The Correlation Between Resource Dependence and Electoral Competitiveness in African States

Janine Panchok-Berry

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Department of Politics
New York University
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Advised by:
Russell Hardin, Ph.D.
Leonard Wantchekon, Ph.D.
Does resource wealth affect the competitiveness of elections in underdeveloped countries? Do nations suffer from oil wealth windfalls? Presuming that the government oversees the allocation of revenues obtained from the resource, is the ruling party of a resource-rich country better able to maintain power, through patronage, than the ruling party of resource-poor country? If this is the case, how can these countries take advantage of their resources without causing instability and corruption in the government? Might measures to enforce accountability help?

Previous studies of resource rich states show a correlation between oil and low levels of democracy in underdeveloped nations, demonstrating that even though states may have great wealth in natural resources, they cannot translate this potential wealth into a democratically developed politically free state. Resource-rich states surprisingly may have more difficulty in forming democratic states than their resource-poor neighbors. Studying whether these resources actually constrain the political freedom of underdeveloped nations is the object of this paper. States with great resource wealth do not necessarily become dependent on these resources to support the state. However, if the state does become resource dependent, odd characteristics arise, which hypothetically enable greater government manipulation of state politics, to the point of absolute power. The leadership siphons this wealth through restricted channels where it is used to buy elections or to propel other non-democratic goals. This paper tests the effect of resource dependence on one aspect of democracy by looking at the competitiveness of elections in countries in Africa.

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Some prominent political scientists agree that wealthier countries are likely to be democratic and stable while governments of poorer countries, democratic or not, topple more easily. Yet, oil and mineral-rich countries, such as Nigeria, Indonesia, Venezuela, Angola, and the Democratic Republic of the Congo, have had some of the lowest levels of democracy. We can presume that the resources are not translating into wealth for the country, or at least the wealth that is created is not being allocated to national development. Studying how this wealth creates a democratic society in some states and not in others is important if a solution is to be found for the political instability plaguing many nations. Political instability, coups, the loss of political freedoms, regimes staying in power for decades, altogether drive political scientists to ask how some regimes can hold onto so much power for so long, when some topple intermittently and others go in and out of power legally, with the people’s consent. International organizations, such as the World Bank draw up policies from these studies’ conclusions, creating the drive to find a set of definite factors to explain the instability in these regions.

Leonard Wantchekon of New York University tests the correlation between democracy and resource dependence in underdeveloped countries in Africa. In “Resource Wealth and Political Regimes in Africa,” he explains why resource-rich countries tend to be authoritarian regimes, through his discussion of the rentier state. A rentier state is defined by its dependence on revenues from a labor-free resource, such as oil. Hussein

Mahdavy\(^3\) coined and refined the term “rentier state” when referring to countries whose main source of income flows in from foreign states and is directed to a small minority population in the government. This minority, with extensive control of the rents from the exportable source, rules the rentier state. The state uses these rents to bribe elites for their political partnership. By developing a cadre of politically supportive elites, the government does not need the alliance of the voting citizens. Combined with the state’s ability to manipulate election results, the regime retains its control of the government.

Upholding that studies of Rentier states have mainly focused on cases, Wantchekon commits to a Large-N study of 46 sub-Saharan countries beginning in 1960 and ending in 1996. He gives a few hypotheses as to how the governments use the resource rents to obtain control, and sustain an autocratic government. One path is to buy out the opposition, using the rents for patronage as in the cases of Nigeria and Niger. Another tactic is to create a civil war, during which the ruling party seizes control under the guise of protecting the state. He proposes that resource rents allow the ruling party to use repressive measures to gain control.\(^4\) He found data for his dependent variable, regime type, from PolityIII statistics compiled by Gurr and Jaggers.\(^5\) Wantchekon defines his dependent variable, regime type, by looking at coded data from PolityIII which gives each country a label of democratic or authoritarian on a scale of 1-20. His independent variable, like the one in this paper, is resource wealth. He finds a strong negative correlation between resource wealth and democracy. Wantchekon’s study, however, does not deal with electoral manipulation as detailed as this study intends. Testing the efficacy


of elections, which many political theorists⁶ argue is a major component of democracy, seems to be of utmost importance to add to the specificity of the causal model.

