Authoritarianism and Educational System Reforms by the World Bank in LMICs

Abstract

This study investigates the link between the degree of authoritarianism and the promotion of decentralization reforms in educational systems by the World Bank (WB) in low- and middle-income countries (LMICs). Over recent decades, the WB has advocated for decentralization to enhance service delivery by transferring responsibilities to local entities. Rigidly centralized institutions, commonly found in authoritarian countries, are seen as obstacles to achieving improved educational outcomes. Using country-level original panel data from 1965 to 2019 across 99 LMICs, the study demonstrates a significant association between higher levels of authoritarianism and the WB's promotion of decentralization reforms. This suggests that the WB is more likely to target authoritarian regimes for these reforms, which exhibit greater centralization in the education sector. The results remain robust to various specification tests, shedding light on how political regimes can influence the WB's efforts as an international organization to reform social sectors like education.

Keywords international organizations, policy diffusion, World Bank, Global South, educational systems, decentralization reforms

Introduction

Over the past three and a half decades, the decentralization of educational responsibilities from central governments to local institutions has become increasingly widespread in low- and middle-income countries (LMICs)[1]. Although much research has explored how international organizations, particularly the World Bank (WB), have promoted these neoliberal decentralization reforms, less attention has been paid to how domestic political contexts, especially regime type, may influence these reforms. Because decentralization reforms involve significant institutional restructuring and distribution of political power, it is particularly important to examine whether a country's level of authoritarianism influences the extent and nature of decentralization efforts promoted by the WB (Manor 1999). This paper addresses this understudied question by examining *the relationship between authoritarian governance and WB-supported educational decentralization* across LMICs from 1965 to 2019.

To better understand the rationale behind these reforms, it is useful to clarify the concept of neoliberalism. Neoliberalism, in this context, promotes reduced state control over education and market-oriented governance. Under the umbrella term of 'good governance', it emphasizes efficiency through competition and privatization, often shifting decision-making to local governments, schools, or private actors to enhance accountability and service delivery (Mundy and Verger 2015; Ball and Youdell 2009; Zafarullah and Huque 2001).

These reforms coincided with a significant transformation in international development assistance during the 1980s, shifting from straightforward project financing to actively influencing national policy frameworks in recipient countries (Dollar and Svensson 2000; Svensson 2003). Centralized institutions were perceived as barriers to economic development, leading to the use of conditional aid to enhance efficiency in public service delivery (Svensson

2003; Manor 1999). Numerous projects were diffused across LMICs as part of structural adjustment programs (SAPs), aligned with the principles of the Washington Consensus – a market-oriented policy framework advocated by international financial institutions, emphasizing trade liberalization, privatization, and fiscal austerity (Reimers 1994).

The WB's approach to educational decentralization has been quite homogeneous, largely focusing on devolving educational responsibilities from the central level to local entities such as districts and regions, enhancing local institutional capacities at subnational levels, empowering communities, and promoting participatory governance (Essuman and Akyeampong 2011; Faguet and Sanchez 2008; Hossain 2022). Scholars argue that these policies have been globally diffused by construct rather than coercion (Meyer et al. 1997; Boyle, Kim, and Longhofer 2015).[2] Literature in the political economy of diffusion suggests that this shift allowed world powers to promote their liberal institutional structures in economically weaker countries to maintain global dominance (Owen 2002).

Yet, the existing scholarship has largely overlooked how the domestic political characteristics of recipient countries, particularly their regime type or the degree of authoritarianism, might influence the extent or nature of educational decentralization reforms. Given that decentralization advocated for institutional restructuring and distribution of political power (Zafarullah and Huque 2001), examining whether authoritarianism shapes WB reforms is crucial, especially due to the prominent role played by the WB. Decentralization, as a good governance strategy, allows authoritarian and hybrid regimes to gain "legitimacy" by aligning with IO standards and signaling commitment to governance norms (Hafner-Burton, Pevehouse, and Schneider 2024, 10). Additionally, LMICs adopted these reforms due to aid conditionality and dependency, as external funding was often tied to governance restructuring such as

decentralization (Crawford 2000; Bhatta 2011). Research also links this movement to a "democracy thrust" driven by IOs in LMICs through local government reforms (Carothers 2011, 190).

This paper seeks to address this gap by exploring the under-researched link between authoritarianism and WB-promoted decentralization reforms across 99 present and historical LMICs from 1965 to 2019. These countries were selected based on their historical engagement with WB-funded education reforms and data availability. Given its status as the largest multilateral donor in education since the 1960s (Heyneman 2003), the WB serves as a suitable case for examining this relationship. By utilizing the cross-country variation in receiving decentralization reforms, as documented in past research (Hossain 2022), I specifically focus on primary and secondary education levels. Hossain (2022) finds that around 63 percent of WB project components in primary and secondary education focused on devolving educational systems to school and subnational levels, highlighting the global prevalence of such reforms.

As further explained in the *Linking Authoritarianism and Decentralization* section below, I argue that WB's decentralization reforms are likely influenced by the level of authoritarianism in a regime. I consider authoritarianism as a continuum rather than a binary condition, as I will explain later in the paper. Authoritarian regimes often feature more centralized institutions, partly due to the personalization of power in the hands of a few (Slater 2003; O'Driscoll 2017; Gelman 2010; Mauceri 1997). This centralization leads to a unified service provision system that maintains consistent standards across a country. For example, many post-Soviet countries in Eastern Europe, and Central and West Asia, which were characterized by centralized educational systems under authoritarian regimes, received decentralization reforms following the dissolution of the Soviet Union (Takala and Piattoeva 2012, and Figure 1 in the variable section). These

reforms aligned with a broader ideological agenda, as an established body of scholarship suggests that neoliberal reforms, including decentralization, were systematically promoted by the US and its allies to support liberal democracy (Harvey 2007; Klees 2008; Williamson 1993). This influence is particularly evident given the US's dominant role in the WB, where it holds the largest voting share and traditionally appoints the WB's president, allowing it to shape policy priorities in line with its strategic interests (Babb 2019). Given that the WB is predominantly funded and influenced by the US and its allies, a crucial question emerges: are authoritarian countries more likely to receive WB decentralization reforms? These reforms may function as a tool to influence state-society relations without full democratization or to create local governance structures that align with international donors' strategic priorities.

To the best of my knowledge, no large-scale empirical study has examined this issue. There are some plausible assumptions about why external actors, specifically the WB, may have financed decentralization reforms differently across LMICs. These assumptions mainly point out the characteristics of regime type or the level of authoritarianism, population and cultural diversity (Waks 2006; Clune 1993), and the size of countries' populations and geographical territories. However, *I posit that the degree of authoritarianism may have been a more determinant factor in the WB's promoting and financing of these reforms.*

In the following sections, I first discuss a general background on decentralization, then present a conceptual framework to support my argument. This will be followed by an explanation of the data and methods used in the study, and finally, the findings and concluding remarks.

Background to Decentralization of Educational Systems in LMICs

The motivation for decentralizing the education sector in LMICs has been to reform and re-culture the traditional administration, characterized by rigid centralization and inefficient service delivery processes. This movement began in the 1980s, reaching its peak during the 1990s and early 2000s (Manor 1999; Fiske 1996). Beyond merely transferring authority, these reforms have typically included more local autonomy, strengthening local capacities through various means, encouraging participatory decision-making, and enhancing local accountability (Ball and Youdell 2009).

