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Abstract[*]

The challenge of public administration reform is well-known: politicians often have little interest in the efficient implementation of government policy. Using new data from 439 World Bank public sector reform loans in 109 countries, we demonstrate that such reforms are significantly less likely to succeed in the presence of non-programmatic political parties. Earlier research uses evidence from a small group of countries to conclude that clientelistic politicians resist reforms that restrict their patronage powers. We support this conclusion with new evidence from many countries, allowing us to rule out alternative explanations, including the effect of electoral and political institutions. We also examine reforms that have not been the subject of prior research: those that make public sector financial management more transparent. Here, we identify a second mechanism through which non-programmatic parties undermine public sector reform: clientelistic politicians have weaker incentives to exercise oversight of policy implementation by the executive branch.

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1. Introduction

Public sector performance is a central focus of international development assistance. The World Bank dedicates about one-sixth of its lending and advisory resources to public sector reform, in areas ranging from the civil service and budget planning to public sector financial management. Total funding for these projects amounts to more than $50 billion, but the projects have proven particularly difficult to implement (World Bank, 2008). We use novel data from reform efforts across 109 countries to link clientelism to the failure of public sector reform. Specifically, public sector reform projects are significantly less successful in the presence of non-programmatic political parties: parties without an identifiable policy platform that are more likely to rely on clientelistic appeals to voters. Politicians in such parties do not depend on well-performing public sectors to support these appeals.

A substantial body of research focuses on the association between clientelism and poor bureaucratic quality, especially patronage-based public sector employment. The conclusions of this research have rested on case studies. Consistent with this research, the estimates below, based on a large number of observations, confirm that administrative and civil service reforms are significantly less likely to succeed in the presence of non-programmatic political parties.

Past research has not examined another aspect of public sector reform, that it facilitates oversight of executive branch implementation of public policies. Clientelistic politicians, who are focused to an exceptional degree on personal constituencies, have weak incentives to take costly actions that deliver benefits to politicians collectively, such as monitoring executive branch compliance with the budget. Our data are disaggregated by type of public sector reform and allow us to show, for the first time, that public sector financial management reforms, aimed at greater transparency in public sector spending, are similarly less likely to succeed in the presence of non-programmatic parties.

We also contribute to the continuing debate about the direction of causality, whether clientelism obstructs public sector reform or strong bureaucracies make clientelism more difficult. Our analysis shows that non-programmatic parties exercise a negative effect on reform efforts, independent of other factors that may be expected to underpin the relationship, such as economic and political conditions, initial bureaucratic quality, and the ability or willingness of politicians to engage in reforms in the first place.

The next section of this paper describes in greater detail our contribution to the literature. We then review the data on public sector loans and political parties and report numerous tests that support the conclusion that politicians in non-programmatic parties have weak incentives to pursue public sector reform: the probability that a public sector reform project is rated as successful is more than 30 percentage points higher in a country with all programmatic parties than in a country with none. The paper concludes with implications of these findings for future research on parties and the politics of public sector reform.

2. Existing Research on Clientelism and Public Sector Reform

Previous research marshals qualitative evidence in support of the conclusion that clientelistic politicians resist public sector reforms that curb their individual discretion, particularly over public sector employment (e.g., Spiller et al., 2007: Pollitt and Bouckaert, 2011). In a detailed contextual examination of 10 countries, Grindle (2012) concludes that patronage-based systems of public administration persist because of the flexibility that they offer to politicians. Her conclusions echo the observation in Kitschelt and Wilkinson (2007: 12) that clientelistic politicians "prefer rules and regulations for the authoritative allocation of costs and benefits that leave maximum political discretion to the implementation phase." Golden (2003) also finds that bureaucratic inefficiencies in the postwar Italian system improved the electoral prospects of legislators by facilitating patronage. Similarly, O'Dwyer (2004) shows that patronage-based parties are linked to inefficiencies and larger numbers of administrative personnel in Postcommunist Eastern Europe.

Geddes (1994) also focuses on the incentives of politicians to pursue bureaucratic reforms in a detailed study of Latin American countries. In her framework, politicians only support bureaucratic reforms when these are consistent with their electoral incentives. For example, reform can occur when neither of the major parties has an advantage in using patronage. Ruhil (2003) examines bureaucratic reforms in the U.S.

context, identifying a number of potential correlates of the adoption of meritocratic civil service practices across 252 American municipalities. Municipalities were significantly more likely to shift from patronage to meritocracy when, because at-large council seats replaced district elections and city populations grew, the costs of patronage increased. These developments forced council candidates to extend the benefits of patronage to larger constituencies. They were also more likely to shift to meritocracy when the fraction of foreign-born city residents, for whom patronage had the strongest appeal, declined. Similarly, Johnson and Libecap (1994) argue that patronage recruitment into the public administration was especially problematic for politicians in the United States who sought to mobilize a national constituency, a goal for which patronage-based hiring was ill-suited.

Our study complements this sizeable literature on political demands for patronage and public sector reform by making explicit comparisons between types of political parties, and doing so for a very large sample of countries. Ours is the first large-scale study that links party structures supportive of clientelism to the failure of public sector reform, and the first as well to show that the clientelistic politician's preference for flexibility is accompanied by general indifference to oversight of executive branch implementation of public policy more generally.

A large body of research has emphasized the role of public sector organization in the oversight that politicians exercise over each other, such as legislative oversight of executive implementation of laws passed by the legislature (e.g., Moe, 1987, Cox and McCubbins, 1994). In this work, parties are central to the success of oversight. As Moe (1987) and Cox and McCubbins (1994) both emphasize, absent the ability of non-executive politicians to act collectively and to punish 'defectors,' executives can use selective punishments and inducements to persuade individual legislators to give up their proposals to reform the public administration. Partisan organization allows non-executive politicians to act collectively. Our analysis is the first to extend these insights into the analysis of clientelism and public sector reform.

Other scholars have also examined the interaction of executive and legislative politicians in developing country and clientelistic settings, but have not considered the specific issues analyzed here. For example, Jones et al. (2002) emphasize, for example, the effects of electoral systems on political incentives to oversee the executive, and in particular the case of closed-list proportional representation in federal systems. Party lists assembled at the district level by local party bosses dominate electoral prospects. As a consequence, legislators have little incentive to appeal to voters directly, much less to exercise oversight over the executive branch's administrative appointments (Jones et al., 2002). Our results linking party types to public sector reform outcomes are robust to controlling for such institutional features of countries.

Looking at Indonesia, Schneier (2004) argues that politician incentives to exercise oversight are similarly weak when voters cannot draw ideological distinctions between parties. In research more closely related to our analysis, Desposato (2004) analyzes Brazilian politics and concludes that executives in clientelistic countries can use their discretion over spending to limit legislative oversight by threatening to withhold pork barrel spending from recalcitrant legislators. Similarly, Power (2004) notes that Brazil's party system made oversight difficult to the extent that the executive was able to use discretionary funding to entice the opposition with clientelistic payoffs.

The results below extend this research agenda by specifically linking the weakness of legislative oversight to non-programmatic political parties. It is easier for executives to use selective rewards and punishments to deter legislative oversight in clientelistic countries because clientelistic politicians are less likely to be able to act collectively to resist executive overtures and threats. At the same time, these politicians have less interest in executive branch performance, in any case, since the broad delivery of public goods is of lower political importance to them. As Keefer and Vlaicu (2008) argue, politicians in programmatic parties can make credible commitments to a larger fraction of the electorate and should therefore be relatively less interested in using public sector hiring for patronage purposes and more interested in overseeing the implementation of policies that are meant to benefit large groups of citizens.

