Gassebner 2012), both of which have conditioned loans on the adoption of specific policies believed to increase growth such as currency devaluations, the reduction of subsidies and restrictive fiscal and monetary policy. Evidence from IMF related research suggests that conditionality did not make program success more likely, nor did it enhance ownership (Dreher 2009; 256). Several reasons have been suggested for the lack of conditional aid effectiveness, including the political regime in the recipient country (Montinola 2010), but also that political constraints or lack of knowledge have led IOs to promote inefficient policies (Bauhr and Nasiritousi 2012).

The lack of effectiveness of conditional aid has lead scholars and development practitioners to argue for the importance of coupling aid conditionality with credible ex post controls (Svensson 2003). Performance based aid would allow donors to reward achievers and punish defectors and thereby make conditional aid more efficient. However, the empirical evidence for the effectiveness of performance based aid remains limited (Öhler, Nunnenkamp and Dreher 2010). A key issue for the extent to which IOs successfully influence domestic institutions through aid conditionality is the credibility of IO commitments. For a number of reasons (including high vested interests and conflicting loyalties), it is very difficult for IOs to sustain these commitments, which erodes the credibility of their commitment. Aid for poverty alleviation, and in particular aid directed to children suffering from severe deprivation of their fundamental human rights, is an area where the enforcement of ex post controls may be particularly sensitive and difficult for IOs. While performance based aid and ex post controls may be effective in some contexts, IOs may be particularly constrained to design and implement ex post controls in the educational sector.

[5] Montinola (2010) shows that the effectiveness of conditional aid depends on the level of democracy: the value of aid depends on the degree to which it helps a government maintain power. More precisely, the marginal impact of aid on political survival increases with level of democracy (2010). The focus is, then, again on favorable conditions in recipient countries rather than differences in the strategies used by IOs.

Thus, contesting domestic orders using aid conditionality risks enforcing inefficient policies that may be detrimental for education outcomes. Conditionality assumes the existence of knowledge on how goals are achieved and that domestic incentive structures are effectively altered by these conditions, and attaining aggregate level beneficial results using aid conditionality is therefore very difficult. This forms our second hypothesis.

H2.Conditionality has a negative influence on educational performance in Africa

In most accounts of policy diffusion, norms (or social standards of behavior) play an important role. While commonly associated with constructivist scholarship, norms often play a role in both realist and liberal rationalist accounts of international policy diffusion whether in the form of hegemonic socialization or in assumptions of "bounded rationality", where shared understandings of appropriate behavior can guide policy change in the face of limited access to information or information asymmetries. A central and often overlooked feature of norms is that they inherently rank states as superior or inferior (Towns 2012). Influential parts of the international community see the level of education as a central marker of that country's rank in the social hierarchies of states, and promoting universal education increases countries ability to climb this hierarchy. Formalized governance indicators that rank the extent to which states conform to desirable international norms have become increasingly common in the international polity, and education is no exception. To date, we have just begun to understand what the "naming and shaming" process made possible by explicit rankings does to processes of domestic change.

IOs often use the ranking of states to point out defectors and inferior states as well as to give acclaim to regional "achievers". In the African context, the diversity in the extent to which states conform to this standard of behavior (i.e. universal education) is comparatively large. In what way does contestation on the basis of rank influence state behavior in this context? We suggest here that higher rankings will be associated with larger changes in educational performance, i.e. that countries that are ranked comparatively high in the social ranking lists will also exhibit greater educational improvements. The rationale for this expectation is twofold. First of all, international organizations are risk adverse and may therefore tend to engage in contexts where they see the greatest potential for improvements, rather than perhaps the countries where there is the greatest need for improvements, serving to reward regional achievers. Second, regional achievers, i.e. countries that do comparatively well in regional rankings, gain access to collaboration and are to a greater extent included

in international communities and networks of exchange which, in turn, contributes towards greater learning and socialization and an increased pressure for further improvements. There may thus be a "positive spiral" effect of relatively high initial rankings and potentially a negative spiral effect of low initial rankings. This forms our second hypothesis.

H3. Higher rankings have a positive effect on educational performance in Africa

Finally, international integration in general may produce positive effects on states' conformity to international standards of behavior, whether through processes of learning, persuasion, mimicry or coercion. Performance based membership has sometimes been perceived as "very effective" (Sedelmeier 2008: 806) in the European Union's enlargement strategy, while other studies show a mixed result when it comes to the effectiveness of conditioning reforms on membership (Sandholz and Grey 2003). The desirability of EU membership and its associated financial rewards appear to have prompted candidate states to sometimes adopt considerable policy change and adhere to some of the conditions contained in the so-called Acqui Communautaire. However, very few IOs have access to this means of power since membership in international organizations is typically non-exclusive, or based on regional or geographical location rather than political or institutional orientation. The EU may very well be the only organization that, at least in theory, possesses the material power to condition membership upon substantial policy change, and for geographical reasons EU membership is clearly out of reach for most countries in the world.