Decentralization of educational systems can be understood as "transferring decision-making power in basic education from the administrative center of a country (such as the central ministry of education) to authorities closer to the users (such as countries, municipalities, or individual schools)" (Florestal and Cooper 1997, viii, viii). I define decentralization similarly, aligning with other past literature as the "devolution of control over schools to local levels" (Bjork 2003, 185, 185) for "more localized management" (Bjork 2003, 186, 186). This management of policies may involve aspects such as curricula, teachers' recruitment and training, budgets, and school-leaving examinations, as suggested in relevant prior literature (Allmendinger 1989; Bjork 2003; Astiz, Wiseman, and Baker 2002; Hanushek, Link, and Woessmann 2013).

I argue that decentralization can occur through two mechanisms. The first mechanism is explicit: it involves transferring authority and/or responsibilities to lower entities. The second mechanism focuses on building or strengthening the capacity of these levels. This can include providing more independence, training employees to efficiently run local institutions, or

establishing new local units such as district education offices. The inclusion of the latter is informed by the following theoretical grounds.

First, despite appearing implicit, capacity building creates a strong local government system in LMICs, thereby enhancing the sustainability of decentralized systems. Capacity building and transferring responsibilities often occur simultaneously. For instance, a core element of one of the world's largest institutional reform projects in education in Indonesia, costing 2.6 billion US dollars (USD), was the simultaneous building of management capacity in local units alongside decentralizing responsibilities (World Bank 2013a, b). Numerous other examples across different time periods, such as in Bangladesh (1998-2003) (World Bank 2004), Guinea (2019-2024) (World Bank 2019), and Indonesia (1992-1999) (World Bank 2000), indicate that these two elements have been almost inseparable in the context of educational decentralization.

Furthermore, previous research suggests that the decentralization of education governance involves both transferring responsibilities to local entities and enhancing their capacity through training to effectively exercise decentralized power (Rhoten 2000; Astiz, Wiseman, and Baker 2002; Bjork 2003). This is particularly important in contexts new to decentralization, where there is a lack of experience and technical expertise in delivering services in a devolved manner (Bjork 2003; Essuman and Akyeampong 2011). For instance, public officials may face challenges transitioning from a highly centralized system to decentralized governance.

It is worth noting that decentralization reforms by the WB in other sectors may not have followed a similar pattern, and a comprehensive discussion on the subject would exceed the scope of this paper. Previous literature in this area, based on advanced economies (e.g.,

Allmendinger 1989; Van de Werfhorst and Mijs 2010), often overlooks the capacity-building issue. This oversight could originate from the historical prominence of local government in high-income countries (Ladner, Keuffer, and Baldersheim 2016), where capacity building might not have been as imperative.

Additionally, it is reasonable to assume that there is heterogeneity among countries adopting these reforms. Some may decentralize certain responsibilities, such as pedagogical decisions, teacher hiring and training, and funding, while centralizing aspects like curricula and school monitoring and inspection systems for greater accountability. The latter can happen due to a significant push by the WB for test-based accountability (Smith 2014; Smith and Joshi 2016). This form of neoliberal accountability has gained prominence in the US since the 1980s, underpinning the belief that individuals should bear responsibility for their actions rather than society as a whole (Hursh 2007). Nonetheless, some countries may opt to decentralize all aspects of their educational systems. The heterogeneity in receiving decentralization projects among countries would provide insights into how the WB promotes these reforms, although examining such nuances goes beyond the empirical scope of this paper. This is also because the majority of WB projects analyzed in this study focus on broad, comprehensive decentralization reforms rather than concentrating on specific sectors, as further explained in the variable section.

Decentralization in 'Short Menu'

The decentralization of educational systems has not been an isolated event in international development financing but has been part of a broader "short education policy menu" (Heyneman 2003, 325-326). Led by the WB, this global isomorphism of education reforms offers countries a 'short menu' of larger reforms to choose from (Meyer et al. 1997;

Mundy and Read 2017). The decentralization of educational systems is a prominent component of this menu, alongside privatization and parental contributions to education costs (Mundy and Verger 2015; Mundy 2007; Mundy 2002).

This short menu approach extends beyond education to include reforms in financial, trade, taxation, and industrial sectors, as well as social safety nets like unemployment benefits, poverty alleviation programs, and child welfare services. It gained prominence during the Washington Consensus, particularly in SAPs from the late 1980s through the 1990s (Williamson 1993; Naim 2000). Rooted in neoliberal principles, these reforms called for limited state intervention in formulating and implementing public policies through decentralization, increased privatization, and market deregulation (Ferlie, Fitzgerald, and Pettigrew 1996). However, authoritarian regimes, which rely on strong state control, are inherently misaligned with this approach, making the implementation of decentralization reforms in such contexts particularly significant. Education issues often took a backseat in these SAPs, leading to negotiations primarily with the Ministry of Finance rather than the education authorities (Heyneman 2003).

As previously discussed, the short menu reflects an isomorphic push (DiMaggio and Powell 1983), applying a standardized reform strategy across diverse regions and political ideologies (Reinsberg et al. 2019). The ideological flexibility of these economic policies is notable; for instance, Williamson (1993) contends that there is no inherent reason why the left cannot support the Washington Consensus reforms just as much as the right, reinforcing the broad applicability of these policies across political spectrums.

Authoritarianism

In this study, I do not treat authoritarianism as a binary factor but rather as a continuum, acknowledging that regime types vary widely (Levitsky and Way 2002). Authoritarian regimes

can exhibit significant diversity, with some allowing more civic engagement than others (Vasilyeva and Libman 2020). This approach aligns with the theoretical assumption that the degree of authoritarianism may influence how the WB approaches decentralization reforms.

Moreover, I focus on the degree of authoritarianism rather than the level of democracy, as liberal democracy is not prevalent in many LMICs. While these countries may be formally democratic according to their constitutions, in practice, they often share traits of authoritarianism, such as concentrated power held by only a few individuals or offices, such as the Prime Minister's Office or the Cabinet (Levitsky and Way 2002; Slater 2003).

Conceptual Framework

Promotion of Decentralization Reforms

I adopt a policy diffusion approach to explore the relationship between authoritarianism and the decentralization of educational systems. This approach integrates the 'promotion' mechanism from the political economy of international organizations literature, as outlined in Owen (2002, 2010) and discussed by Krasner and Weinstein (2014), with insights from education policy diffusion. In this sub-section, I explain the conceptual framework before discussing how it applies to this study.

Owen's (2010) 'promotion of institutions' mechanism, articulated through historical examples and analyses, shows that powerful nations promote institutional reforms to expand their influence and maintain ideological allies. For instance, former President George W. Bush highlighted this in 2005, emphasizing the US policy of supporting the promotion of institutional reforms globally. Bush stated that "We are led, by events and common sense, to one conclusion: the survival of liberty in our land increasingly depends on the success of liberty in other lands…

So it is the policy of the United States to seek and support the growth of democratic movements and institutions in every nation and culture" (BBC 2005). Owen's (2010) analysis of 209 cases of institutional promotion between 1510 and 2010 illustrates this phenomenon, suggesting that institutional reforms often serve the strategic interests of great powers to expand influence and secure ideological conformity among lesser powers.

In the post-Cold War era, multilateral aid through IOs, including the WB, has been contingent on institutional reforms (Dunning 2004; Parks and Rice 2013). This mirrors historical patterns where the US and its allies engaged in the forcible promotion of institutions across Southeast Asia and Latin America, including in former Soviet countries, China, Haiti, and the Balkans (Owen 2002, 376).