Prior research also focuses on the electoral incentives of the executive. Using case studies of Paraguay and the Dominican Republic, Schuster (2014) concludes that institutional contexts that limit the executive's ability to use patronage are more conducive to reforms. We emphasize one such feature of the institutional environment: programmatic parties.

In the literature, a vigorous debate also persists regarding the direction of causality, whether public administration influences political incentives to make programmatic appeals to voters. Our data do not allow us to test this hypothesis, but we are able to exclude reverse causation as an explanation for our findings. For example, Shefter (1994) and Chandra (2004), conclude that parties turn to programmatic appeals in countries where bureaucracies are independent, well-functioning, and resist the implementation of arbitrary, clientelistic policies. This effect is unlikely to account for the results we report: we focus on bureaucracies in a developing country context and all of our specifications control for initial bureaucratic quality.

3. Research Design

The analysis introduces unique data to assess public sector reform success. In general, it is difficult for researchers to track political decisions on relatively homogeneous public sector reforms across numerous countries and over a long time period. We address this gap using data on World Bank public sector reform loans. Specifically, we examine the effect of non-programmatic parties on World Bank evaluations of hundreds of these loans.

The general proposition of concern to the literature and the analysis here is that politicians who mobilize electoral support through personal exchanges with voters rather than broader programmatic appeals are less likely to support public sector reforms. To test this proposition empirically, we require data on public sector reform efforts and their success, and a measure of the extent to which politicians rely on clientelistic appeals. Moreover, in order to explore distinct mechanisms through which clientelism influences public sector reform, reform data should distinguish the extent to which reforms limit the discretion of politicians and improve politicians' ability to oversee the implementation of public policies more broadly. This section describes these variables.

3.1 Dependent Variable: Evaluations of World Bank Public Sector Reform Projects

A new source of data precisely characterizes the timing, type, and success of public sector reforms that countries undertake. These are evaluations of World Bank public sector reform loans, produced by the Independent Evaluation Group (IEG), an independent unit of the Bank that reports to the Bank's Board of Executive Directors, not to Bank management. World Bank loans often have multiple, cross-sectoral objectives; the IEG data allow us to identify loans that were most related to the types of public sector reforms of interest here. The IEG evaluated 511 public sector loans that began in 1987 or later and ended in 2006 or earlier. The IEG classified projects as public sector (as opposed to education, infrastructure, health, etc.) when at least 25 percent of the loan amount was related to themes or sectors tied to public sector reform and when at least three of the conditions for disbursement fell under the public sector rubric. Of the 511 loans, 439 were focused on public sector administration.

We restrict analysis to the following public administration loans: those for which the subsector themes were public expenditure and financial management (appearing in 307 projects); administrative and civil service reform (249); or tax policy and administration (120). We exclude state enterprise reform, judicial reform, and decentralization loans, all of which were classified by the IEG as public sector loans but are less clearly related to the two characteristics of public sector organization of greatest concern here: those that affect politicians' individual discretion over policy implementation and those that affect their ability to monitor the implementation of public policies more generally.[1] However, results reported below are robust to alternative samples, such as including all public sector loans or excluding tax policy and administration (since, although tax administration is within the scope of our analysis, loans to assist in the revision of the tax code are less so).[2]

Civil service and public sector management reforms differ in the degree to which their primary effects are to curb politician discretion or to promote politician oversight of the executive branch. The civil service reforms supported by World Bank loans, consistent with efforts to reduce patronage, aim to install meritocratic recruitment and promotion rules and increase the role of technical criteria in dictating pay and staffing levels. Administrative and civil service reform involves all aspects of the management and organization of personnel, including personnel information systems, career paths, and

[1] For example, while judicial reform, in principle, might affect executive discretion, in practice, the majority of reforms relate to the general operations of the judicial branch in civil, criminal, and public law cases– and, not to its specific role as an arbiter in administrative disputes between citizens and the government.
[2] Results available upon request.

pay systems. These restrict the scope for patronage-based public sector employment, and we expect clientelistic politicians to oppose it because it places limits on their discretion over hiring.

Public expenditure and financial management reforms affect budget planning and execution, procurement, auditing, and monitoring and evaluation. Typical components of these reforms include changing budget and expenditure formats to facilitate comparisons between actual and budgeted expenditures, and computerizing accounts, to lower costs of access to expenditure records. From the point of view of politicians, the primary effect of these reforms is to allow them to oversee executive implementation of the government budget and other laws. In contrast to civil service reforms, public sector financial management reforms do not, in general, impose direct limits on politician discretion.[3]

The analysis relies on two IEG ratings. The most relevant is the IEG rating of the contribution the project made to institutional development. Since public sector reforms are precisely aimed at institutional development, this is the most direct measure of success. The other is the IEG rating of overall loan success. These are ordinal rankings, reflecting World Bank standards for project success, which we collapse into two dichotomous variables.[4] The institutional development indicator variable takes the value of one when the institutional development impact of the project is substantial or higher and zero otherwise. The overall outcome indicator variable takes the value of one when the outcome of the project is satisfactory or higher and zero otherwise.

[3] Of course, some financial management reforms can also restrict politician discretion. For example, in countries where the government maintains multiple bank accounts, with signature power dispersed among ministers, reform typically entails unifying these into a single Treasury account, limiting politicians' direct access to government funds. Nevertheless, substantial qualitative evidence supports our claim that the main effect of financial management reforms is to increase the transparency of executive spending. For example, one of the authors discussed the role of the legislature in budget proceedings with more than a dozen legislators in Benin, a country where the clientelistic mobilization of electoral support is pervasive. All of the interlocutors indicated that they spent only minutes reading the budget and never challenged it (Author interviews, March 2008). It is reasonable to assume that a lack of interest in the details of the budget translates into disinterest in the financial management procedures that allow legislators to track whether spending is consistent with the budget.

[4] Since the success of public sector reform is difficult to evaluate and requires weighing outcomes across many dimensions, the fine-grained ratings by many analysts across many projects and countries may be noisier than the dichotomous variable on which we rely. However, the main results are robust to alternative thresholds for project success and when using ordered logit with the full rating scales (available in Table A.1 in the appendix).

These data on public sector reform differ in focus from the broader evaluations of bureaucratic quality used in previous cross-country research on the causes and effects of bureaucratic quality (see, e.g., Rauch and Evans, 2000).[5] Keefer (2011) shows that these are, in fact, associated with programmatic parties. However, since the focus of these data is on the performance of the public sector, they provide no information on the characteristics of the bureaucratic systems that underlie performance. The IEG data allow us to measure specific aspects of bureaucratic organization that politicians can directly influence, abstracting from historical legacies, the socio-economic environment and other unobservables that are not under the direct control of politicians.

Many of the public sector reforms in our database are more modest than those examined by previous scholars. For example, Grindle (2012) and Tilly (1990), investigate the wholesale transformation of public sectors into modern, meritocratic vehicles of public policy implementation. Consistent with the scope of reforms that they investigate, they also argue that only large shocks prompt politicians to undertake public sector reform. Tilly (1990) concludes that politicians only permit strong bureaucracies when dramatic threats, particularly war, oblige them to do so. Our data do not permit us to make claims about the effects of parties on the large-scale public sector transformations that they analyze. However, Grindle (2012) also emphasizes that public sector transformation is a decades' long process, comprising numerous small and often hesitant steps. Our evidence provides support for the claim that countries in which non-programmatic parties are prevalent are less likely to take these steps and less likely to succeed when they do.