However, the positive effect of integration into international communities can also be based more on normative suasion and socialization, i.e. states learn what behavior is "appropriate", "desirable" or "proper" through international interaction rather than instrumentally in the quest for tangible ex post rewards. The extent to which such processes actually have an effect on concrete policy output is very difficult to grasp theoretically, and even more difficult to demonstrate empirically. Ambrosio argues that there is a positive correlation between what he calls IOs with high "democratic density"—that is, where most members are democracies—and the success rate of promoting these norms (Ambrosio 2008:1324). Analogous to this is that member states in IOs must themselves have embodied the required norms in order to effectively promote them. Studying the example of the EU's effort to promote the norm of transparency to accession countries, Grigorescu (2002:482) argues that it is more difficult for IOs to promote norms that existing member states have themselves not fully internalized (compare Bauhr and Nasiritousi 2012). In other words, not all IOs are

necessarily of equal importance for creating an impetus for improved educational performance, and some IOs may even be counterproductive for this purpose. There are thus reasons to expect that the effect of international integration is neither linear nor necessarily positive. However, given the strength of the educational norm in international communities and the level of consensus that has emerged on the importance of universal education, we expect that at least sizeable change in international integration will produce beneficial effects on educational performance. This forms our fourth hypothesis:

H4.International integration improves educational performance in Africa

In this paper, we thus aim to provide a more nuanced understanding of IOs' effect on domestic outcomes. Our approach is different from previous studies, in which aggregate concepts such as 'openness' or 'aid' have been employed. In the subsequent section of this analysis, we try to first map out these four channels empirically and make a modest attempt to demonstrate their effects on education outcomes in African countries. While there is plenty of sobering facts concerning educational results – for example, the enrolment rate for primary school children in Sub-Saharan Africa is only 77%[6] (UN 2013) – that raise the question of IO effectiveness, there have also been drastic improvements in absolute terms. For example, the number of children across the world who did not attend primary school dropped from 102 million in 2000 to 57 million in 2011 (UN 2013).

Sample, Data and Methods

We elect to test the theoretical propositions laid out in the theoretical section on education outcomes in 53 African countries from the mid-1990s to 2008. We use a 'hard' measure of outcomes – adult literacy rates and aggregate school enrollment, as provided by the Human Development Index data from the UN. Although variation in these variables would be limited in other regional contexts – e.g. Europe as well as North and South America – we find remarkable variation across both space and time in the African context in these two variables and their merged measure the Education Index (from HDI). For example, countries like Libya, South Africa and Zimbabwe all have an adult literacy rate (population over the age of 15) of over 85%, while considerably less than half the

[6] Adjusted net enrolment rate (the number of children of official school age who are enrolled either in primary or secondary school, divided by the total population in that age group) in primary education 2011 (UN 2013).

population in Benin, Ethiopia and Chad is considered literate. In the most extreme case (Burkina Faso), just over 20% of the population is currently literate. Furthermore, the data shows that while many countries have made significant strides in fighting illiteracy and increasing school enrollments since the 1990s, others have either remained stagnant, or actually decreased in these two measures over time. On the former, Botswana and Cape Verde have gone from a literacy rate of 60% in the mid-1990s, to a current level of over 80% while, on the latter, the Central African Republic, the Democratic Republic of Congo (fmr. Zaire) and Chad have all decreased their literacy rates by more than 10% since 1995. In addition, we find much variation in IO power across space and time in the African context (elaborated in the next section).

Figures 1 and 2 show a map of the HDI's education index in the mid 1990's and at current rates, respectively. Figure 3 shows the variation in absolute percentage changes of the education index by country. The education index is a component of the overall HDI composite index that combines adult literacy rates and total school enrolment percentage of the eligible youth population. The scores range theoretically from 0 to 100, with higher scores equating to better education outcomes.

