

# Remittances and Political Liberalization

Yu-Sung Su\*

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## Brief Overview

The paper examines 72 countries from 1977 to 2000, using Bayesian multilevel modeling with R and WinBUGS to test the political effect of remittances on regime change. The paper shows that remittance inflows do enhance the chance of democratization by improving the governance of a regime.

## Abstract

Money buys influence. Therefore, that in countries where remittances are important, the political effects shall not be inconsequential. Yet past scholastic works have devoted more effort in studying the economic effects than the political effects of remittances.

In addition, systematic and statistical analyses of the relationship between political liberalization and economic determinants, using pooled cross-national and time-series regression analysis, are rich, though; they are weak at validating their research question cross-nationally and over times.

Therefore to fill in the research gap of the political impact of remittances on the recipient country on one hand, and to improve the generalizability of cross-national analysis of democratization on the other hand, the paper will systematically examine 889 country-year-units, which includes 72 countries from 1977 to 2000, using Bayesian multilevel modeling with R and WinBUGS. The political phenomenon in examining is democratization.

The paper shows that remittance inflows do enhance the chance of an autocracy to democratize. The causal mechanism in behind is that remittance inflows can bring about better regime performance.

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\*Ph.D. Student of the Graduate Center of the City University of New York. E-mail: [ys463@columbia.edu](mailto:ys463@columbia.edu)