3.2 Assessing Clientelistic and Programmatic Parties

To gauge the presence of non-programmatic parties in a country, we use variables in the Database of Political Institutions (DPI, Beck et al. (2001)). They identify whether each of the largest three government parties and the largest opposition party are right, left, or center

[5] For example, measures of corruption and bureaucratic quality in the *International Country Risk Guide (ICRG)* from the PRS Group.

in their orientation or whether, on the contrary, their orientation is either not discernible in the sources employed or unrelated to economic policy.[6]

Parties without a programmatic orientation are likely to rely more heavily on clientelistic modes of electoral mobilization; parties with such an orientation, less heavily. We summarize these in a single variable (Programmatic Parties): the share of these four parties identified as having a right, left, or center orientation.[7] We take the share of the *number* of programmatic main parties rather than the *seat share* of programmatic parties because data on party orientation is often available even when seat share data is missing. As expected, our variable is highly correlated with programmatic seat share, with a correlation coefficient of 0.89.[8] Across all the loans in our sample, about half of all parties are not programmatic.

The DPI coding is based on party descriptions in yearly political almanacs that indicate the programmatic stance of parties, if any.[9][10] The authors of the almanacs have more information about party documents and the statements of leaders than about the actual strategies of mobilization that the parties use during elections.

Since documents and speeches are likely to exaggerate the extent to which parties are programmatic, we can be sure that parties identified as non-programmatic are, indeed, non-programmatic. Similarly, as many scholars have noted, some parties may use both programmatic and non-programmatic strategies to mobilize voters (Cheeseman and Paget, 2014). However, to the extent that parties coded as programmatic in fact exhibit both clientelistic and programmatic tendencies, this creates a bias against finding evidence for the arguments we advance here.[10]

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[6] It is important to note that these are not measures of party effectiveness or assessments of the quality of the party's policies. Indeed, it is entirely possible that a clientelistic party is nonetheless able to implement growth-promoting economic policies. Conversely, programmatic parties may still have largely ineffective policies.

[7] This measure has also been used in Chuaire, Scartascini, and Tommasi (2014).

[8] Results using the programmatic seat share variable are available in the appendix.

[9] When these descriptions indicate that the party pursues a more liberal, right-wing economic agenda, enumerators classify it as right. Enumerators classify the party as left when the descriptions indicate that the party is more redistributionist, oriented toward greater regulation of the economy, or favors legislation that privileges workers over firm owners. Parties are centrist if they exhibit elements of both a left- and right-wing economic agenda. Parties are coded as non- programmatic when they are not organized around an economic program and instead around the promotion of an individual leader.

[10] Parties that fall into this non-programmatic category include the two main parties in Bangladesh, the governing parties in Kenya since the Moi dictatorship, the Pakistan Muslim League, and the Partido

Information from other sources supports the interpretation of the DPI indicator as a measure of a party's ability to make credible programmatic appeals to citizens. The Duke University political party database has extensive information on parties in 80 democracies in a single year, 2009. The DPI programmatic variable from the year 2009 is significantly correlated with numerous indicators of clientelistic and programmatic appeals in that database. For example, if parties are non-programmatic, one would expect them to expend greater effort on three activities that are tracked in the Duke database: giving consumer goods to voters, giving them preferential access to jobs, and giving constituents greater access to government contracts. The DPI programmatic party indicator is negatively and highly significantly correlated with each of these, at -0.37, -0.28, and -0.29. The overall opinion of the Duke experts regarding whether parties mobilize voters with clientelistic appeals is negatively and significantly correlated, at -0.32 with the DPI programmatic party variable. On the other hand, the Duke indicator of whether parties mobilize with policy appeals is significantly and positively correlated with the programmatic party variable, at 0.36.[11]

Programmatic parties should also rely less on charismatic leaders to mobilize voters. Consistent with this, the party of Hugo Chávez, for example, is coded as non-programmatic in the DPI, and the Duke variable indicating whether parties are led by charismatic leaders (E1) is significantly negatively correlated with programmatic parties (-0.28). Chávez, for example, advanced significant social programs that largely benefited the poor and were not strongly conditioned on support for the ruling party (Hawkins, 2010). However, charismatic parties follow the organizational logic of clientelistic parties: personal connections between politicians and followers are key to both. Given the high payoffs to discretion and the low payoffs to overseeing the executive in charismatic as in

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Revolucionario Democrático in Panamá. In contrast, the African National Party in South Africa, the Mexican PAN and PRD, the Brazilian Worker's Party, and APRA in Peru all employ clientelistic appeals, but they are also able to make programmatic appeals to voters that purely clientelistic parties cannot. They are appropriately coded as programmatic in the DPI.

[11] We are not surprised that the correlations are much less than 1.00 given the difficulties for coders of both datasets to assess such concepts as the degree to which parties rely on clientelistic or programmatic appeals.

clientelistic parties, we expect opposition to public sector reforms in charismatic parties, as well.[12]

The analysis of charismatic leaders applies more generally to country executives, whether elected or unelected. They confront challenges in overseeing the bureaucracy over which they preside and must decide whether to meet these challenges by adopting transparent, rule-bound financial and personnel management systems. Executives who rely on charisma or clientelistic forms of electoral mobilization prefer not to delegate policy implementation to well-organized bureaucracies. Joaquín Balaguer, the president of the Dominican Republic for many years, did not represent a programmatic party and, consistent with the logic here, personally directed the spending of as much as 50 percent of the national budget (Keefer and Vlaicu, 2008).

Parties coded as lacking an economic program in the DPI might actually be programmatic on other dimensions, such as nationalism or religion. However, since the public policies for which a well-performing public sector is useful are less salient to politicians in such parties, they should also offer weaker support for the public administration reforms that we examine compared to politicians in parties with a platform focused on economic policies. In any case, there are few such parties in our sample and they are nationalist. In the main analysis below, they are included in the non-programmatic category, but our results are robust to classifying nationalist parties as programmatic or excluding them from the analysis.

Since the DPI coding of party programs is based on political almanacs and is less precise than detailed single-country studies, re-codings based on more detailed and specific country knowledge should reduce noise and strengthen our results.[13]
In some cases, our own knowledge of countries suggested potential alternative codings of the party variables. Our results strengthen when we use these alternative codings or drop

[12] Chávez's party was organized around the personality of the leader, with little institutional basis of its own (Zúquete, 2008; Roberts, 2003). At the same time, as noted above, we focus on whether the policy orientation of the party is identifiable and make no claims about the quality or effectiveness of the policies. For example, Chávez was known for pro-poor policies, but consistent with our measure, he also tolerated inefficiencies in the way that these programs were administered, since greater efficiency would have required more investment in a stronger administrative apparatus.
[13] There will understandably be errors in any large scale data collection effort. One advantage of the DPI is that it has been in use since 2000 and has been updated regularly every two years. Country specialists have submitted corrections that have resulted in a consistently improved dataset over time.

questionable cases altogether.[14] As a result, although this type of data cannot be expected to have the level of detail of single-country studies, there are relatively few of these errors, especially considering the coverage of the database. Further, any errors that remain bias *against* finding support for our hypothesis.