Wantchekon published a theoretical paper on electoral politics and I will be expanding on this with an empirical study.⁷ He investigated the relationship between resource wealth and authoritarianism, with one section of his paper dealing with the incumbency advantage due to resource wealth. His causal model predicts that countries with a large proportion of resource wealth will give incumbents the advantage to ignore ideologies and use the wealth to dominate elections. When the incumbent has no realistic competition, (s)he can make promises to a select group of voters to win their political support. The resource wealth allows the party to consolidate political support and power. His tests use broader variables concerning authoritarian governments but he hypothesizes that this resource wealth will have “crucial effects on the outcome of democratic elections.”⁸ He tests this causal model through a comparative analysis of Nigeria, Botswana, and Norway. Like in earlier studies, his dependent variable, measures of democracy, comes from Polity98 data while his main independent variable is resource dependence. He gets his data for his independent variable from the World Bank. In contrast to the use of Polity98 data, this study intends to expand on one aspect of the causal model in these earlier studies, focusing on the competitiveness of elections in underdeveloped countries and how resource wealth plays a part in the election process.


In “Does Oil Hinder Democracy,” Michael Ross tests the validity of a similar association: the negative correlation between democracy and resource wealth. He performed Large-N studies of resource dependent states, Botswana, Nigeria, Angola, Zambia, Chile, Democratic Republic of the Congo, among others, and compared the results with analyses of countries in Europe and the Middle East. He studied 113 states overall, covering the years between 1971 and 1997. He measured a country’s resource dependence by calculating the value of the fuel or mineral based exports as a proportion of Gross Domestic Product (GDP). He contends that though countries in the Middle East are more dependent on oil (oil wealth is a larger proportion of the GDP), any developing country is actually harmed by oil wealth, as it takes over the economy.

Michael Ross looks at three possible causal models: the “Rentier state” effect, the “repression effect” and the “modernization effect.” The Rentier effect, defined previously, hypothesizes that governments of resource-rich countries use low taxes and patronage to alleviate demands for state accountability. On the other hand, the repression effect argues that governments spend resource rents on enhancing their military in order to oppress the citizenry into submission. The modernization effect reasons that the economic growth from oil and mineral exports does not lead to the social and cultural changes needed to bring about a democratic government. These changes include an independent labor force, which fights government power and control through collective bargaining.

Ross finds a strong correlation between his dependent variable, democracy, and his independent variables, oil and mineral wealth. His data for the dependent variable

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comes from Polity98, a data set which gives regime characteristics for 161 countries between 1800 and 1998. Ross includes 113 of these countries, using variables compiled by Gurr and Jaggers, which distinguish between democratic and Autocratic states, on a scale of 1-10, with 10 signifying a highly democratic state. He combines the measures found in Polity98 into a measure from 1-10 where 10 signifies the most democratic state. Ross’ study has shortcomings, however, in that he deals very broadly with the definition of democracy and so does not test a specific correlation between democracy and resource dependence.

Michael Bratton’s “Second Elections in Africa” argues a similar idea as the one asserted here—that resource dependence affects electoral competitiveness. However, Bratton only covers the period from 1989-1997. He mainly uses case studies to show examples of unfair elections and corruption as it leads to an incumbent’s hold on power. His study is historically analytical, but he does not show much large scale cross-sectional empirical research or evaluation. He looks at two sets of elections, arguing that the first half of the 1990s came out with more fair elections than the second half. He begins by using the winner’s share of votes or seats to show how fair or unfair the elections were, but ends up doing a case-by-case evaluation of elections to illustrate the meaning of incumbent victories. For the second half of the 1990s, he uses 16 countries and 23 elections to test his hypothesis. I test a much larger swath of cases. Bratton evaluates the same idea as posed in this study, but does not do as in-depth or long-term a study as I propose.

This paper analyzes an aspect of the Rentier effect that has not been fully tested yet: the ability of an incumbent party or head of state to acquire electoral support through patronage and to use this support to win elections. I hope to add to previous studies by using the competitiveness of elections as a more specific dependent variable and performing the study over a greater time span.