The promotion of decentralization reforms in education aligns with these political economy dynamics. Since the late 1980s, the rise of decentralization has coincided with shifts in global political hegemony. Many formerly pro-Soviet regimes began aligning with the US and adopting WB-promoted decentralization reforms in education (Burki, Perry, and Dillinger 1999; Asim et al. 2023; Hossain 2024; Wunsch 2014). It aims to improve school outcomes by addressing inefficiencies in centralized systems (Ball and Youdell 2009; Fiske 1996). However, decentralization was not necessarily an innovation that organically emerged from native institutions in LMICs; rather, it involved transferring models from supposedly 'better' institutions.

The WB started transferring decentralization reforms to LMICs, arguing that these models work well in donor countries (Dobbin, Simmons, and Garrett 2007). This 'what works' mantra is the historical continuity of education policy diffusion, dating back to the colonial era, when dominant powers imposed their institutional frameworks on colonies (Steiner-Khamsi and

Quist 2000). However, rather than being a neutral transfer of best practices, Owen (2002) contends that the promotion of these reforms primarily serves to expand the influence of great powers by promoting their institutional models and reinforcing existing global hierarchies. Alongside post-Soviet states, multilateral aid agencies, including the WB, began promoting these neoliberal reforms earlier in regions such as Asia and Latin America, where other global powers exerted less influence (Owen 2002).

Linking Authoritarianism and Decentralization

I hypothesize that the WB is more likely to promote greater decentralization reforms in countries characterized by higher levels of authoritarian governance. Authoritarian regimes centralize administrative power, concentrating authority within a few elite individuals or offices. This concentration of power results in governance systems that, on average, are less decentralized, particularly in social sectors like education.[3] Such centralized educational systems are often perceived as rigid, inefficient, and disconnected from local needs and contexts (Rondinelli, McCullough, and Johnson 1989; Manor 1999; McGinn and Welsh 1999). These neoliberal reforms in education have embraced the notion that local units can provide distinct, efficient, and rational solutions tailored to local needs (Hursh 2007).

However, I do not assume that centralization has primarily enticed the WB to promote decentralization reforms in education, as I also empirically demonstrate in the *Findings* section (see *Robustness*). Rather, authoritarian governance itself, characterized by the suppression of broad-based political participation and decision-making, appears to have been a critical factor driving the WB's policy interventions. This indicates that an underlying goal of the WB has been to mitigate the authoritarian tendencies in governance structures, especially within critical social

sectors such as education, health, and social security (Jütting et al. 2005). I also argue that decentralizing education is a reciprocal process: by aligning with IO standards, authoritarian and hybrid regimes enhance legitimacy (Hafner-Burton, Pevehouse, and Schneider 2024). Here, I provide a discussion and examples of, first, the WB's promotion of decentralization in authoritarian regimes and then, countries' logic of adopting them for legitimacy.

First, research suggests that decentralization reforms advocated by IOs like the WB have frequently served to democratize grassroots institutions and challenge centralized authority structures, particularly under authoritarian regimes (Carothers 2011; Manor 1999; Levitsky and Way 2002; Eaton, Kaiser, and Smoke 2011). While decentralization is often justified on the grounds of improving efficiency and local accountability, scholars argue that the WB has strategically targeted authoritarian and hybrid regimes, promoting decentralization as a tool to limit centralized state control over social sectors, particularly education and public services (Craig and Porter 2006; Bardhan 2002).

Following the collapse of the Soviet Union, for example, the WB heavily supported decentralization reforms in post-Soviet states, many of which retained strong authoritarian legacies, seeking to reshape governance institutions in line with market-oriented liberal norms (see e.g., Figure 1 shows reforms started taking place in Central and Western Asia, and Eastern Europe in the 1990s) (Hossain 2022, 2024). Similarly, across LMICs, such as Brazil, South Africa, Mexico, and Indonesia, decentralization was promoted despite entrenched authoritarian tendencies (Eaton, Kaiser, and Smoke 2011), reflecting the WB's long-term governance agenda rather than mere administrative efficiency concerns (Owen 2002; Dobbin, Simmons, and Garrett 2007). These cases reflect WB's intentional deployment of decentralization as a governance tool to challenge authoritarian rule and foster local political engagement (Craig and Porter 2006). Past

research has extensively recorded the promotion of decentralization reforms "due to the rise of local government aid with a democracy thrust" (Carothers 2011, 190).

Second, during periods of military and authoritarian rule, decentralization reforms have often been strategically implemented as a means of gaining legitimacy and addressing economic development concerns. For instance, in 1980s Bangladesh, military-led government introduced decentralization as part of broader economic and governance reforms aimed at enhancing state legitimacy and appeasing international donors such as the WB and the International Monetary Fund (IMF) (Zafarullah and Huque 2001). Similarly, many Arab governments with authoritarian traits advocate decentralization as a key strategy for enhancing governance and driving development initiatives (Fakir and Yerkes 2018). Decentralization reforms in education have gained traction even in authoritarian-leaning regimes, such as school-based management or encouraging community participation in education decision-making processes (Elmeski 2015; Hammad and Norris 2009). Similarly, in Morocco and Jordan, decentralization reforms were selectively implemented in the education and health sectors to increase community participation while maintaining overall state control over policy direction (Bergh 2010; Yerkes 2012). Therefore, I posit that it was authoritarianism rather than centralization per se that drove the WB to promote these policy reforms.

Moreover, many LMICs were characterized by strong autocratic rule when decentralization reforms began to diffuse, while others were transitioning toward democracy (Abootalebi 1995). According to the 'promotion' framework, the WB would implement decentralization reforms in more authoritarian countries as a means to expand the influence of great powers (Owen, 2002), consistent with the concept of a 'short policy menu' (Heyneman 2003), provided that they receive WB loans or grants. This is because, as I argue, aid is often

provided conditionally on implementing specific reforms. Given that many LMICs have historically depended on foreign aid (Dobbin, Simmons, and Garrett 2007; Kentikelenis, Stubbs, and King 2016), these conditions made decentralization an attractive policy tool for authoritarian governments seeking legitimacy while securing external financial assistance (Hafner-Burton, Pevehouse, and Schneider 2024).

Based on this conceptual framework, I hypothesize that higher levels of authoritarianism would be associated with greater diffusion of decentralization reforms by the WB. I do not infer any causal conclusion in the study due to the observational nature of this study. I do not assume that the WB would immediately initiate decentralization projects following a change in a country's authoritarian status. Rather, the WB is likely to be forward-looking and assess the current political landscape and strategic circumstances before deciding to fund and promote such projects, as suggested by previous research (Go 1994). In other words, the WB would be more likely to wait to initiate decentralization reforms after a country has shifted its political position regarding authoritarianism.

Additionally, decentralization reforms were also promoted in the educational systems of many developmental states in LMICs, indicating how this isomorphism matched countries with heterogeneous traits. For instance, Thailand, with strong state administrations for development interventions (Wong 2004), adopted decentralized educational systems in the 1990s (Fry and Bi 2013), paralleling other sociopolitical institutions (Dufhues, Theesfeld, and Buchenrieder 2015). However, a detailed account of the trajectories of different types of countries is beyond the scope of this paper.