3.3 Control Variables

The analysis takes into account a number of country and loan characteristics that might exert a spurious influence on the relationship between World Bank project ratings and the presence of programmatic parties. All of the variables used here are summarized in Table 1. Poorer countries may be intrinsically less able to run an efficient public sector and to implement public sector reforms successfully. Countries with more poor people may also, simultaneously, be more susceptible to the allure of clientelistic promises of individual transfers. All regressions therefore control for the log of per capita income from the World Bank's *World Development Indicators*, averaged over the duration of the loan.[15]

The size of a loan can also affect its ratings. The larger a loan, the greater are the resources that are potentially applied to public sector reform, which may improve ratings. However, larger loans may exhibit greater sectoral diversity, making the ratings noisier measures of public sector reform success. However, larger loans may also attract stricter and more accurate scrutiny by the IEG, making them less noisy. Therefore, all regressions therefore control for the loan amount and the percentage of the loan amount that is allocated to the public sector.

[14] For example, country specialists could argue that Bolivian and Paraguayan parties have traditionally relied on clientelistic appeals to voters, but DPI codes these parties as programmatic. Our results are robust to recoding Bolivia and Paraguay as non-programmatic. In addition, our own knowledge of Mexico, Ghana and Indonesia pointed to alternative codings relative to other countries in their regions. Results strengthen when we recode Mexican parties to be more programmatic than Argentine parties; Ghanaian to be more programmatic than other sub-Saharan African parties; and Golkar in Indonesia to be more programmatic than Philippine parties.

[15] The main results hold when we use project start year values instead of averages over the loan term.

Table 1: Summary Statistics

	Count	Mean	Std. Dev.	Min	Max
Inst. Dev. Impact Rating	295	.410	.493	0	1
Overall Outcome Rating	301	.422	.495	0	1
Programmatic Parties	415	.518	.383	0	1
Log GDP per capita	418	1.272	1.659	.083	9.025
Log Population	418	16.591	1.470	12.950	20.943
Log Land Area	426	12.635	1.645	5.829	16.612
Funding Amount	439	99.257	198.329	.493	2525.25
Project Duration	439	3.777	2.534	1	12
IEG Quality at Entry	305	4.213	1.420	1	6
ICRG Bureaucratic Quality	354	2.512	1.135	0	6
Loan % Allocated to PSR	439	44.642	21.006	11	100
Newspaper circulation	321	34.546	42.179	.09	200.151
Secondary School Enrollment	411	48.725	30.061	5.187	110.362
Natural Resource Exports (% GDP)	365	2.692	5.382	0	49.191
PR	401	.535	.482	0	1
Political System	423	.387	.741	0	2
Mean District Magnitude	393	15.185	34.192	.7	281.5
Democracy (ACLP)	423	.546	.482	0	1
Observations	439				

Estimations also include a control for the duration of the loan. Longer duration loans could imply a more conscientious effort by countries to pursue loan objectives (consistent with the frequently voiced argument that institutional reform takes longer). However, within the World Bank, slow loan disbursements also indicate difficulties with implementation. In either case, duration is a rigorous control variable, since it may capture variation in the IEG ratings that is actually due to political decisions linked to the presence or absence of programmatic political parties.

Larger countries may be more difficult to administer; on the other hand, there may be economies of scale in administering more populous countries (holding area constant). There is, in fact, some evidence that public sector reform is more likely to succeed in countries with more people. Therefore, all regressions control for population and land area, from *World Development Indicators*, as well as for region dummies, using the UN standard regions.

Countries' initial level of bureaucratic quality may influence their ability to earn a successful rating from the IEG. For example, Huber and McCarty (2004) show that low bureaucratic capacity diminishes incentives for reform. Moreover, the specific characteristics of public sector reforms may depend on initial bureaucratic quality. Our main results are robust to controlling for the beginning-of-period evaluation of bureaucratic quality found in Political Risk Services' *ICRG*.

Donor agencies argue that project outcomes depend on project preparation in that better prepared projects are more likely to succeed. The IEG provides a rating of project quality at entry and results are robust to its inclusion; however, again this is a conservative test, however. The quality of loan preparation is related not only to Bank inputs, but also to country engagement with the lending process. Engagement, though, should be a function of political incentives. Quality at entry could therefore also capture variation in loan success ratings that is more properly attributed to the presence or absence of programmatic political parties.

All of the foregoing variables appear in our base specifications. We also examine the robustness of our results to numerous other controls. A sizeable literature argues that formal political and electoral institutions influence political incentives to pursue particularistic versus public goods. However, the introduction of institutional controls may lead to the spurious rejection of the hypothesis, since many theories suggest that these institutions also influence political incentives to build programmatic political parties (see, e.g., Cox and McCubbins, 1993; Cox, 1997; Bowler, Farrell and Katz, 1999). Nevertheless, our results are robust to controls for electoral system (plurality or proportional), district magnitude, and whether systems are presidential or parliamentary.

Bureaucratic reform may be easier in countries with greater human capital, therefore we check for robustness to controls for gross secondary school enrollment. Again, this control can lead to the spurious rejection of the hypothesis, since education is precisely the type of broad-reaching policy that politicians in programmatic parties should be more likely to support. Results, though, are robust to its inclusion.

Most discussions of public sector organization and conflicts of interest between the executive and legislature emphasize information asymmetries. We use newspaper circulation in countries, taken from *World Development Indicators*, to account for this effect. Gehlbach and Keefer (2011) argue that leader willingness to allow for collective action (by a ruling party or by a bureaucracy) is attenuated when natural resource rents are high.

Knack (2008) shows that natural resource exports weaken government incentives to design efficient tax systems. We therefore control for natural resources as a percent of exports, also from *World Development Indicators*.

4. Specification and Results

Using these data, we test the proposition that politicians who are not organized into programmatic parties have weaker incentives to strengthen the public administration. The dependent variables are dichotomous, so we use a logistic specification to estimate the effect of party organization:

$$IEG_i = \beta_0 + \beta_1(\textit{programmatic parties}) + X_i \beta_2 + \boldsymbol{\varepsilon}_i$$

Each observation i is a loan. We estimate only clustered standard errors, assuming that errors are distributed independently across countries, not across loans within countries. X_i is a vector of covariates; $\boldsymbol{\varepsilon}_i$ is an error term; and β_0, β_1, and β_2 are (vectors of) parameters to be estimated. The previous section describes in detail the timing of the covariates (e.g., country income is averaged over the period of the loan, but the programmatic nature of political parties is measured at the first year of the loan).

To control for the possible effect of public sector reform on politician incentives to make programmatic appeals, we use the value for the programmatic parties variable that corresponds to the first year of the loan; this is unlikely to be influenced by the successful or failed implementation of the loan and makes it more difficult to attribute our findings to a pattern of causality running from bureaucratic quality to programmatic parties. However, results are robust to other timing assumptions.[16]

The estimates reported in Table 2 pool all public sector reform loans (e.g., civil service and financial management) under the baseline and full models. The baseline control variables include region dummies, country characteristics (GDP per capita, population, and land area), and project characteristics (project duration, funding amount, and loan

[16] Such as averaging over the project period or using 3 and 5 year backward averages.

percentage allocated to public sector reform); and the full model adds the IEG quality at entry and initial bureaucratic quality to the base model. All tables report odds ratios—the ratio of the odds that a project earns a successful rating to the odds that it earns an unsuccessful rating—adjusted for the simultaneous effect of the other explanatory variables.[17] Odds ratios greater than one imply that increases in the independent variable raise the probability of success; ratios less than one, reduce it.