**Causal Model**

The key concern being studied here is what factors influence the reliability and competitiveness of elections, and consequently the political freedom of a nation. Elections give legitimacy to leaders, in the national as well as the world arena. They also develop systems of accountability to the public. Elections are an internationally understood form of publicly mandated power. Yet so many regimes around the world hold nominal elections, being rigged, or controlled by the government in power. Studying how this control forms and what mechanisms governments use to manipulate this system of power is integral to determining how democratic states form and persist. What has to be determined is how leaders are able to control the elections, and stay in power, instead of the elections controlling them and putting them in and forcing them out of office.

According to some political theorists, Samuel P. Huntington among others, fair elections are a key component of democracy. Huntington defines democracy as a political system where its “most powerful decision-makers are selected through periodic elections in which candidates freely compete for votes and in which virtually all the adult population is eligible to vote.”

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with de Tocqueville that the essence of democracy is the extension of the “power of the people” into government, where elections are the “critical democratic instruments.”\textsuperscript{14}

According to Huntington’s definition, a majority of developing states today only fulfill half of this definition: They carry out elections but these elections are not legitimate. They are characterized by corruption and patronage. Some theorists believe elections, since they exist in non-democratic states, are therefore not a component of democracy, arguing that the role of elections in democracy is overstated.\textsuperscript{15} However, though these theorists contend that too much weight is placed on the role of elections in determining democracy, their argument rests on debunking the assumption that elections and democracy are mutually inclusive. Their argument is actually in accordance with a presumption in this paper—that elections can predict democracy in states—\textit{when they are legitimate and competitive}. In other words, elections and democracy are interdependent when the citizens are directly responsible for knowingly and freely choosing their leaders. Underdeveloped states, dependent on one source of wealth such as oil or minerals, can be superficially democratic, with one party ruling for long periods of time, though they may hold “multi-party” elections.

Governments of some nominally democratic states manipulate elections through systems of patronage, facilitated by rents from exportable resources. Foreign money pours into the state from resource rents state, through such things as export taxes. The elite control all systems of government as well as the resource. In order to maintain control, one party or leader, must allocate revenues to all influential parts of the state:

executive, legislature, military, and bureaucracy. The wealth is passed down from the top ranks in each department, to the lower ranks, with successively less given to lower people in the line. Keeping subordinates content, through patronage, is the key to holding onto power. If subordinates or opposition are content with the funds they receive, they will cause no problem. If they do not receive as much as they want, they have to weigh the options: keeping the status quo or risking everything, including their lives, in a coup, in order to possibly earn a larger piece of the resource wealth pie. This is the patronage side of the rentier state, which explains how elite members act under this system. The public are another matter.

Patronage exists in all governments, the United States included, but the main unique weakness with a rentier state, is the extent to which there is one single point, which controls the wealth at the top of the revenue pyramid, making “the stakes of control at that single point too high.”16 Strong factionalism and party rivalries develop around the prospect of great wealth or the fear of defeat and ruin. Parties manipulate ethnic differences to form coalitions, while international governments also realize the advantage of pitting one party against the other.

A unique characteristic of Rentier states is the government’s independence from the public, because the resource creates an atypical labor-free profit base. Sometimes the government uses coerced labor or immigrant labor, who have no say in wages or in elections as well as from The regime does not have to pay these people but they profit from their work, as with the underpaid labor in Angola. The state is unconstrained by labor forces, a majority of the public, in making decisions. Resources such as oil are not labor-intensive and therefore no collective bargaining systems form to make the state

16 Cooper, Frederick, 159.
accountable. Governments that have this non-labor resource do not need to be responsive to the public in order to stay in office. The power holding members of society are the elite, which are part of the patronage system. The state does not worry about potential strikes and therefore, no public goods are distributed, thus sustaining a weak state apparatus in a high per capita GDP economy.

By using the revenues to pay off a small influential elite, they block opposition parties as well as please any powerful members in society. This enables a small minority of people to control the government. Regimes in these positions are effectively one-party rule. Landslide elections are more common and voter apathy increases. Public opposition may eventually subside due to apathy thereby permitting the regime a continued stay in power. An example of this type of de facto one-party electoral system is Algeria. From 1962 to 1987, the National Liberation Front (FLN) won 100% of the seats in the legislature. The presidential elections were almost as clear-cut, with the FLN presidential candidate winning between 93.3% and 99.6% of the popular vote during the same time period.