Data and Methods

To address the research puzzle explained, I construct a country-year panel dataset (1965-2019) using manually coded data from the WB, as well as other secondary data, including sources such as varieties of democracy (V-Dem), as explained below in specific variables. Notably, each variable is derived from a single source without overlap. The final sample comprises 99 countries and 2,937 country-year observations, representing regions across the developing world, including South and Southeast Asia, Latin America and the Caribbean, sub-Saharan Africa, and the Middle East and North Africa.

Dependent Variables

The outcome variable in this study is the decentralization of educational reforms financed by the WB at the subnational level. To construct the measure, I analyze all available 910 WB projects on primary and secondary education implemented in 99 historical and present LMICs from its website (World Bank n.d.-c).[4] To select projects, I sorted projects from the WB website by 'Primary Education', 'Secondary Education', and further 'Public Administration – Education'. This provided me with 1,160 projects, of which 910 were found directly related to education. I further excluded some projects that were dropped or canceled after the initiation or that do not have any information on the website, reducing the number in this study to 897 projects.

Before explaining the construction of the variable, I will clarify what decentralization specifically means in this paper. As outlined in the Codebook in Appendix S1 of the online supplement, I define a WB project as decentralization if it involves four key aspects, consistent with the literature on educational decentralization. These aspects are: (1) establishing subnational education offices (e.g., at the district level), (2) transferring educational responsibilities such as

teacher recruitment, budgeting, pedagogical methods, curriculum decisions, and monitoring and evaluation to subnational entities, (3) promoting citizen participation in the decision-making process at the subnational level, and (4) building capacity through initiatives such as providing training, and technical and financial resources to lower-level entities. While the first three elements generally pertain to the devolution of educational systems, the fourth element pertains to capacity-building processes.

The creation of offices, the devolution of responsibilities, and participatory decision-making are widely recognized as key forms of decentralization (e.g., Dufhues, Theesfeld, and Buchenrieder 2015; Fiske 1996; Bjork 2003; Ball and Youdell 2009; Asim et al. 2023). Most WB projects analyzed in this study focus on broad, comprehensive decentralization reforms instead of focusing on particular sectors, making it suitable for assessing overall decentralization levels. Finally, as explained in the theoretical section at the beginning of the paper, capacity building in local units of educational systems has been occurring simultaneously with the devolution of responsibilities. This approach is supported by both theoretical and empirical literature (Rhoten 2000; Astiz, Wiseman, and Baker 2002; Bjork 2003), justifying its inclusion in the definition of decentralization.

Each WB project has one or more components as shown in Box S1 of the online supplement. Hence, if a project component has dealt with decentralizing educational responsibilities to the subnational level (defined as the administrative tier between the central government and schools, such as districts), I code it accordingly. For instance, the project in Honduras in Box S1 has four components, and the third one is about subnational decentralization since it worked towards capacity building at subnational levels for education planning and information use. Hence, the value of the variable becomes ¼ or 25 percent of all components of

subnational decentralization. The rest indicates not related to subnational decentralization. The variable represents the percentage of WB project components dedicated to decentralization. Twenty-seven randomly selected examples of decentralization are presented in Table S1 of the online supplement. Countries considered in the study are listed in Table S2 of the online supplement.

I plot data for the variable by region in Figure 1 for a descriptive overview. It shows that overall, decentralization at the subnational level has been on the rise with a notable cross-national variation. The rise has slowed in recent years, with a downward curvature from the mid-2000s.

[Figure 1 about here]

Since most projects span several years in duration, I treat each project as a country-project year. For instance, since the project in Box S1 of the online supplement was implemented from 2008 until 2013, the country-project year becomes five consecutive years. Thus, the unit of analysis is the country-project year rather than just the starting date of projects. I do this as just one period of a project (for instance, the starting year) would give an incomplete and erroneous state of WB operations. It is not possible to know the trend or trajectories of WB's decentralization reforms without including the whole timeframe of a project, which is the prime objective of the study. Furthermore, the WB conducts its operations under more than one project at a time in a country. Hence, I cannot capture the total length of each project if I just consider the starting or ending year. Project length may indicate the significance and size of education reforms, that is, small or large. More importantly, the initial value of the measure does not determine the value for the latter years. For instance, subnational-level decentralization is 25 percent in Box 1, which will be the same for all six years of the project life span. Since multiple

projects are being funded by the WB in the same country simultaneously, the value does not remain constant over the years.

Additionally, although uncommon, WB project components may change over time. This usually happens at the initial stages of a project. To capture any potential changes, I look at documents on both project design (before a project begins) and evaluation (after a project has been implemented). Thus, my analyses incorporate all WB project components.

I consider the percentage of WB project components, as opposed to counting the number of decentralization projects, to capture the scale of reforms. For instance, in Indonesia, the WB executed a five-year project spanning from 2008 to 2012 aimed at decentralizing the education system, with a total cost of USD 2.6 billion and the WB's contribution amounting to USD 600 million (World Bank 2013a). Evaluating this scenario in a binary 'yes/no' manner, rather than as a percentage (or 100%), would introduce bias because numerous projects featured decentralization reform as one among various components, alongside activities such as constructing school infrastructure. However, applying uniform weights to all projects raises questions given their differing budgets and timeframes. As previously mentioned, I already account for project duration. Moreover, I address budget disparities across projects by controlling for their total costs. Unfortunately, I could not further consider the investment specifically allocated to decentralization, as this data is unavailable for many projects.

Considering that manual coding of qualitative data (e.g., content analysis) can be error-prone (Campbell et al. 2013), I conduct robustness checks of the measure using two techniques to mitigate this bias in the data. First, I construct the same measure by automated coding employing text analysis methods. I web-scrape all relevant WB project documents considered in this study. Then, I analyze the texts in the documents using a few keywords following the

existing literature in the field. The measures from manual and automated coding closely match, as explained in Appendix S2 (Reliability) of the online supplement (including Tables S3 and S4, and Figures S1 to S3). Second, I recoded the data with a time-lapse since a single coder coded the measure. This approach also suggests high reliability of the data, which is explained in the same section of the online supplement as well.

Independent Variables

The degree of authoritarianism.

In this study, the main explanatory variable is regime type in terms of the degree of authoritarianism. This is to align with my theoretical motivation that the regime system is not a simple binary factor but a continuum. Moreover, since I only focus on LMICs, both historical and present, many of these countries began to effectively introduce electoral democracy, especially during the 1990s, also known as the third wave of democracy. Yet, democracy in many developing parts of the world is still characterized by defective democracy, semi-authoritarianism, or even electoral authoritarianism (Croissant 2004; Bogaards 2009). This means the power is concentrated in the hands of a few and centralized in nature (Merkel and Croissant 2004).

Hence, the degree of authoritarianism[5] in this study refers to the extent to which the chief executive of a country is free from constraints by other institutions or actors. The more constraint-free a country is, the less democratic it is. The variable is continuous, where a greater value indicates more authoritarianism, and a lower value indicates more democracy. I use this variable from the V-Dem, which is widely used in political system and regime-type research (e.g., Lührmann, Marquardt, and Mechkova 2020; Lindberg et al. 2014). V-Dem constructs the

variable based on the following nine indicators, taking the reverse point estimates from a Bayesian factor analysis model. The indicators are: (1) executive respect for the constitution; (2) whether there are mechanisms for executive oversight other than the legislative; (3) the autonomy of the legislature for controlling its own resources and (4) for investigating the executive in practice; (5) independence of the high court and (6) lower court; (7) compliance with high court and (8) judiciary; and (9) the autonomy of the electoral management entity (Coppedge et al. 2021).