Table 2: Programmatic Parties and Project Ratings for Public Sector Reform

	Inst. Dev. Impact Rating		Overall Outcome Rating	
	Base Model	Full Model	Base Model	Full Model
Programmatic Parties	3.874**	6.061**	2.358*	2.616+
	(0.001)	(0.004)	(0.020)	(0.083)
Log GDP per capita	1.165	1.133	1.079	1.108
	(0.315)	(0.385)	(0.474)	(0.424)
Log Population	1.570+	1.874+	1.275	1.402
	(0.066)	(0.078)	(0.131)	(0.180)
Log Land Area	0.832	0.768	0.848	0.814
	(0.350)	(0.286)	(0.235)	(0.300)
Funding Amount	0.998+	0.998*	0.998*	0.998*
	(0.092)	(0.046)	(0.042)	(0.026)
Project Duration	0.968	1.066	0.874+	1.013
	(0.618)	(0.350)	(0.051)	(0.852)
Loan % Allocated to PSR	1.005	1.008	1.007	1.011
	(0.411)	(0.313)	(0.290)	(0.232)
Quality at Entry Rating		1.990***		3.505***
		(0.000)		(0.000)
Bureaucratic Quality		0.659+		0.598*
		(0.057)		(0.016)
Region Dummies	Yes	Yes	Yes	Yes
Observations	277	235	282	240
Pseudo R^2	0.169	0.302	0.079	0.306

Odds ratios reported; p-values in parentheses; + $p < 0.10$, * $p < 0.05$, ** $p < .01$, *** $p < .001$
GDP per capita and population are averaged over the project period;
ICRG bureaucratic quality and programmatic parties are measured at the project start year.

[17] For all countries in the sample, the odds ratio (which refers to the odds of success relative to the odds of failure) is 0.653 for institutional development impact and 0.797 for overall outcome: failure is more likely than success. The corresponding probability that a project will earn a successful rating is 0.395 for institutional development impact and 0.445 for overall outcome.

The odds ratios for programmatic parties in the base model are 3.87 for the rating on institutional development impact and 2.36 for the rating on overall project outcome. This implies that a one unit change in the proportion of programmatic parties increases the odds that a project earns a successful institutional development rating by 3.9 times relative to the odds that it earns an unsuccessful rating; and the odds that it earns a successful overall outcome rating increases by 2.4 times relative to the odds that its rating is unsuccessful. Controlling for initial bureaucratic quality and the quality of the project design in the full model, the odds ratios are larger still: 6.06 for institutional development impact and 2.62 for overall project outcome. Figures A.1 and A.2 (in the appendix) illustrate these effects.

Another way to see the magnitude of the party effect is to hold all other variables at their mean values and to calculate the effect of an increase in the proportion of programmatic political parties from zero to one on the probability that a project is rated a success. Increasing the proportion of programmatic parties from zero to one raises the probability of institutional development impact success from 0.240 to 0.560 in the base model and from 0.197 to 0.591 in the full model. For overall project outcome ratings, the probability of earning a successful rating rises from 0.275 to 0.525 in the base model and from 0.188 to 0.449 in the full model.

The only baseline control variable that is significantly associated with both IEG ratings is funding amount: larger loans are associated with a lower probability of loan success. This is not due to a dilution effect—that public sector reforms play a smaller role in larger loans—because we control for the percent of the loan that the Bank attributes to the public sector reform component. Of the two additional variables in the full model, the IEG rating for quality at entry is significant and positive for both the project outcome and institutional development impact ratings. On the other hand, initial bureaucratic quality is associated with a decrease in the probability of a project earning a successful outcome rating. This estimated effect is consistent with at least three possibilities: that reform is more difficult in more advanced bureaucracies, that the Bank may hold countries with lower quality bureaucracies to more lax standards, and that public officials in more institutionalized bureaucratic settings may have greater ability to resist reform.

Table 3 summarizes results using the specifications in Table 2 but disaggregating by type of public sector reform. Rather than control for the fraction of loans that can be attributed to public sector reform generally, the specifications control for the fraction that can be attributed to the specific type of reform under consideration. Both civil service and administrative reforms, and public sector financial management reforms, are significantly less likely to succeed in countries in which non-programmatic parties—clientelistic politicians—predominate. Using the most appropriate measure of project success—the institutional development impact rating—programmatic parties significantly promote the success of both types of reforms whether or not we control for quality at entry and the subjective measure of initial bureaucratic quality. The overall rating of civil service reforms is also robustly higher in the presence of programmatic parties. The estimated effect of programmatic parties on the overall rating of public sector financial management reforms is borderline significant. The most plausible, though not the only, interpretation of the findings in Table 3 is that clientelistic politicians are averse to reforms that restrict their discretion (generally civil service reforms), but also have little interest in overseeing the executive branch implementation of public policy (generally public sector financial management reforms).

Table 3: Programmatic Parties and Project Ratings, by Type of Public Sector Reform

	Administrative and Civil Reforms			
Programmatic Parties	4.080*	6.519*	4.915**	6.650*
	(0.015)	(0.021)	(0.004)	(0.024)
Observations	161	132	162	133
Pseudo R^2	0.205	0.297	0.123	0.330
	Public Sector Financial Management Reforms			
Programmatic Parties	4.089*	5.701*	2.583+	3.208
	(0.019)	(0.038)	(0.060)	(0.115)
Observations	191	162	196	167
Pseudo R^2	0.182	0.273	0.075	0.321

Odds ratios reported; p-values in parentheses; + $p < 0.10$, * $p < 0.05$, ** $p < .01$, *** $p < .001$

Note: Specifications and control variables (not reported) correspond to those in Table 2; share of loans attributable to either civil service or public sector financial management replaces the variable used in Table 2, share of loans attributable to public sector reform.

4.1 Robustness

The results in Table 2 are not driven by extreme observations. If anything, the exclusion of outliers strengthens them. This is true excluding those observations that had the largest residuals after plotting actual versus predicted values; those that, according to Cook's D, have the greatest overall influence on the regression results; and those with large dfBetas, which have the largest influence specifically on the programmatic party coefficient (results not reported).

Table 4 demonstrates robustness to the inclusion of a broad range of additional control variables. The main results hold even when controlling for gross secondary school enrollment, newspaper circulation, and natural resource exports, and for the inclusion of political controls (whether the electoral system is proportional representation; whether the political system is presidential, semi-presidential, or parliamentary; mean district magnitude; and democracy, as determined by ACLP).

Table 4: Programmatic Parties and Project Ratings, Additional Controls

	Inst. Dev. Impact Rating		Overall Outcome Rating	
	Media and Nat. Resources	Political Controls	Media and Nat. Resources	Political Controls
Programmatic Parties	6.629**	2.766*	2.815*	2.302+
	(0.002)	(0.033)	(0.011)	(0.062)
Newspaper circulation	0.999		1.005	
	(0.925)		(0.399)	
Secondary School Enrollment	0.991		0.983	
	(0.607)		(0.239)	
Natural Resource Exports	1.034		0.931	
	(0.377)		(0.211)	
PR		0.893		1.403
		(0.775)		(0.409)
Political System		1.372		1.159
		(0.230)		(0.479)
Mean District Magnitude		0.994		1.005
		(0.484)		(0.454)
Democracy (ACLP)		1.090		0.741
		(0.868)		(0.473)
Baseline controls	Yes	Yes	Yes	Yes
Region Dummies	Yes	Yes	Yes	Yes
Observations	183	248	186	253
Pseudo R^2	0.229	0.169	0.123	0.092

Odds ratios reported; p-values in parentheses; + $p < 0.10$, * $p < 0.05$, ** $p < .01$, *** $p < .001$. Programmatic parties and ICRG bureaucratic quality are measured at the project start year; all other variables are averaged over the project period.