FIGURE 1, SPATIAL VARIATION IN EDUCATION INDEX FROM HDI IN AFRICA 1994-96 AVE

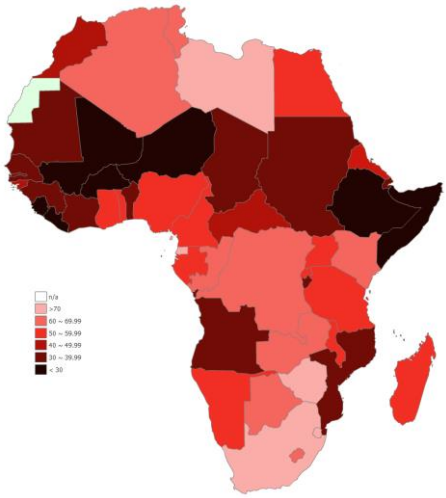


FIGURE 2, SPATIAL VARIATION IN EDUCATION INDEX FROM HDI IN AFRICA 2006-2008 AVE

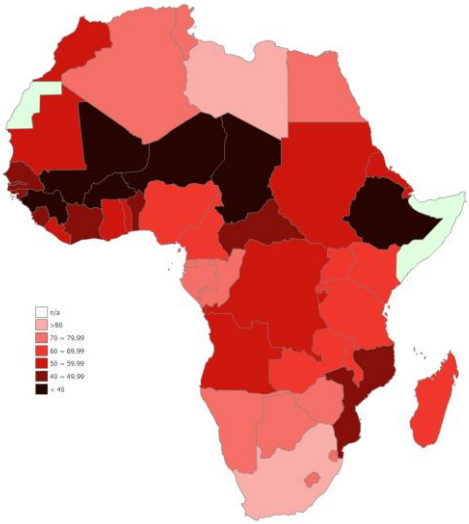
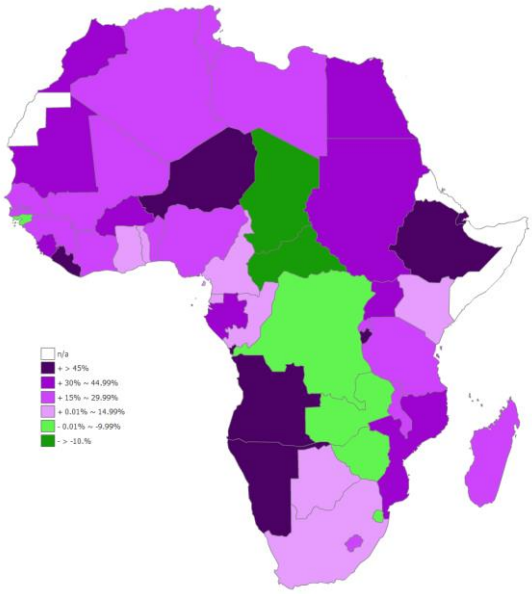


FIGURE 3, PERCENTAGE DIFFERENCE IN EDUCATION INDEX 1994-2008:



Independent variables

The theory elucidates four ways in which IOs can have an effect on domestic outcomes. Although data for African countries is at times sparse - in particular over time - we attempt to capture the key concepts empirically using the widest, most comprehensive and most apt data available.

Country rankings by IOs

First, we utilize several measures to capture educational rankings of African states. The two primary measures employed here are from the Mo Ibrahaim Index of African Governance. The overall index is composed of over 50 individual indicators, and one of these (part of the Human Development pillar) is a rank from the African Bank of Development that annually gauges the quality of welfare services (education and health) by country from 2000-2011 for 52-53 countries. We use this specific measure, along with the overall Sustainable Development pillar, to capture rankings. A third measure we also look at simply comes from the Government Effectiveness index from the World Governance Indicators (Kaufman et al 2008). Although this measure is much less desirable due to the fact that it does not rank states exclusively by education performance (or even just human development), it does incorporate some aspects of education. Another measure is the World Economic Forum's Competitiveness Survey, which publishes rankings of the quality of public education from 1998 to 2010. Although data is quite limited for most African states in the beginning of the period, the later years (from 2004 onward) include data for 37 countries. We employ these observations in robustness checks and to include earlier years missing in the previously mentioned data.

Conditions on Economic Assistance

Measuring conditionality is admittedly very difficult as there are numerous factors involved in decisions on loan allocation, objective of the loan and loan acceptance. With this caveat in mind, we use two related measures to capture the amount of conditionality by IOs in education policy in Africa during the investigated time period. First, we need to isolate official development assistance that (1) targets the education sector, (2) is multilateral/granted by an IO (and not distributed directly from a state such as bilateral aid from the U.S. or Sweden) and (3) is conditional upon specific reforms. We find that education loans from two of the World Bank's branches – the International Bank for Reconstruction and Development (IBRD) and the International Development Associa-

tion (IDA) satisfy all three of these conditions[7]. We take both the number of conditional loans per year and the amount of the loan (per capita) into consideration.

Interactions with International Organizations

The theory stipulates that IOs can have an impact on domestic governance via contact and interaction with international experts and organizations, which diffuses norms of better governance to the recipient country. Following Sandholz and Gray (2003), we conceive of this concept dynamically and argue that interactions are more likely to be effective norm diffusers when the interaction is repeated over time and the relationship between the IO and the recipient is strengthened. Given the World Bank's position as a key lending institution for conditional loans, we proxy interactions with IOs as the number of years a country has been an official member of the World Bank (both the IBRD and IDA). In addition, we include the length of time each country has been a member of the UN.

Enlargement of International Organizations

Ideally, there would be a comprehensive, continent-wide IO that focused on human development and education that had a highly competitive and beneficial membership entrance, similarly to the EU. Unfortunately, such an IO does not exist in Africa today as the African Union is much less discriminant about membership than the EU. Thus, we take instead the total number of IO memberships annually for each country from 1980-2000 from Pevehouse, Nordstrom and Warke (2004). We update this for two years after 2000 where data is available. We use the difference of total IO memberships by country over time as a proxy for enlargement.