These indicators suitably fit my research motivation as they measure whether a country's political power is controlled and influenced by a few or widely shared, rather than simply looking at whether a system is democratic or autocratic. Figure 2 demonstrates that, apart from the sample countries in Eastern Europe (EE) and Central and Western Asia (CWA), authoritarianism, on average, has been declining. However, in recent years, the trend has remained mostly steady. Additionally, there is a noticeable change in decreasing authoritarianism in certain MENA countries from the early 2010s, the beginning of the so-called Arab Spring.

[Figure 2 about here]

Population size (log)

The size of the population is a longitudinal variable taken from the WB (World Bank n.d.-b). I log the variable to account for skewness. I add this variable to examine the alternative expectation about the size of a country's population being associated with the need for decentralizing institutions. I do not use cross-sectional data on the territory size since the empirical models utilize country and year fixed effects.

Share of ethnic groups

The longitudinal data on the sizes of ethnic groups as a share of the total population come from Vogt et al. (2015). This variable is also used to investigate the ethnic diversity expectation that more diversity requires more decentralization of education. Some scholars suggest that greater ethnic diversity may necessitate countries to decentralize their educational systems to address the demands of heterogeneous populations (Waks 2006; Clune 1993).

GDP per capita

I take the GDP per capita variable from the WB (World Bank n.d.-a). I log-transform the variable to account for skewness. GDP per capita may impact the adoption of reforms as it determines countries' eligibility to receive aid.

Project education level and costs

First, the internal control from WB projects includes three dummy variables on the educational level in which WB projects have been implemented, that is, primary, secondary, or both primary and secondary. Second, the log of project costs in USD signifies the expenses linked with each WB project examined. This helps adjust for the variation in project budget magnitudes.

Modelling

To estimate the association between the degree of authoritarianism and decentralization reforms by the WB, I adopt two different strategies. At first, I fit Equation 1, a two-way country and year fixed effects model. Doing this helps eliminate unobserved country characteristics. Since I have an extensive range of countries in the study, country heterogeneity due to unobserved factors would be a concern. As shown in Equation 1,

$$D_{it} = \beta_0 + \beta_1 \mathrm{A}_{it} + \boldsymbol{\beta_2}\mathbf{X}'_{it} + a_i + Y_t + u_{it} \quad (1)$$

D is the outcome variable about subnational decentralization in country $_i$ and time $_t$. β_0 is an intercept, β_1 is the coefficient for the degree of authoritarianism variable *A*, $\boldsymbol{\beta_2}$ is the vector of coefficients for the control variables $\mathbf{X}'$. *a* is country fixed effects, Y_t is year fixed effects and *u* is the country-project year error term.

However, as indicated in the introduction and theoretical sections, I do not assume that the WB acts promptly to fund decentralization reforms at the subnational level once a country changes its position about authoritarianism. In other words, the WB would be forward-looking and would take time to act upon funding these reforms, as shown in previous findings (Go 1994). This means fixed-effects models would not be enough to observe the effects of the past status of authoritarianism on the present level of decentralization projects. To capture this forward-looking behavior, I fit Equation 2 as part of the second strategy in which,

$$D_{i,t} = \beta_0 + \beta_1 \mathrm{A}_{i,t-h} + \boldsymbol{\beta_2}\mathbf{X}'_{i,t-h} + a_i + Y_t + u_{i,t} \quad (2)$$

I lag the independent variables, including the degree of authoritarianism. This model aims to demonstrate the actions of the WB concerning the funding reforms once countries have transitioned away from authoritarianism for a few years. I primarily use 4 years of lag in the analysis since national elections are usually held in most constitutionally democratic countries (this does not indicate a country's true state of democracy) every 4-5 years (Scartascini, Cruz, and Keefer 2020). This period may cover significant political events right before the election, as fragile democracies and autocracies start repressing opposition right before or during elections (Bhasin and Gandhi 2013). I also present results with other cut-off years, e.g., 5 years, as part of robustness checks (Table S5 in online supplement). Equation 2 remains quite similar to Equation 1. The only parts that change here are the lagged independent variables, including authoritarianism.

However, my second strategy might be questioned as it does not include past experience in countries to explain its current action. In other words, the past activities regarding decentralization projects of the WB may be determining the present activities. To account for this, I extend Equation 2 and control for the past activities of WB's decentralization projects, which is lag 6 of outcome D. The reason for selecting lag 6 is that the average years of implementing WB's decentralization projects in the sample is 6. I also conduct robustness checks using other cut-off points.[6]

Findings

The link between authoritarianism and decentralization reforms by the WB

As illustrated in Table 1, the results correspond to initial expectations. A greater degree of authoritarianism is associated with increased promotion of decentralization at the subnational level. As shown in Model 1, without any controls, with each point increase in authoritarianism, subnational decentralization reforms by the WB increase by 13 percentage points ($p<0.01$). Model 2 also shows quite similar results after adjusting for the population size, share of ethnic groups, and GDP per capita.

[Table 1 about here]

As mentioned in the methods section, the models in Table 1 do not address an important theoretical point. That is, the WB is not likely to act immediately once a country has changed its position about being authoritarian. It is more likely that the WB would be forward-looking and wait to see what countries might do after a few years have passed. To capture this issue, I estimate Equation 2 with a 4-year lag of the time-varying independent variables, including the

degree of authoritarianism. As presented in Table 2, even after accounting for the future prospects of the regime change, I find very similar results. I also run robustness checks on different cut-off points for lagging the explanatory variables and the dependent variables–the degree of decentralization reforms. As shown in Table S5 of the online supplement, the coefficients remain largely unaffected when I use different cut-off values for lagged variables – lag 1-5 for the degree of authoritarianism.

[Tables 2 and 3 about here]

However, one may argue that the past experience of the WB can also determine their present activities in financing decentralization reforms, in addition to observing the status of authoritarianism. To capture WB's past work in promoting decentralization reforms, I estimate an extended version of Equation 2 by controlling for the past activities of the WB as explained in the methods section. As shown in Table 3, after controlling for the past project implementation status (lag 6), the results remain quite similar to the ones in Tables 1 and 2 in terms of effect size. As expected in lagged models, coefficients in Tables 2 and 3 have larger standard errors.

All these results show a coherent story providing robust evidence of WB's motive for promoting decentralization reforms based on countries' political characteristics, specifically, authoritarianism. This conforms to my expectations that WB's promotion of decentralization reforms in educational systems through development projects at the subnational level has been more common in authoritarian regimes. Moreover, evidence in the study does not support the theory that countries with larger populations and greater ethnic diversity necessarily experienced greater promotion of decentralization reforms.

Furthermore, given that one of the central premises in this paper posits that authoritarian regimes are likely to exhibit greater centralization in their educational systems, I examine this

assumption using newly acquired data from Hossain (2024).[7] This new variable measures the extent to which educational systems are decentralized at the subnational level, such as districts and regions. Hence, the inverse of the measure signifies increased centralization. The components of decentralization include the distribution of responsibilities related to curriculum, teaching content, assessment, school supervision, budget formulation, budget allocation, teacher recruitment, and teacher training. Unlike the study sample of 99 countries, the dataset is confined to 30 LMICs for the timeframe of 1990-2019. However, the countries represent societies from all world regions. As Figure 3 demonstrates, countries characterized by higher levels of authoritarianism are notably and significantly inclined towards having more centralized educational systems, confirming my initial assumptions.