Other results (not reported) reject three additional alternative hypotheses. One is that countries with programmatic parties have different policy preferences than those without and it is these preferences that drive the public sector reform results. We investigate this possibility by controlling for whether the main government party is right, left, or center. The ideology variables are insignificant and their inclusion does not affect the significance of the programmatic party variable.

Second, it might be the case that party fractionalization and divided government increase incentives to form programmatic parties and introduce conflicts of interest between different branches of government, increasing the demand for public sector reform. However, results are robust to controls for party fractionalization and divided government (defined as whether the executive is from a different party than the majority party in the legislature).

Third, it could be that programmatic parties predominate in more competitive political systems, but it is the competitiveness of the political system, and not the nature of parties, that drives our results. Ting et al. (2013) present evidence from the United States that when elections are more competitive, politicians confront a greater chance of replacement and are therefore more likely to adopt meritocratic procedures for state hiring to tie the hands of their successors. However, our results are fully robust to controlling for the seat share of the largest government party, the seat shares of all government parties, and the vote share of the executive. The coefficient on programmatic parties is highly robust to the inclusion of these competitiveness controls.

The base regressions pool all countries, more and less democratic, since our hypotheses apply equally to both. Table 5 reports results that demonstrate robustness when the sample is restricted to countries that have exhibited competitive elections and have had at least one democratic change of government (the data are taken from ACLP: Alvarez et al., 1996 and Cheibub et al., 2009). Within democracies and controlling for the IEG quality at entry rating and initial bureaucratic quality, a unit increase in the proportion of programmatic parties is associated with a nine-fold increase (8.68) in the odds of a successful institutional development impact rating relative to the odds of an unsuccessful rating, and a similar nine-fold increase (9.37) in the odds of a successful overall outcome rating relative to an unsuccessful rating.

Table 5: Programmatic Parties and Project Ratings, Democracy Subsample

	Inst. Dev. Impact Rating		Overall Outcome Rating	
	Base Model	Full Model	Base Model	Full Model
Programmatic Parties	5.976*	8.688*	5.108**	9.367*
	(0.020)	(0.015)	(0.007)	(0.012)
Observations	161	147	164	150
Pseudo R^2	0.254	0.339	0.135	0.354

Odds ratios reported; p-values in parentheses + $p < 0.10$, * $p < 0.05$, ** $p < .01$, *** $p < .001$
Specification identical to Table 2. Controls not reported.

4.2 Unobserved Country Characteristics and the Association of Programmatic Parties and Successful Public Sector Reform

The results in Tables 2 through 5 demonstrate that personnel and financial management reforms of a country's public administration are more likely to succeed in the presence of programmatic political parties. The arguments in this section, including estimates controlling for country fixed effects, suggest that the results are unlikely to be the spurious consequence of unobserved country characteristics.

First, reverse causality is implausible. Prior research has argued that public sector reforms could precipitate the emergence of more organized and possibly programmatic parties. However, we measure party organization in the year that the public sector reform project was approved, well in advance of the start of the project and disbursement of funds. Successful reforms therefore cannot be a contributing factor to whether parties are programmatic. In addition, the strong bureaucracies that drive politicians to adopt programmatic stances in the arguments of Shefter (1994) or Tilly (1990) are largely absent in the sample. Indeed, this is one reason why they seek public sector reform loans from the World Bank. Neither strong bureaucracies, nor the success of prior public sector reform efforts, prompted politicians to re-organize their political parties in these countries.

Measurement error might also account for the results. World Bank evaluations, rather than being based on direct observations of public sector reform, could instead be grounded in other characteristics that also make them more likely to have programmatic political parties. Indeed, the evaluations could themselves be endogenous to the presence of clientelistic political parties.[18]

However, the controls in Table 2 indicate that such sources of measurement bias are an unlikely explanation for our results. For example, estimates control for the IEG rating of quality at entry, which should fully capture omitted country effects that might introduce evaluator bias.

In addition, if unobserved country characteristics spuriously drove an association between our two dependent variables and the party variables, they should exert that same influence on other IEG ratings, including those that are unrelated to the domestic political conditions in the borrowing country. That is, programmatic parties would be expected to have a significant effect on all IEG ratings, even those on which, in theory, they should have no influence. One of these is the IEG rating of the quality of Bank supervision. Once a loan is signed, Bank staff members supervise country progress toward meeting loan objectives; however, the domestic political institutions of a country should not influence IEG ratings of Bank staff supervisory effort. The second is the IEG rating of overall Bank performance, which takes into account both project design and supervision; the distribution of responses is nearly identical to that for supervision.

We substitute these two IEG variables as the dependent variables in the base model of Table 2. In neither case, however, are programmatic parties significant determinants of IEG ratings (results not reported). The programmatic party variable is not related to ratings with which it should, in fact, have no association. This reduces the concern that the relationship between programmatic parties and project success is driven by some unobserved factor or IEG bias that should influence all ratings.

Finally, results in Table 6 indicate that unobserved fixed country effects do not drive the results. Fixed-effects estimations are challenging with our data. Ideally, to identify within-country effects of parties on public sector reform, we require many countries in the sample that exhibit multiple and non-overlapping public sector reforms over a sufficiently long period. Of the 109 countries with public sector reform projects in our sample, 92 have

[18] This is unlikely. No project or other Bank document that we reviewed, including the IEG Report (World Bank, 2008), even mentioned political parties.

multiple projects. However, of the 92, only 17 exhibit no overlap among projects.[19] This leaves little within-country variation in the political circumstances under which projects are implemented with which to identify the effects of programmatic political parties.

Table 6: Programmatic Parties and Project Ratings, Country Fixed Effects

	Inst. Dev. Impact Rating		Overall Outcome Rating	
	Base Model	Full Model	Base Model	Full Model
Programmatic Parties	7.269*	27.97**	2.608	23.02+
	(0.026)	(0.004)	(0.382)	(0.063)
Log GDP per capita	0.123	0.0350	0.446	0.163
	(0.234)	(0.133)	(0.452)	(0.502)
Log Population	10.52	1414.6+	0.0111	0.381
	(0.486)	(0.084)	(0.158)	(0.818)
Funding Amount	0.994+	0.993+	0.997	0.994*
	(0.053)	(0.052)	(0.151)	(0.023)
Project Duration	0.964	1.077	0.801+	0.922
	(0.757)	(0.608)	(0.081)	(0.687)
Loan % Allocated to PSR	1.002	1.004	0.994	0.994
	(0.872)	(0.754)	(0.574)	(0.716)
IEG Quality at Entry		1.900*		9.324**
		(0.015)		(0.003)
Bureaucratic Quality		0.483		0.510
		(0.327)		(0.382)
Country FE	Yes	Yes	Yes	Yes
Observations	148	130	196	168
Pseudo R^2	0.167	0.265	0.148	0.430

Odds ratios reported; p-values in parentheses; + p < 0.10, * p < 0.05, ** p < .01, *** p < .001
GDP per capita and population are averaged over the project period;
ICRG bureaucratic quality and programmatic parties are measured at the project start year.