A Rentier state survives by siphoning revenues from the main export into the government, to pay for political support, thereby creating an incumbency advantage. The government has unconstrained control over the revenues, doling them out to a small minority, and uses these revenues to gain electoral control. Politics in a resource-dependent country centers on allocation of these funds rather than on ideology.17 This argument is similar to that of Bruce Bueno de Mesquita’s, who argues that a small

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winning coalition can use private goods to keep electoral control\textsuperscript{18}. As the size of the winning coalition grows, the government is not able to sustain its support through private goods. It will have to convert to spending on public goods. A rentier state has a small winning coalition, which is usually intertwined with the economic elite who controls the resource. The state is dependent on the revenues to win the next election. In some of these countries the resource was nationalized, to give the state even more complete control, erasing the dependence on a small economic elite. Because the government is not dependent on the people for labor and thus GDP, and therefore not accountable to the people, the government only has to ensure that the opposition is content in order for the incumbent to stay in power. If the country is bringing in enough resource wealth, and the government has control over the allocation, then the party can aggregate support even from opposition.

These resource-rich countries often demonstrate a façade of democracy, with a pretense of democratic elections. This gives a front of legitimacy to the leader, while winning the election is actually the result of patronage. These are authoritarian regimes, as the high level of corruption and uninterrupted reign of the leaders demonstrates.

The state seizes and retains electoral support through three tactics attributed to Ross’s examinations: “taxation,” “spending” and the “group formation effect.”\textsuperscript{19} In the first strategy, the government can afford to lower taxes because it has other means of revenue. This decreases the accountability the citizen’s would require from the state, as they do not need to be compensated (through public goods) by the government for dues paid. Public goods are those non-exclusive benefits given by the government to the


people. Welfare or Social Security benefits would be considered public goods when referring to the United States government. In these underdeveloped states, citizens do not receive public goods from the government. But the citizens do not expect these public goods because they pay no taxes to the state and so do not press for democratic representation. This is the taxation effect.

The spending effect refers to government allocation of the resource rents to pay elite to cooperate with the ruling party. Through patronage, as discussed earlier, handing out jobs or paying off opposition, the government ensures its hold on power. The government hands out private goods to the elite or any influential opposition. Private goods are those given by the government to private or exclusive groups, such as contracts to Boeing to build military arms or funds given to failing industries like American Airlines. The ruling party aggregates support by using the revenues received from the resource to buy legitimacy through private goods. In a patronage system, the opposition has to decide whether to risk losing the wealth they receive from the government for the possibility of acquiring more wealth through a coup d'état. If the kickbacks are great enough, they will choose not to oppose the party in control. If it is not enough, they might decide to overthrow the ruling party.

The third strategy a ruling party can use to accumulate support is the group formation effect. Through this avenue the ruling party uses the revenues to expand the military and then win support through intimidation and repression. The government will impede the people’s ability to form social pro-democracy groups that could lead to a coup d’état or some form of government overthrow.
By evaluating election results and the length of one ruling party’s stay in power, we can see the likelihood of the opposition winning an election. Countries in which the incumbent wins a substantial majority of the votes are extraordinary, demonstrating possibly non-competitive elections and a consequent one-party or one-ruler state. Vote shares which show more than 80-90 percent going to one party should be rare, but when they appear, it can mean the opposition had no chance due to patronage on the part of the incumbent party. The length of the incumbent’s stay in power is also a key factor in choosing cases. The longer a regime stays in power,

According to this causal model, the party or leader partaking in these patronage strategies will increase their vote shares. These strategies influence the voter’s decisions because the people expect a positive effect (money, jobs) from voting them into office, or they expect to nullify a threat (death, loss of job, etc.) by ensuring the party’s place in office. This connection to vote shares, hypothetically shows how resource wealth allows parties to control the outcome of the election.