[Figure 3 about here]

Robustness

I run three alternative specifications to check the robustness of the findings. First, I argue that the WB has promoted decentralization reforms in authoritarian countries due to their highly centralized institutions and less decentralized educational systems. Critics might suggest that the WB's financing of these reforms is driven by the centralization of political and administrative institutions, not necessarily authoritarianism. However, as discussed in the conceptual framework, the WB's position has likely been ideological. Hence, its primary motivation has been to promote institutional reforms in authoritarian regimes to align them more favorably with the US and Western allies, as documented in the literature (Owen 2002; Dobbin, Simmons, and Garrett 2007). Thus, I do not posit that centralization is the WB's main motivating factor.

To test this assumption, I use three measures of decentralization as explanatory variables, instead of authoritarianism. The first measure assesses the relative power of elected versus non-elected offices at the local level. The second measure, the local government index, indicates the presence and autonomy of elected local governments.[8] The third measure examines the autonomy of regional governments from unelected bodies at the regional level (Coppedge et al. 2021). These measures collectively capture various aspects of decentralization. As shown in Table S6 of the online supplement, none of these variables exhibit a significant association with the decentralization reforms in education funded by the WB. Specifically, the presence or absence of decentralized institutions is not associated with the WB's promotion of decentralization reforms. Similar to the main models in Table 2, which use authoritarianism as the explanatory variable, I also incorporate lags in these models. Additionally, results remain consistent when considering lags 1 to 4 for decentralization variables and other independent variables (results not shown).

Second, the initial level of authoritarianism may influence the WB's diffusion of decentralization reforms. As argued, the WB began promoting these reforms in authoritarian countries during the late 1980s and early 1990s. Therefore, the level of authoritarianism during that period may play a crucial role in their diffusion. To address this, I run separate regressions for countries initially classified with high and low levels of authoritarianism before 1995, a period marking a significant growth in decentralization reforms. As presented in Table S7 of the online supplement, countries with initially high levels of authoritarianism have received more decentralization reforms from the WB, consistent with findings in Tables 1 through 3. However, coefficients are not significant for countries initially low in authoritarianism, suggesting the WB has likely targeted countries with higher levels of authoritarianism.

Third, since authoritarianism is a continuous measure, it is pertinent to examine its implications as it decreases over time. Notably, average authoritarianism has shown a declining trend, as indicated in Figure 2. To address this, I construct a categorical measure indicating whether authoritarianism has: (1) slightly decreased, (2) significantly decreased, (3) remained unchanged, or (4) increased, relative to the initial dataset year. Due to a limited number of countries with substantial increases in authoritarianism, category 4 is not further subdivided. As shown in Table S8 of the online supplement, the results remain largely consistent with the main findings. Specifically, coefficients are significant for countries that have experienced no change or an increase in authoritarianism.

Discussion and Conclusion

In this paper, I demonstrate that the regime system of countries may play a crucial role in diffusing reforms, using the promotion of decentralization reforms in educational systems by the WB as a case study. I build on the past literature broadly discussing why policies diffuse across boundaries, especially in LMICs, by IOs. To examine the connection between authoritarianism and the decentralization of educational systems by the WB, I exploit cross-country variations of the WB's decentralization reforms in the education sector.

I find that the greater promotion of decentralization reforms by the WB is positively associated with the degree of authoritarianism in a country. This association is not only statistically significant but also substantial in practical terms. The results show that for each one-point increase in a country's authoritarianism score, there is an estimated 0.13 percentage point increase in the share of WB education project components focused on decentralization. While this may appear modest at first glance, across hundreds of projects and dozens of countries, the

effect represents a meaningful shift in how reforms are targeted. It suggests that authoritarian regimes are not simply passive recipients of donor-driven reforms but may selectively adopt decentralization to align with international expectations, secure funding, or enhance regime legitimacy without fundamentally distributing power. This points to a strategic interaction between international actors and domestic regimes, where decentralization functions as both a governance reform and a political signal.

I argue that this relationship is closely tied to the structure of public service delivery: authoritarian regimes tend to operate highly centralized systems, particularly in sectors like education, which makes them key targets for decentralization efforts. I argue this is because the WB is likely to target countries with authoritarian traits, where educational systems are also more centralized. For instance, in former Soviet countries, as well as countries with Soviet influence worldwide with limited democratic space in institutions, the public service provision system, including education, was centralized to maintain uniform standards across regions in a country. The WB has promoted decentralization reforms through development projects in many of these countries after the demise of the Soviet Union.

The study brings forth an issue that is often overlooked by scholars in the field of policy diffusion and comparative education. The transfer of policy models like decentralization reforms is frequently attributed to the characteristics of IOs with a single framework. However, while IOs, and more specifically the WB, do play a pivotal role in diffusing reforms, it also depends on countries' characteristics. Specifically, countries' politics may play a significant role since whether the WB can extend its operation in a country partly depends on whether the political regime allows it. This is even more crucial in the case of decentralization as an institutional reform, which can be influenced by the type of regime a country has.

In the theoretical framework, I explain this anticipated relationship from a 'promotion' and policy diffusion perspective. I argue that this promotive diffusion of decentralization reforms in educational systems across LMICs can be considered an active push by donor countries through the WB. This is also the historical continuity of the promotion of institutions by great powers (Owen 2010), as also evident in historical transfers of education policies from the US in a bilateral manner (Steiner-Khamsi and Quist 2000) and through multilateral organizations such as the WB (Steiner-Khamsi 2006). This promotion is not anecdotal and usually follows from the top position of the leadership, as I quote a former US president in the conceptual framework (BBC 2005).

This paper focuses on the decentralization projects implemented by the WB. It remains an open question the extent to which these projects have made real changes on the ground, although prior research suggests that the WB projects are not associated with increasing de jure decentralization (i.e., by policy rather than de facto changes) in education (Hossain 2024). While the decentralization of educational systems is on the rise across LMICs, there is limited research about whether authoritarian countries are willing or unwilling to accept it. While I infer that the diffusion of decentralization reforms is a form of forcible promotion based on established theories, testing the willingness question requires future attention. For instance, one way to do it would be by constructing measures of the willingness to accept WB reforms.

As I illustrate in Figure 3, authoritarian countries tend to have more centralized educational systems, which overall shows that decentralization follows a continuum of authoritarianism. This is partly because, as countries open their democratic space, there is more willingness to distribute and share the power with lower administrative units (Blair 2000). In other words, this issue cannot be captured with a simple binary measure of electoral democracy

in LMICs. Power-sharing efforts can occur even without effective elections. For example, decentralization reforms began in Bangladesh during the 1980s under authoritarian military rule, before the country transitioned to a constitutional democracy in 1991, to bring the (centralized) "government closer to the people" (Khan 1986, 116). While this paper focuses on the association between authoritarianism and decentralization, it does so through a continuum-based approach that acknowledges that decentralization may also occur in democratic contexts and for reasons that differ from those in authoritarian regimes.

Indeed, "even in the relatively few democratic developing countries, the institutions of local democracy and mechanisms of political accountability are often weak" (Bardhan, 2002, 188). Future research in this area can further unfold what elements of this spectrum may act as enablers of decentralization reforms in education.

Limitations

This study is not without limitations, and I highlight a few here. First, the study only analyses the case of the WB, while other development actors might be simultaneously promoting decentralization reforms. Future research could examine whether similar rationales apply when such reforms are led by other international donors. While this focus is justified by the WB's scale and influence in education since the 1960s, it represents one part of a broader policy landscape.