The theory stipulates that IOs can have an impact on domestic governance via contact and interaction with international experts and organizations, which will in turn diffuse norms of better governance to the recipient country. We proxy this concept with a measure from the KOF Globalization Index (Dreher 2006). We use the political globalization index, which is available for all countries globally from 1970-2009 and includes the number of embassies in a country, the number of signed

[7] In addition, there may be other sources or specific loans given by IOs that meet these conditions, but due to time constraints, we focus only on the IBRD and IDA loans. Moreover, while multilateral development assistance makes up about 30% of all aid allocated, of that multilateral aid allocated, the World Bank's branches contribute a large majority of such aid (between 60 and 70%)
(http://www.oecd.org/dac/aidarchitecture/12_10_02%20Policy%20Briefing%20on%20Multilateral%20Aid_draft_final_draft%20(2).pdf

international treaties, membership in IOs and information on whether the country participates in UN Security Council Missions. Greater levels of political globalization imply greater IO enlargement.

Control variables

Aside from international influences, education outcomes are impacted by myriad domestic factors. We control for the level of economic development in a country with GDP per capita. We anticipate that states with higher levels of economic development will be associated with better education outcomes. Next, we expect that a diverse population present challenges for states because language, ethnic and cultural differences may render it more difficult to pursue comprehensive and general schooling across the country. We thus control for ethno-linguistic fractionalization (from Alesina et al 2003). Next, we control for regime type. We first utilize a country's level of democracy from the Freedom House-Polity measure (Teorell et al 2011), which we from the literature expect will have a non-linear effect on QoG outcomes (see Charron and Lapuente 2010) so we include both the normal and squared value. For non-democracies, we also include dummy variables for type of authoritarian regime – whether it is a monarchy or ruled by a military or civilian dictator since Charron and Lapuente (2011) have shown that there are systematic differences in QoG by authoritarian regime type. Moreover, we control for the years since independence. Given that macro-social policy takes time to plan and deliver effectively, we presume that younger countries will have lower levels of education outcomes on average. Finally, several studies have shown that former British colonies outperform others in Africa in several aspects of development. To control for this, we include a dummy variable for ex-British colonies.

We control for several geographical and demographic characteristics in each country. First, we control for population size (logged) and size of the country (area in squared kilometers). A larger population might be related to education outcomes if increasing population size poses greater obstacles to collective action. We also test the percentage of urban population in the country to examine whether more concentrated populations are associated with improved education outcomes. Finally, the latitude of a country has been shown to have a significant link to QoG (La Porta et al 1999). We use miles from the equator as a control.

During the investigated time period, several African states have been involved in either a domestic or an interstate conflict. We presume that during times of violent conflict, resources and infrastruc-

ture will be diverted away from the education sector to the defense sector, thus harming education outcomes. We control for both types of conflict using a dichotomous variable from the Correlates of War (COW) database.

We control for three additional international factors that might lead to better education outcomes. First, we use two measures of total ODA (i.e. not only conditional education aid) – the total amount annually of ODA from multilateral sources, and the total amount from bilateral plus multilateral sources. Finally, we control for trade openness (Dreher 2006) as greater levels of trade might lead to an increased demand for semi to skilled workers and accordingly to higher levels of education. Most control variables were taken the *Quality of Government Institute's* database (Teorell et al 2011).

Model Estimation

It is difficult to isolate the effects of an international actor on a domestic outcome. In addition, our theory suggests causal pathways through which IO power impacts domestic QoG, thus making it inadequate to simply test correlations. Based on the wealth of empirical literature that tests the effect of aid on economic growth or democratization (Burnside and Dollar 2000, Knack 2004 for example), we run several spatial models. We follow Bearse and Tirone (2010) in running several change models with a spatial design to capture causality. First, we estimate whether current levels of education outcomes are a function of past levels, and past levels of changes in IO power. Second, we run a model similar to Knack (2004) and use the changes in the entire period for the dependent variable as a function of its past values and initial values, and total changes in all moving independent variables in addition to their initial levels.[8] There is also reason to believe that aid and IO interaction in general are not exogenous with QoG outcomes (Alesina and Weber 2002). While difficult to remedy entirely, we attempt to correct for endogeneity by using values of all independent variables that are temporally prior to the dependent variable.

[8] We have also considered an instrument aid in several models, using two stage least square (2SLS) estimation to account for some of this endogeneity. Yet finding a proper instrument is rather difficult - for estimates to be unbiased, the instrumental variable estimated in the first stage must be uncorrelated with the dependent variable (education outcomes) yet correlated with the independent, endogenous variable in the second stage. This is of course a challenge as previous efforts to use colonial legacy, democracy levels, past levels of corruption, or GDP for example are all theoretically (and most likely empirically) linked with the dependent variable. Because of these issues, we elect to account for endogeneity issues with time lags on the right side of the model and changes in the variables.

Results

Are the different channels of IO influence empirically distinct concepts, as suggested by H1? Since we are investigating different aspects of IO power and use several indicators for each aspect, we test whether these different aspects of IO influence are in fact empirically distinguishable before proceeding. We follow the analysis of Sandholz and Gray (2003) and do so with a principle component factor analysis (varimax rotated). The results are reported in Table 1.