Most developing nations do not have enough revenue to buy state control. These resource-poor nations either suffer from constant coups, or they are forced to form more legitimate governments, dependent on the majority of the citizenry to vote them into power. Resource-poor governments have to find a way around the predicament of not being able to afford patronage. Some realize the interdependence with the labor force and decide to be accountable to the electorate in a democratic manner by using the taxes to provide public goods. However, if the only wealth a country receives comes from the labor force, and it is not a sufficient amount, the government cannot afford to pay off the opposition, but also cannot afford to set up the kind of public goods to appease the voters.
Resource dependence broadly affects underdeveloped nations by permitting the government to evade its obligations to the citizens. By not needing to create the kind of services that other governments develop, the public suffer. Alan Gelb describes this mixed blessing of oil wealth in *Oil Windfalls, Blessing or Curse.* Gelb discusses the problems and benefits of the oil shocks during 70s and mid-80s in relation to the stability of Oil Producing and Exporting Countries. He asks the question whether the volatility of this resource hindered growth because of the difficulty in managing it over the last three decades. He uses the term “windfall” when referring to the dramatic profits countries experienced but questions their net effect on nations. He question if these profits are too destabilizing to ever be beneficial. Gelb analyzes six countries with oil-based economies, Algeria, Ecuador, Indonesia, Nigeria, Trinidad and Tobago, and Venezuela. Gelb points out the discrepancy between countries with high amounts of private goods versus those with public goods and questions how a windfall in oil rich countries could turn into losses unless a majority of the money was allocated to public and not private goods.

A second part of my study deals with the effect of foreign aid on electoral competitiveness. I believe aid can be used in much the same way as resource rents, as it flows directly into the pockets of government leaders, to be distributed as desired. No ties are attached to the money, at least not ones that would create an interdependent state-citizen relationship; ties to the donor countries obviously exist, but these connections just further entrench the systems of patronage, incorporating external businesses and governments into the rentier state. The resource rich government has even less incentive to create a democratic system for a few reasons.

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First, external governments, the United States for instance, like a direct link to the sources of oil. Therefore, they want the governments of these resource rich countries to have complete control over the distribution, which means the aid does not give these rentier states the incentive to create democratic governments. Any change in power might mean the oil spigot turns off for importing countries.

Second, aid money has even less connection to the citizenry than resource rents, as it is basically a grant to the government, with no labor involved at all. No interdependence develops, and therefore no movements form to improve democratic structures.

Finally, the level of accountability tied to foreign aid has been historically low, as can be said for resource rents which are funneled straight to the government through exports. The United Nations only recently began enforcing accountability measures, though they may have been required, they were easily circumvented, for “what accountability is there when the U.S. Agency for International Development delivers foreign aid through international NGOs who in turn subcontract with NGOs based in the recipient nation or in a third party nation?”

The only difference between resource rents and foreign aid is that donor nations know the amount of aid being given, while governments can hide the amount of GDP collected from resource rents.

**Hypothesis**

I argue that competitiveness of elections is a core component of democracy, and therefore my dependent variable is a critical part of testing the correlation between

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democracy and resource dependence. I hypothesize that the competitiveness of elections will show a significant negative relationship with the level of resource dependence.

This study tests whether resource-poor countries have the same kind of electoral competitiveness as a resource-rich country. As the amount of revenue from oil or minerals rises in a country, the amount of patronage should rise. This will increase the strength of the patronage system, which will lead to an increase in vote shares received by a party or leader who has control of the resources. It will also increase the incumbent’s advantage to stay in power, lengthening the average office term. I use data compiled by Dieter Nohlen, Michael Krennerich, and Bernhard Thibaut, in *Elections in Africa: A Data Handbook.*

Resource-rich countries will have in essence single-party rule, mostly with one leader or one party as head for an extensive period of time, while resource poor countries will be switching leaders and parties more often. Ultimately, governments in resource-poor countries will be voted out more often than in resource-rich countries. This data will be used in the case studies to explain the causal model—to show a connection between underlying corruption from the resource wealth and a connection to electoral competitiveness.

Controlling for the amount of ethnic groups will be important, as a lot of literature argues that aspects of ethnic divisions affect the democracy levels in a country. Kanchan Chandra disagrees, contending that it is not the number of groups but the extent to which their ideologies are rigid or flexible that affects the level of democracy. However, in

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order to ensure validity, controlling for fractionalizations among sample countries is imperative.