Second, the analysis is limited to the education sector. Similar reforms may be taking place in other sectors, such as health and social security, which could yield different dynamics and outcomes.

Third, while I attempt to address endogeneity in the main predictor of authoritarianism in a robust way, there may still be other sources of bias that this study could not resolve. It is based

on observational, country-level data, and, therefore, does not claim causal inference. Although both country and year fixed effects are included to account for unobserved heterogeneity and time-specific shocks, issues of endogeneity and reverse causality remain and should be addressed in future research.

Fourth, although the dataset spans 99 countries and more than five decades and offers a strong basis for understanding WB-supported decentralization in education, further work is needed to explore how the meaning and interpretation of decentralization reforms have evolved over time and across different sociopolitical contexts. Year fixed effects help mitigate some of these concerns, but additional research using qualitative and mixed-methods approaches would offer a deeper understanding of how these reforms are framed, received, and implemented in different settings. Moreover, while the cross-national approach identifies general trends, it cannot fully account for local political, institutional, or cultural dynamics that shape decentralization reform processes.

Fifth, although the study finds a strong and statistically significant relationship between authoritarianism and WB decentralization reforms, this does not rule out alternative explanations. Decentralization reforms have also occurred in democratic contexts, often driven by different incentives. Similarly, not all authoritarian regimes are equally open to decentralization. Understanding the conditions under which regimes, whether authoritarian or democratic, choose to adopt or resist such reforms is an important area for future research. The analysis of centralized education systems illustrates one potential mechanism linking regime type to reform promotion, but this connection should be further explored.

Sixth, the analysis of centralized educational systems presented in Figure 3 is based on a smaller subset of 30 LMICs due to limited data availability. This part of the study draws on

extensive archival research and includes a regionally diverse set of cases, but the findings should still be interpreted with caution. Future work should aim to expand this dataset and combine global comparisons with in-depth case studies, alternative data sources, and mixed-methods approaches to better capture the political processes, institutional responses, and contextual variation that shape decentralization outcomes.

Research Ethics

Ethics approval was not required for this study as it did not involve any human subjects.

Endnotes

[1] LMICs according to WB categorization, both historical and present. See: World Bank Country and Lending Groups https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups. Accessed on 11 May 2025.

[2] Diffusion by coercion involves external pressure or conditionalities imposed by powerful actors, while diffusion by construct refers to voluntary adoption driven by shared norms, beliefs, or legitimacy considerations (Boyle, Kim, and Longhofer 2015; Meyer et al. 1997).

[3] By associating a centralized regime with having less decentralized educational system, I do not imply that all educational policies would be centralized in those contexts. But, on average, these countries would have more centralized policies. For instance, many countries with effective decentralized institutions may have a centralized curriculum. However, on average, other decisions, including annual planning for schools, learning improvement strategies, teacher recruitment and training, may be more decentralized in these countries.

[4] The decentralization variable and its underlying data are drawn from the dataset presented in Hossain (2022). The supplementary materials and robustness checks for the variable follow a similar approach and documentation style.

[5] Originally, the variable was named as presidentialism, which means to what extent the power is concentrated in the hands of an individual, the head of the state. The variable does not indicate the degree of presidentialism or parliamentarianism, but rather the degree of authoritarianism. For instance, Bangladesh has a parliamentary democratic system according to the constitution. However, it has been reported as an electoral autocracy due to a crackdown on civil liberties, a sign of concentrating power in the hands of a few. See: (Riaz and Rana 2024). Hence,

the degree of authoritarianism, according to the measure, has increased from 0.56 in 2008 to 0.81 in 2014 and 0.85 in 2019.

[6] Not shown in the paper, as the results are repetitive.

[7] The detailed variable construction processes can be found in my earlier work (Hossain, 2024).

[8] The lowest score would be reserved for a country that has no elected local governments. A medium score would be accorded to a country that has elected local governments but where those governments are subordinate to unelected officials at the local level, perhaps appointed by a higher-level body. A high score would be accorded to a country in which local governments are elected and able to operate without restrictions from unelected actors at the local level, except for judicial bodies. Naturally, local governments remain subordinate to the regional and national governments.

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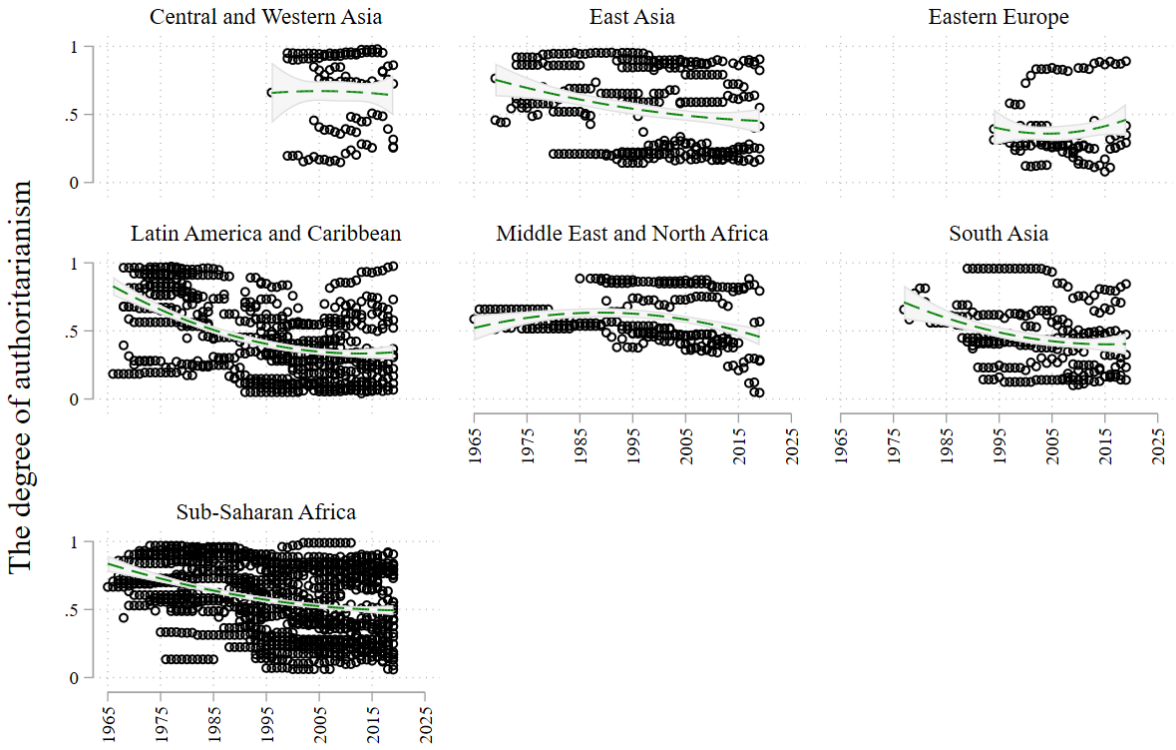
Tables and Figures

Figure 1. The level and timing of subnational decentralization reforms by the World Bank vary across countries.

Notes: (a) The y-axis indicates the proportion of WB project components implemented in basic education, that is, primary and secondary levels, focusing on decentralization. (b) The data are from 99 countries and 2,937 country-project years from 897 WB projects (1965-2019). Each point in the graph represents a country-project year. A detailed account of the construction of the decentralization reform measure is explained in the data and methods section. (c) Black circles denote subnational-level decentralization. (d) Jittering is used to prevent overplotting observations on a single point.