Despite this, Table 6 indicates that the results reported in Table 2 are largely robust after controlling for country fixed effects. In three of the four specifications in Table 6, including both of the specifications for the more relevant institutional development impact rating, the programmatic party variable remains significant.

[19] The remainder exhibit overlap (among these, on average, 22 percent of project-years overlap), indicating that multiple projects in those countries are undertaken within the same political context.

4.3 Selection Effects, External validity and the Association of Programmatic Parties and Successful Public Sector Reform

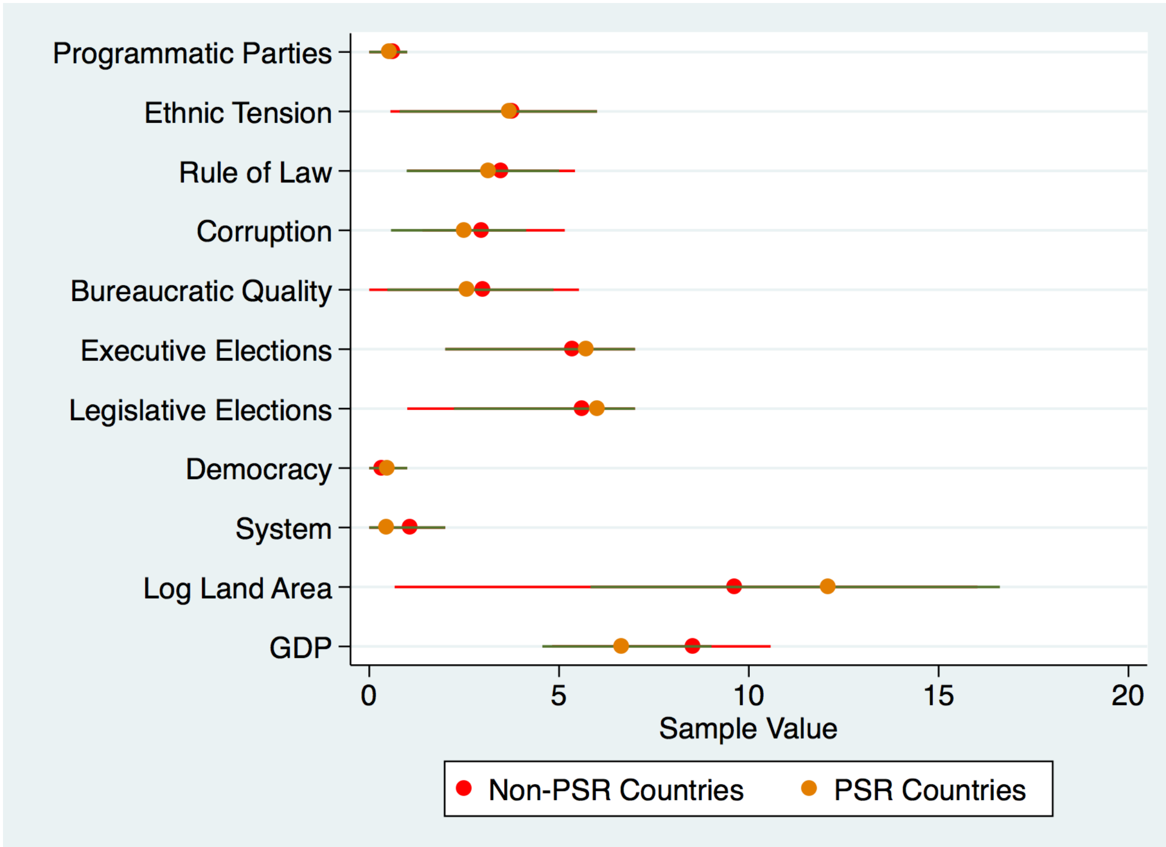
Our results precisely answer the following question: Among those countries that apply for World Bank public sector loans, are public sector reforms more likely to succeed in those with programmatic parties than in those without? Given the significance of public sector reform for economic development, and the prominent role of international donors in public sector reform processes, this question is important.

The broader question, which our empirical tests cannot directly answer, is whether all public sector reforms, including those for which no World Bank loan was arranged, are more likely to succeed in the presence of programmatic parties.[20] We cannot rule out the possibility that unobserved differences between countries that ask for World Bank loans and those that do not may give rise to a different relationship between parties and reform success in those out-of-sample cases where the World Bank was not involved. However, theory and evidence suggest that our results are likely to be externally valid, extending to reform contexts from which the World Bank was absent.

The main threat to external validity is that, for unobserved reasons, the incentives of non-programmatic politicians with respect to public sector reform are different in countries that receive World Bank loans and those that do not. However, the theory underlying the tests, as well as the qualitative evidence of scholars such as Grindle (2012), points to mechanisms, such as politician concern for flexibility, that should be present within or outside of World Bank programs. Empirically, Figure 1 shows that there are no significant differences across observable characteristics between countries that initiate public sector reforms with World Bank support and those that do not. It is therefore less plausible that unobserved differences between these two sets of countries could allow for a party - reform relationship in one set, but not in the other.

[20] An interesting issue for future research is whether the same effects would hold in *developed* countries. This will be challenging, however, since as Kitschelt and Wang (2014) observe, there is a strong positive relationship between wealth (measured as per capita GDP) and programmatic politics. How- ever, even if parties in developed countries tend to be more programmatic, there may be variation in more specific organizational features of parties that make them more or less conducive to public sector reform.

Figure 1: Statistical Balance Between Recipients and Non-Recipients of Public Sector Reform Loans



The figure displays the subsample means and confidence intervals for the variables of interest in this study.[21] These are our key independent variables, programmatic parties, logged GDP per capita and land area, as well as other institutional factors (competitiveness of legislative and executive elections, ACLP democracy coding, and whether the system is presidential or parliamentary). Scores for various governance indicators from *International Country Risk Guide* (bureaucratic quality, ethnic tension, corruption, and rule of law, all measured on the ICRG six-point scale) are also identical between the samples. In all cases, the means are within the overlapping areas of the

[21] For comparability, the means are calculated for the range of country-years starting with the first year in which a country in the region engaged in reforms. Results are robust to using other ways of determining the time frame, such as using the first year that any country engaged in reform or using the exact start date of reforms.

respective confidence intervals, indicating that they are statistically indistinguishable between the two sets of countries.

5. Discussion and Conclusions

This paper presents new evidence that the success of public sector reform hinges on the extent to which political parties are capable of making programmatic appeals to voters. It extends the results of previous research in several directions. First, prior work relies on careful case studies of the interaction of patronage politics and civil service reform; we are able to demonstrate effects across 109 countries, explicitly comparing the effects of different party systems.

Second, the literature on public sector reform in developing countries has emphasized the importance of politician discretion in clientelistic settings. We introduce an additional mechanism through which clientelism affects public sector reform by reducing political incentives to oversee the executive. Public sector financial management reforms, for example, are particularly salient for non-executive politicians who seek to oversee expenditures by the executive. Politicians in clientelistic parties lack the incentive and the partisan organization to act collectively to oversee the executive branch; correspondingly, financial management reforms are less likely to succeed in countries where non-programmatic parties predominate.