Control variables for this study include the level of per capita Gross Domestic Product (GDP), the total market value of all the goods and services produced within the borders of a nation during a specified period divided by population. Since many theorists argue a strong economy will lead to a party’s dominating future elections, GDP has to be taken into consideration in the regression equation. Other control variables include ethnic and social fractionalization, region, election type, and colonial heritage. One control variable I found interesting takes into consideration Mauritius, one island country that single-handedly reduces the significance of many dependent variables. Mauritius is an outlier, with strongly opposite characteristics from the majority of the other nations, with low resource wealth, and a simultaneously high level of voter participation. This caused the linearity to come close to zero, making the significance of the regressions negligible. After creating a dummy variable for Mauritius alone, the results became consistent.

**Data set**

I use a Large-N to test empirical data and explain a possible causal model for my hypothesis. My dependent variable, composed of a few variables showing different forms of electoral competitiveness, includes all African countries in the data set, with all parliamentary and presidential elections for these countries starting with the first election after independence. It also includes coups, referendums, congressional assemblies, and appointments when taking into consideration head of state and winning party turnovers. It is difficult to determine an exact date of independence for many, as it was a gradual
process. For these cases, I choose the earliest date at which elections occur, taking into consideration that data may not be available for these incipient elections.

For this dependent variable, electoral competitiveness, I look at data compiled by Dieter Nohlen, Michael Krennerich, and Bernard Thibaut, in *Elections in Africa: A Data Handbook*. This handbook was the most complete of the collections I found, containing data on civilian voting statistics, winning party vote and seat shares, as well voting shares of the head of state. From this collection, my electoral competitiveness data set consists of 349 parliamentary elections, 207 presidential elections, 95 coups, 35 referendums, 14 congressional assemblies, and 17 appointments. The variables include two separate tabulated accounts of the number of electoral turnovers divided by the number of country years. One such variable places the number of head of state turnovers divided by the number of years included (ChngsHeadState). The other divides the number of winning party changes by the number of years included (ChngsWinningParty). Other dependent variables include those which demonstrate the size of the voting pool: the percentages of population registered (PopReg), registered who voted (RegVtd), and total population who voted in each election (PopVtd), where data is available. As my hypothesis states, the dependent variable will depend on the level of resource dependence of the country. For each of the seven regressions, the number of observations is adequate to attain a significant result, with the lowest number of observations being at 182, and the highest at 451.

The level of resource dependence, my independent variable, consists of a few different factors as well. In “Resource Wealth and Political Regimes in Africa,” Leonard

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Wantchekon created an all-inclusive variable to account for resource dependence.\(^{25}\) Wantchekon constructs this variable out of data from the World Bank World Development Indicators. The variable measures resource dependence on a scale of 1-4, with 4 being highly resource dependent. Wantchekon creates categories by allocating code 1 to those with fuel, mineral and metal exports accounting for less than 25% of all merchandise exports. Code 2 is comprised of those countries with a percentage between 25% and 50%. Those countries with code 3 have 75% of their merchandise exports coming from oil, mineral or metal exports. Finally, code 4 has greater than 75% of their merchandise exports coming from fuel, mineral or metal exports.\(^{26}\)

I use a second variable to show resource wealth, isxp, which more specifically deals with oil exports as a percentage of primary commodities exports. James Fearon expanded upon an earlier primary commodities exports data set developed by Paul Collier and Anke Hoeffler.\(^{27}\) Fearon included all country years, instead of using the previous 5-year interval data set, which excluded many observations in regression analysis. Fearon’s data set from his latest work, “Primary Commodities Exports and Civil War,” specifically takes into consideration exports which bring a significant amount of wealth into the country.\(^{28}\)


\(^{28}\) Fearon, James. “Primary Commodities Exports and Civil War,” *Journal of Conflict Resolution*, Forthcoming, October 25, 2004. I would like to thank James Fearon for permitting me to use his data before his intended publication. Because his data includes all country years, my regressions were more significant due to the added number of observations.
Empirical Method

The dependent variable is the competitiveness of elections, a combination of different variables which measure incumbency advantage and voting pool size. The independent variables consist of Wantchekon’s resource dependence and Fearon’s primary commodities exports variable. I also include a variable for foreign aid, from the World Development Indicators of the World Bank. The study will control for GDP and social cleavages, which might affect the opposition’s desire to overthrow the ruling party or might affect the electorate’s voting pattern if the electorate is more concerned with ideology than with private goods.