Figure 2. The degree of authoritarianism over time across seven regions, 1965-2019.



Notes: (a) In the Y-axis, a higher value suggests more authoritarianism and a lower value indicates more democracy. (b) The observations for Turkey from 1990 until 1998 were dropped in the Central and Western Asia group to avoid the misleading fitted line in this graph, since other sample countries in the region started receiving reforms in 1999. However, all other analyses (regression models) include Turkey for all years since 1990.

Source. Own analysis based on V-Dem (Coppedge et al. 2021).

Table 1. The link between the degree of authoritarianism and subnational-level decentralization reforms by the World Bank.

	Dependent variable: Decentralization reforms by the WB	
	Two-way fixed effects	
	(1)	(2)
Degree of authoritarianism	0.13**	0.13**
	(0.047)	(0.048)
Population size (log)		0.036
		(0.071)
Share of ethnic groups		0.013
		(0.024)
GDP per capita (log)		0.0080
		(0.024)
Year fixed effects	Yes	Yes
Other controls	Yes	Yes
Constant	-0.79	0.088*
	(1.18)	(0.037)
Within R^2	0.18	0.21
Observations	2937	
Countries	99	

Notes: (a) The additional controls include the educational level at which WB projects have been implemented, that is, primary, secondary, or both. (b) The coefficients can be explained as the percentage point changes in WB project components on decentralization due to changes in the independent variables. (c) Standard error in parentheses robust to heteroskedasticity and clustering at the country level. * p<0.05 ** p<0.01 *** p<0.001.

Table 2. The link between the degree of authoritarianism and subnational-level decentralization reforms by the World Bank, lag (4).

	Dependent variable: Decentralization reforms by the WB	
	Two-way fixed effects	
	(3)	(4)
Degree of authoritarianism (lag 4)	0.16*	0.15*
	(0.066)	(0.067)
Population size (log and lag 4)		-0.00***
		(0.00)
Share of ethnic groups (lag 4)		0.018
		(0.021)
GDP per capita (log and lag 4)		0.019
		(0.027)
Constant	-0.047	-0.48
	(0.045)	(0.59)
Within R^2	0.16	0.17
Observations		98
Countries		2296

Notes: (a) The additional controls include the lag of the educational level in which WB projects have been implemented, that is, primary, secondary, or both. (b) The coefficients can be explained as the percentage point changes in WB project components on decentralization due to changes in the independent variables. (c) Standard error in parentheses robust to heteroskedasticity and clustering at the country level. p<0.1 * p<0.05 ** p<0.01 *** p<0.001.

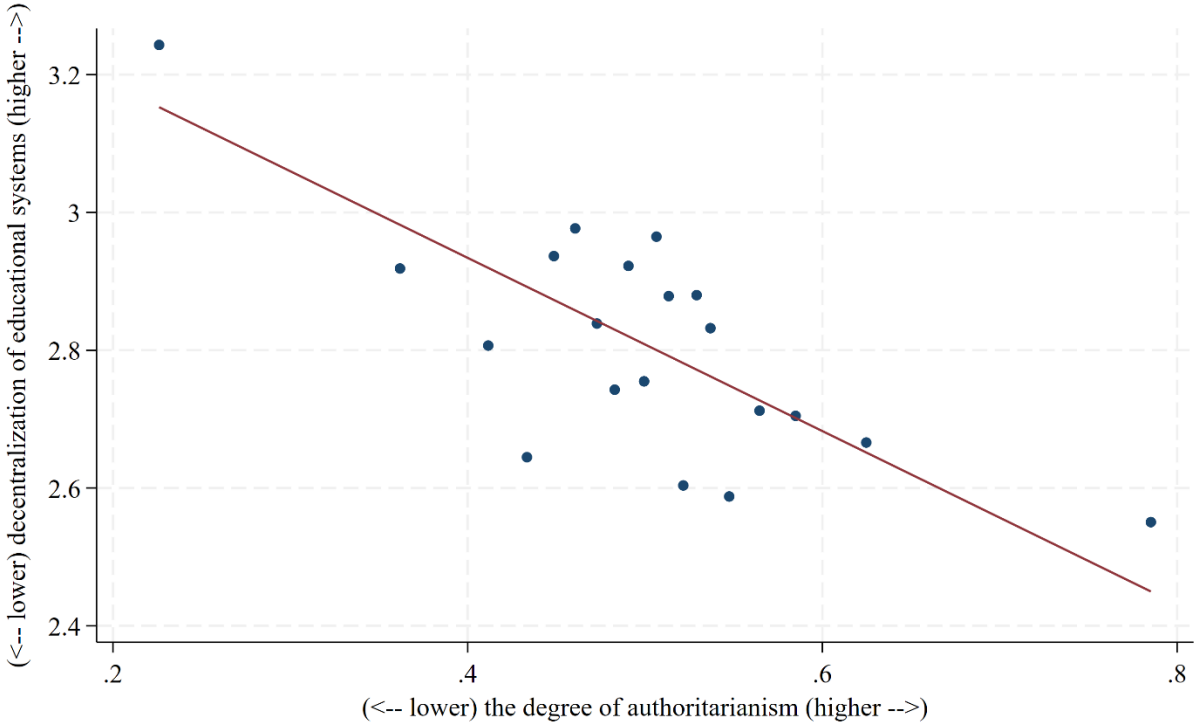
Table 3. The link between the degree of authoritarianism and subnational-level decentralization reforms by the World Bank, lag (6).

	Dependent variable: Decentralization reforms by the WB
	Two-way fixed effects
	(5)
Degree of authoritarianism (lag 6)	0.14*
	(0.068)
Population size (log and lag 6)	-0.00**
	(0.00)
Share of ethnic groups (lag 6)	0.0084
	(0.023)
GDP per capita (log and lag 6)	0.024
	(0.030)
Past subnational decentralization by WB (lag 6)	0.076
	(0.062)
Within R^2	0.16
Constant	-0.53
	(0.62)
Observations	1975
Countries	97

Notes: (a) The additional controls include the lag of the educational level in which WB projects have been implemented, that is, primary, secondary, or both. (b) The coefficients can be explained as the percentage point changes in WB project components on decentralization due to changes in the independent variables. (c) Standard error in parentheses robust to heteroskedasticity and clustering at the country level. p<0.1 *

p<0.05 ** p<0.01 *** p<0.001. (d) The variable ‘past subnational-level decentralization by the WB’ is the lag of the dependent variables.

Figure 3. The relationship between authoritarianism and the decentralization of educational systems



Notes: (a) Binned plot after accounting for country and year fixed effects. However, similar results are found when year fixed effects is not used in the plot. (b) The plot shows that a higher level of authoritarianism is associated with a lower level of decentralization, i.e., more centralization. (b) 30 countries are Afghanistan, Argentina, Armenia, Azerbaijan, Bangladesh, Benin, Bhutan, Burundi, Cambodia, Chad, Chile, Egypt, Georgia, India, Indonesia, Jordan, Kazakhstan, Laos, Malaysia, Maldives, Mexico, Morocco, Nepal, Pakistan, Rwanda, Sri Lanka, Thailand, Tunisia, Uruguay, and Vietnam. (c) The timeframe is from 1990 to 2019.