TABLE 1, FACTOR ROTATED MATRIX: 51 AFRICAN STATES, 1994-2008

Concept	Variable	Factor 1: *Integration*	Factor 2: *'Economic Conditions'*	Factor 3: *Rankings*
Conditional Assistance	No. Of Conditional Loans	0.56	**0.98**	0.12
Conditional Assistance	Total loan amount ($), logged	0.50	**0.97**	0.11
rankings/evaluations	Sustainability Index Rankings	0.11	0.04	**0.94**
rankings/evaluations	Welfare Service Rankings	0.01	0.10	**0.91**
Enlargement of IO's	Number of IO Memberships	**0.82**	0.19	0.17
Enlargement of IO's	Political Globaltization (KOF)	**0.71**	0.19	0.26
Interaction with IO's	years World Bank Member	**0.70**	0.06	-0.05
Interaction with IO's	years United Nations Member	**0.81**	0.04	-0.03
	Eigenvalue	3.13	1.67	1.39

Note: principle component analysis with Verimax rotation. Data taken from 3-year panel averages, 1994-2008 for 51 countries and 153 observations. The Pearson correlations between factor 1, 2 and 3 respectively are: 0.52, 0.23 and 0.39 respectively.

Interestingly, we find that the different dimensions of IO power load around three distinct factors (based on the Kaiser criteria) in the data from 1994-2008. These factors correspond not to the conventional normative-material dimension but rather to the contestation-integration dimension: the four indicators on the integration side strongly load onto one factor (compare Bauhr & Nasuritousi 2012). Based on these results, we generate three factor variables for the subsequent, cross-section empirical tests and proceed with three aspects of IO power: *Integration, Conditions* and *Rankings*. The new combination of indicators is based on the factor weights from the preceding analysis.[9]

There are many ways in which the theory can be empirically tested. What we focus on are two dynamic ways in which IO power can influence educational levels. First – do recent changes in each type of IO influence lead to higher current levels of education outcomes? Second, do states with higher levels of IO influence experience significant (positive) change in the education variables? Ideally to test these dynamics, we would have access to all indicators and control variables for all country-years dating back several decades and be able to use multiple time lags. Unfortunately, this is not the case. We therefore elect to modestly test the hypotheses using an aggregated time period for which data is most available (1994-2008). We thus calculate the changes over time in the

[9] We normalize the variables using standardization to aggregate the data and then, using the factor weights, we use arithmetic aggregation due to the high level of correlation within each factor loading.

RANKINGS and INTEGRATION we simply use the number of conditional loans as well as the total per capita amount of said loans during the whole time period since there is a high level of uncertainty as to the length of time is takes for conditional aid to exert an effect on education outcomes.

TABLE 2, EFFECTS OF IO POWER ON QOG IN AFRICAN STATES: 1994-2008

		Ed. Index (2006-08)				Enrolments (2006-08)	Literacy rates (2006-2008)
	1	2	3	4	5	6	7
IO power							
INTEGRATION (initial)		-0.08**			-0.05	6.03*	-10.06**
		(0.04)			(0.22)	(0.09)	(0.03)
ΔINTEGRATION		-0.23*			-0.22	10.51	-35.21*
		(0.08)			(0.14)	(0.57)	(0.06)
RANKINGS (initial)			0.01		0.05*	5.82**	3.32
			(0.67)		(0.06)	(0.02)	(0.31)
ΔRANKINGS			0.04		0.02	6.70	2.58
			(0.56)		(0.61)	(0.21)	(0.66)
CONDITIONAL (# loans + $ p.c.)				-0.07***	-0.09***	-6.61**	-8.75***
				(0.001)	(0.000)	(0.01)	(0.003)
controls							
GDPpc1995 (log)	0.09***	0.11***	0.10***	0.09***	0.08***	6.27***	9.25***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
ΔGDPpc	0.003	0.003	0.003	0.002	0.003	0.53	0.001
	(0.44)	(0.47)	(0.42)	(0.51)	(0.54)	(0.03)	(0.95)
Common Law	0.12***	0.11***	0.12***	0.11***	0.11***	10.12***	12.19**
	(0.001)	(0.004)	(0.000)	(0.002)	(0.000)	(0.002)	(0.02)
Ethnolinguistic Frac.	-0.12	-0.09	-0.12	-0.12*	-0.06	-7.03	-4.35
	(0.13)	(0.27)	(0.14)	(0.10)	(0.42)	(0.36)	(0.65)
Area (log)	-0.01	-0.02	-0.01	-0.02*	-0.02*	-1.31	-2.75*
	(0.41)	(0.18)	(0.59)	(0.06)	(0.07)	(0.29)	(0.07)
Population (log)	0.01	0.04*	0.01	0.04***	0.06**	2.29	7.15**
	(0.52)	(0.07)	(0.44)	(0.01)	(0.02)	(0.22)	(0.02)
Constant	-0.08	-0.46	-0.20	-0.38	-0.51	-19.4	-57.7
	(0.71)	(0.21)	(0.38)	(0.06)	(0.12)	(0.52)	(0.14)
Rsq	0.57	0.6	0.59	0.66	0.71	0.69	0.68
Obs.	51	50	51	51	49	49	47

note: in models 1-5, dep variable is the average change in the HID education index from 1994-2008, ranging from 0-1 with higher scores indicting better performance. Models 6 and 7 use the sub-components, enrolment and literacy rates respectively (0-100). In addition, all models we run with Democracy, democracy2 and number of conflict years (omitted due to insignificance). Conditional combines loans and p.c. amount. P-values in parentheses from robust standard errors.
****p<0.01, "p<0.05, *p<0.10*

Table 2 reports the education index, along with the two sub-components – at most recent levels (average 2006-2008), as a function of past levels of IO power and recent changes, along with control variables including past levels of economic development and changes.