The results here also have significant policy implications. In discussing the timing of reform and of donor collaboration with client countries, practitioners and donors emphasize the importance of windows of opportunity. Those windows are usually considered open when influential politicians demonstrate enthusiasm for reform. The analysis here holds such enthusiasm constant: all loans generated enough enthusiasm to persuade a few top ministers, including the one in charge of the relevant sector, to approve the loan. However, the individual commitment of a few turns out to be insufficient. In addition, and critically, reform is more likely to succeed when politicians are organized into programmatic political parties.

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Appendix

Table A.1: Ordered Logit Regression: Programmatic Parties and Project Ratings for Public Sector Reform

	Inst. Dev. Impact Rating		Overall Outcome Rating	
	Base Model	Full Model	Base Model	Full Model
Programmatic Parties	2.438*	2.124+	2.112*	2.038*
	(0.024)	(0.079)	(0.024)	(0.049)
Log GDP per capita	1.244	1.137	1.188+	1.119
	(0.104)	(0.339)	(0.082)	(0.300)
Funding Amount	0.999	0.999+	0.999**	0.999**
	(0.250)	(0.084)	(0.010)	(0.007)
Log Population	1.198	1.414+	1.164	1.230+
	(0.272)	(0.082)	(0.116)	(0.088)
Log Land Area	0.822	0.848	0.803*	0.843
	(0.194)	(0.333)	(0.033)	(0.154)
Project Duration	0.960	0.992	0.841***	0.853**
	(0.377)	(0.872)	(0.000)	(0.003)
Loan % Allocated to PSR	1.005	1.007	1.008+	1.009*
	(0.308)	(0.184)	(0.069)	(0.036)
Region Dummies	No	Yes	No	Yes
Observations	277	277	282	282
Pseudo R^2	0.044	0.109	0.038	0.051

Odds ratios reported;

p-values in parentheses + $p < 0.10$, * $p < 0.05$, ** $p < .01$, *** $p < .001$

GDP per capita and population are averaged over the project period;

programmatic parties is measured at the project start year

Table A.2: Different Measures of Programmatic Parties and Project Ratings for Public Sector Reform

	Inst. Dev. Impact Rating		Overall Outcome Rating	
	Base Model	Full Model	Base Model	Full Model
	(1)	(2)	(3)	(4)
Programmatic Parties†	3.534**	3.534**		
	(0.002)	(0.003)		
Programmatic Seatshare‡			2.143+	2.143+
			(0.055)	(0.086)
Log GDP per capita	1.100	1.100	1.124	1.124
	(0.397)	(0.450)	(0.298)	(0.369)
Log Population	1.444*	1.444	1.775**	1.775*
	(0.043)	(0.118)	(0.004)	(0.014)
Log Land Area	0.807	0.807	0.666*	0.666*
	(0.179)	(0.283)	(0.019)	(0.033)
Project Duration	0.991	0.991	0.973	0.973
	(0.885)	(0.890)	(0.657)	(0.674)
Loan % Allocated to PSR	1.007	1.007	1.006	1.006
	(0.277)	(0.250)	(0.368)	(0.319)
Region Dummies	Yes	Yes	Yes	Yes
Observations	277	277	253	253
Pseudo R^2	0.157	0.157	0.155	0.155

† Primary measure used in the study.

‡ Measured as the share of total seats held by programmatic parties. Logistic regression with odds ratios reported;

p-values in parentheses + $p < 0.10$, * $p < 0.05$, ** $p < .01$, *** $p < .001$

Robust standard errors (cols 1, 3); clustered standard errors (cols 2, 4)

Table A.3: Different Measures of Programmatic Parties and Project Ratings for Public Sector Reform

	Inst. Dev. Impact Rating		Overall Outcome Rating	
	Base Model	Full Model	Base Model	Full Model
	(1)	(2)	(3)	(4)
Programmatic Parties†	2.183*	2.183*		
	(0.043)	(0.034)		
Programmatic Seatshare†			1.859+	1.859
			(0.099)	(0.116)
Log GDP per capita	1.031	1.031	1.049	1.049
	(0.758)	(0.746)	(0.635)	(0.619)
Log Population	1.175	1.175	1.414*	1.414*
	(0.270)	(0.319)	(0.025)	(0.036)
Log Land Area	0.830	0.830	0.702**	0.702**
	(0.141)	(0.176)	(0.007)	(0.006)
Project Duration	0.894*	0.894+	0.877*	0.877*
	(0.046)	(0.095)	(0.025)	(0.049)
Loan % Allocated to PSR	1.009	1.009	1.011+	1.011
	(0.145)	(0.173)	(0.089)	(0.101)
Region Dummies	Yes	Yes	Yes	Yes
Observations	282	282	258	258
Pseudo R^2	0.068	0.068	0.077	0.077

† Primary measure used in the study.

‡ Measured as the share of total seats held by programmatic parties. Logistic regression with odds ratios reported;

p-values in parentheses + $p < 0.10$, * $p < 0.05$, ** $p < .01$, *** $p < .001$

Robust standard errors (cols 1, 3); clustered standard errors (cols 2, 4)

Figure A.1: The Partial Effects of Programmatic Parties on the Probability of Successful Institutional Development Ratings on Public Sector Reform Loans (from Table 2, Column 1)

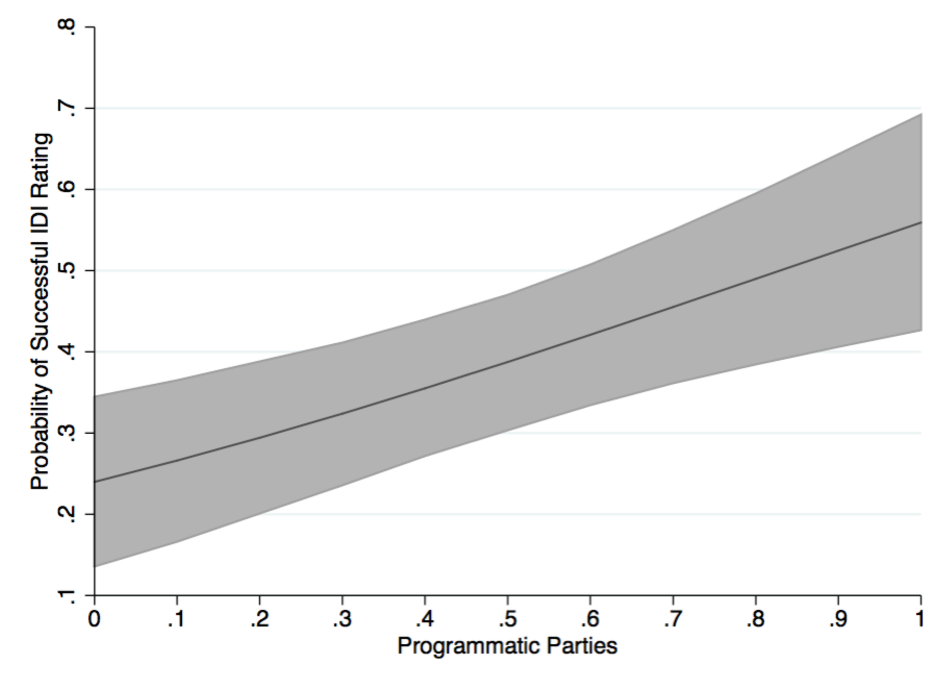

Figure A.2: The Partial Effects of Programmatic Parties on the Probability of Successful Public Sector Reform Loans (from Table 2, Column 3)