Do states that are more integrated with IOs show systematically higher rates of educational improvement? Table 3 reports the changes in the dependent variables over the same time period. In model 1, we run a simple baseline estimation with only control variables , finding that states with higher initial values of GDP per capita and Common Law countries (mostly former British colonies) tend to have better education outcomes in current years. In models 2-4, we estimate the effects of each type of IO power. We find that both initial levels and changes in integration are actually associated with significantly lower levels of the education index, *ceteris paribus*. RANKINGS do not appear to play a significant role, while states that were more exposed to CONDITIONALITY exhibited lower current education results (the education index). One could explain this result in two ways. First, conditional aid is actually harmful for education outcomes in recipient states. Alternatively, one could argue that lesser developed states are more likely to receive education aid which is conditioned upon specific actions, and such states start at lower levels of educational performance and also experience lower contemporary levels.[10] In model 5, the three factors are tested together. The effects of CONDITIONALITY remain the same, yet the while the effect of INTEGRATION disappear. However, we find - not surprisingly – that states which were placed higher in mid-1990s' rankings also tend to have higher levels of contemporary education outcomes. In models 6 and 7, we separate the two components of the education index and test them individually. We find that a one standard deviation increase of initial levels of INTEGRATION and RANKINGS are on average associated with approximately a 6% increase in enrolment rates. A one standard deviation increase in CONDITIONALITY during this time period, on the other hand, is associated with a 6.6% *decrease* in enrolment rates. In model 7, we find again that both initial IO integration and changes toward more IO integration prior to the dependent variable on average result in lower literacy rates , while a one standard deviation increase in CONDITIONALITY is similarly associated with lower literacy rates (decrease of 8.75%). The RANKINGS, however, play no significant role in determining current literacy rates.

[10] With regard to the latter point, we find that logged GDP per capita values in 1995 correlate at -0.43 with the variable CONDITIONALITY, implying that more economically developed states were less likely to receive said aid. Yet the bivariate scatterplot of this relationship is less convincing of a clear, linear relationship (see appendix).

TABLE 3, EFFECTS OF IO POWER ON QOG IN AFRICAN STATES: 1994-2008

		ΔEd. Index (1994-2008)				ΔEnrolments	ΔLiteracy rates	
	1	2	3	4	5	6	7	8
IO power								
INTEGRATION (initial)		-0.03			-0.02	6.31*	-7.7**	-7.1***
		(0.24)			(0.43)	(0.08)	(0.05)	(0.006)
ΔINTEGRATION		-0.03			-0.08	14.87	-27.2***	-26.3***
		(0.66)			(0.36)	(0.29)	(0.01)	(0.002)
RANKINGS (initial)			0.02*		0.04***	5.45**	4.02**	1.67
			(0.10)		(0.008)	(0.02)	(0.04)	(0.23)
ΔRANKINGS			0.02		0.02	4.95	2.92	0.78
			(0.57)		(0.49)	(0.20)	(0.37)	(0.77)
CONDITIONAL (# loans + $ p.c.)				-0.02*	-0.05**	-4.32*	-5.14**	-0.88
				(0.10)	(0.02)	(0.10)	(0.02)	(0.55)
ΔINTEGRATION²								424.7***
								(0.000)
controls								
GDPpc1995 (log)	0.04***	0.05***	0.03	0.04***	0.03	1.81	4.43**	4.21***
	(0.008)	(0.01)	(0.12)	(0.003)	(0.12)	(0.43)	(0.04)	(0.005)
ΔGDPpc	0.003	0.003	0.003	0.003	0.003	0.54*	0.09	-0.04
	(0.24)	(0.31)	(0.23)	(0.23)	(0.16)	(0.10)	(0.75)	(0.92)
Common Law	0.04	0.04	0.03	0.04	0.04	4.51	4.24	1.14
	(0.15)	(0.18)	(0.22)	(0.14)	(0.13)	(0.18)	(0.18)	(0.50)
Dep. Variable (intial level)	-0.28***	-0.30***	-0.26***	-0.33***	-0.37***	-0.59***	-0.38***	-0.16***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Area (log)	-0.01	-0.01	-0.003	-0.01	-0.01	-1.34	-0.95	-1.25
	(0.34)	(0.35)	(0.69)	(0.25)	(0.26)	(0.15)	(0.51)	(0.18)
Population (log)	-0.001	0.01	-0.006	0.01	0.02	0.61	3.57	3.44***
	(0.98)	(0.48)	(0.61)	(0.42)	(0.14)	(0.69)	(0.11)	(0.03)
Constant	0.04	-0.17	0.17	-0.07	-0.11	16.84	-28.7	-38.8**
	(0.79)	(0.57)	(0.37)	(0.67)	(0.64)	(0.48)	(0.29)	(0.04)
Rsq	0.27	0.31	0.3	0.32	0.45	0.58	0.47	0.75
Obs.	51	50	50	51	49	49	48	48

note: in models 1-5, dep variable is the change in the HID education index from 1994-2008. Models 6, 7 AND 8 use the sub-components, changes in enrolment and literacy rates respectively (0-100). In addition, all models we run with Democracy, democracy2, ethno-linguistic fractionalization and number of conflict years (omitted due to insignificance). Conditional combines loans and p.c. amount. P-values in parentheses from robust standard errors.
****p<0.01, "p<0.05, *p<0.10*

Table 3 attempts to isolate the causal impact of changes in IO power on changes in education outcomes during 1994-2008. We find that in the baseline model, more economically developed states in the 1990s also tended to on average improve their educational performance (the education index) faster. The initial level of the dependent variable was, however, associated with negative change: states with better education outcomes in the mid-1990s may simply have had less room for improvement.

In models 2-4, we find that the individual effects of INTEGRATION (both initial levels and total changes in said variable) have no significant impact on any changes in the dependent variable. Similar to GDP per capita (log, 1995), we find that states that were ranked higher in welfare services also tended to improve a bit faster on average, yet aggregate *changes* in the RANKINGS did not seem to lead to greater or lesser changes in the education index during this time. All things being equal, greater levels of CONDITIONALITY, are associated with less improvement in the dependent variable. Since the dependent variable is the change in the education index, it is now becoming clearer that conditional education aid has in fact had a negative effect on education outcomes (or at least has not had the desired, positive effect in terms of changes in outcomes). When looking at all three factors together, we find the results of models 2-5 to be robust, and in fact stronger in the case of RANKINGS and CONDITIONALITY. In model 6, we find that states that were initially more integrated and higher ranked also had greater positive changes in enrollment rates on average while again, higher levels of conditional aid tended to lead to negative changes (a 4.3% decrease) in enrollment rates. When looking at literacy rates in models 7 and 8, we find that while initial rankings and conditionality have the same impact on changes in literacy rates as they do on enrollment rates, we also find a somewhat surprising result in model 7 – both greater initial levels of INTEGRATION and positive changes in said variable lead to negative changes in literacy rates, *ceteris paribus*. However, since there are strong reasons to believe that the effect of literacy rates is not necessarily linear, we tested whether effects were quadratic . We found that the effect of changes in IO integration were in fact strongly quadratic (see appendix for the scatterplot). Because all states have increased their INTEGRATION since 1994, the data shows that only the relatively larger positive changes tended to lead to higher levels of literacy. We include the variable, $\Delta\text{INTEGRATION}^2$ in model 8 and find that the quadratic effect of integration is highly significant

even when controlling for past levels of literacy rates, economic development, legal origin, population, area size and other effects of IO power.[11]

Discussion

This article suggests that the influence of international organizations on domestic institutions differ drastically depending on the channel of influence IOs use. We show that IOs have a negative effect on educational performance in Africa when they use conditional aid, while sizeable changes in international integration and high initial rankings can have positive effects on educational outcomes. We believe this shows the salience of a more nuanced conceptualization – and empirical testing – of IO influence. In particular, the article points to the importance of more systematic comparisons of different IO channels of influence.

The results have several important implications. First of all, they point to the difficulties involved in any attempts to understand the overall effectiveness of IOs or foreign aid. While we are far from the first to point at the complexities of IOs and the diversity of ways in which they exercise influence, attempts to theoretically understand the dimensions of IO power and empirically compare and contrast their different channels of influence can lead to a better understanding of the influence of IOs. In addition to the conventional normative–material dimension of power, this study suggests that the contestation-integration dimension may influence the effectiveness of IOs. Pushing reforms from the outside (i.e. contesting domestic political orders) with the use of conditional aid or rankings to put the spotlight on defecting or underachieving states may, at least in some contexts, be inefficient while integrating countries into international settings and promote high achieving states may produce beneficial results. While it is important to contextualize general findings of this kind, a focus on the variation in different *IO strategies* provides a useful complement to studies that seek explanations for the domestic effects of IOs in variations in the *domestic* conditions or quality of government. Since better quality of government is one of the most important targets of IO interventions and educational reforms may be a necessary step in order to achieve improvement in government quality and accountability, a better understanding of the effectiveness

[11] In addition, we ran a similar test for non-linearity in Table 2 for literacy rates (current values), but did not find a significant non-linear effect of INTEGRATION.

of different channels of IO influence on educational performance may provide a useful perspective on IOs' potential to promote such reforms.

It is important to bear in mind the limitations of a study of this kind. Empirical tests can be problematic due to endogeneity between variables such as rankings and outcomes, and a lack of data for certain countries and years. Many of these issues are, however, simply unavoidable due to the limitation in quality data over time. By controlling for past levels of (and changes in) economic development, and by modelling changes in the variables, we attempt to remedy this with the available data. Poorer, less developed states might, for instance, be the ones most likely to receive conditional aid. We find, however, that the correlation between past rates of GDP per capita (from 1995) and subsequent levels of conditional aid are not particularly strong. Moreover, when using *changes* in education outcomes as the dependent variable, we still find a robustly strong and negative effect of conditional aid. This serves to strengthen our findings. Future research could benefit from tests in other areas of the world, such as Europe or Latin America. Such studies would help further our understanding of the various channels through which IOs influence domestic outcomes.

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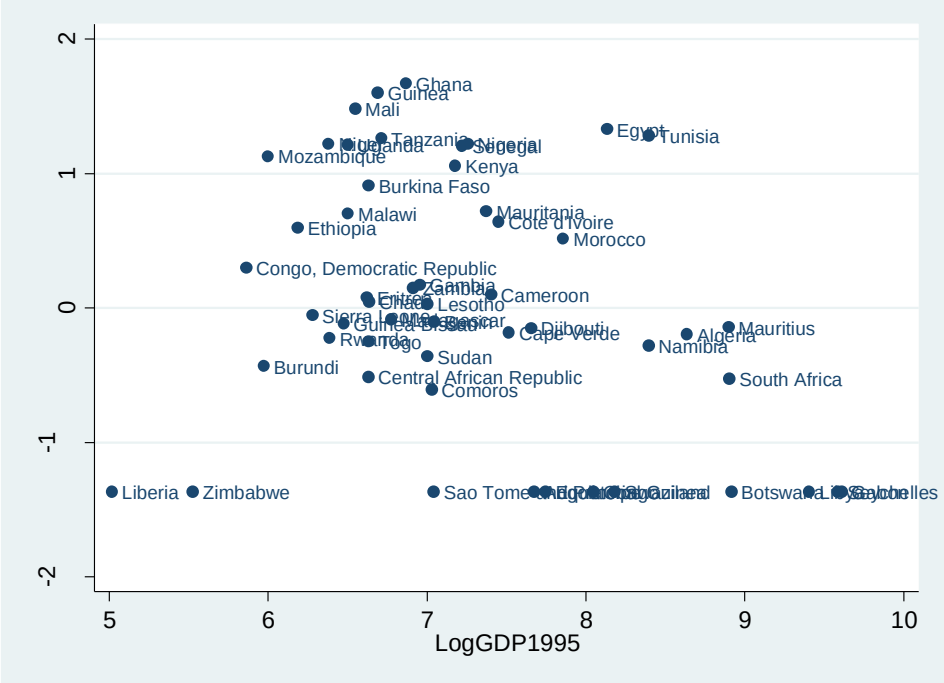
Appenix 1: Descriptive statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
edindex0608	52	0.60	0.17	0.26	0.88
adultlit0608	50	63.35	19.09	23.07	91.80
enrol0608	52	54.06	15.40	24.87	94.63
hdiedin~9496	52	0.50	0.17	0.13	0.80
adultli~9496	52	52.82	18.16	12.60	83.70
enrolem~9496	52	43.38	18.71	7.00	82.00
chnghdiedi~x	51	0.10	0.08	-0.09	0.27
chngliteracy	50	9.27	10.33	-17.72	46.00
chngenrol	51	10.36	11.46	-17.07	40.60
integra~9496	52	0.03	0.69	-1.38	1.87
chngintegr~s	52	0.68	0.14	0.37	1.07
chngInt2	51	0.02	0.02	0.00	0.07
ranksts0002	52	-0.12	0.97	-3.12	1.82
chngranksts	53	0.25	0.38	-0.45	1.28
CONDITIONS	53	0.00	0.96	-1.37	1.67
LogGDP1995	52	7.24	1.03	5.02	9.61
pctchanggd~c	52	2.17	3.48	-2.21	22.15
commonlaw	53	0.34	0.48	0.00	1.00
logPop	53	15.50	1.58	11.23	18.52
logAREA	53	12.11	2.11	6.13	14.73

Appenix 2: List of States

Algeria	1
Angola	2
Benin	3
Botswana	4
Burkina Faso	5
Burundi	6
Cameroon	7
Cape Verde	8
Central African Republic	9
Chad	10
Comoros	11
Congo	12
Congo, Democratic Republic	13
Cote d'Ivoire	14
Djibouti	15
Egypt	16
Equatorial Guinea	17
Eritrea	18
Ethiopia (1993-)	19
Gabon	20
Gambia	21
Ghana	22
Guinea	23
Guinea-Bissau	24
Kenya	25
Lesotho	26
Liberia	27
Libya	28
Madagascar	29
Malawi	30
Mali	31
Mauritania	32
Mauritius	33
Morocco	34
Mozambique	35
Namibia	36
Niger	37

Appendix scatterplot 1: Bivariate relationship between past GDP pr capita (log) and conditional aid (1994-2008)



Appendix scatterplot 2: change in INTEGRATION and change in LITERACY rates: 1994-2008