Electoral Competitiveness = – a(Resource Dependence) – b(Primary Commodities Export) - c(Foreign Aid)

The coefficients in my regression equation account for the relative importance of each of the variables. Resource Dependence and Primary Commodities Exports (isxp) are both negative, for hypothetically they will have a negative effect on the competitiveness of elections. Foreign aid also hypothetically has a negative effect on electoral competitiveness. The Log of GDP arguably has a positive effect on the competitiveness of elections. Many political scientists have argued and supported their claims that increased wealth leads to a greater likelihood of democracy. Social cleavages, I argue, will most likely show a negative but negligible effect on my dependent variable. The Legislative and Presidential dummy variables account for the effect that the type of
government has on electoral competitiveness. Most likely the type of government has negligible effect but separating the two types into two different control variables can show what and if there is any distinct effect between the two types of governments.

For my Large-N study I use Nohlen’s election data to test my dependent variable, competitiveness of elections. For parliamentary elections, I will count the vote shares of the winning party in the legislature, as well as the head of state popularly voted into office, and the proportion of seats the winning party controls in the legislature. For presidential systems, I will count the vote shares of the president and the party in control of the legislature. I code the dependent variable as a decimal, a fraction which divides the number of turnovers by the number of country years. The higher the decimal, the greater the number of turnovers occurred during that time period.

One of the independent variables, resource dependence, will be coded 1 – 4, defined as the value of fuel, mineral or metal exports as a percentage merchandise exports. The other significant independent variable, isxp, is coded Resource dependence will be divided between oil states and mineral states. Both variables are coded the same way (1 – 100). I will be using the World Bank’s data, along with data from British Petroleum and the Energy Statistics Yearbook.

For the control variables, I will use coded data already available which define states by the existing social cleavages. It has been argued that social cleavages affect democratic and economic situations in countries. Kanchan Chandra argues it is not the existence of factions, but the fluidity with which they are created and evolve. According to some scholars, one main difficulty in measuring fractionalization is the fluidity of

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groups and the creation of groups by endogenous factors, such as migration. The authors take this into account when collecting and evaluating their data, accounting for divisions that are endogenous to the fractionalization of the groups such as cleavages in Ethiopia where five different groups evolved from the Oromo because of intermixing with other groups during regional migrations.  

To control for GDP levels, I use per capita GDP to control for wealth and growth to separate effects that may arise from economic characteristics and influence my dependent variable. This control variable will be coded as a percentage (1 – 100). I follow James Fearon’s data for this.

**Regression Analysis**

My research has found significant correlations between resource dependence and electoral competitiveness when we look at the regressions performed in Table 1. I found my hypothesis to be correct, that resource dependence does create an incumbency advantage. The most telling of the seven dependent variables are the two that describe how many times a party or head of state was removed from office, legitimately or not, over an extended period of time. For most countries, this period of time begins at independence and ends in 1998. Regressions show a highly significant negative relationship between the first of these two dependent variables, ChngsWinningParty and ChngsHeadState, and the independent variable, primary commodities exports. This shows with greater than 99% significance, that as the proportion of GDP earned from the main

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export rises, the probability of a party being removed from office decreases. Parties are more likely to keep control of the government when they have the ability to freely allocate revenue from these resources. In the same vein, the second dependent variable, ChngsHeadState, is negatively correlated with isxp, with greater than 99% significance as well. This demonstrates that as the proportion of GDP earned from the main export increases, the probability of the head of state being removed from office, decreases. In both instances, highly significant correlations are found between resource wealth and the ability of an incumbent to hold onto state power.

Though not a part of my original hypothesis, I randomly tried switching the independent and dependent variables, to test the circularity of the issue. I found significant correlations which show that as the number of changes in the head of state decreases, the amount of resource dependence increases. I found similar results with the winning parties, as both increased the level primary commodities exports, though only the head of state variable increased the (now) dependent variable, resource dependence.

Using the rentier state as a model to explain these regressions, foreign aid acts similarly to labor-free resource wealth. The aid is allocated the same way that any oil rents would be, going directly to the government for dispersal, rather than first going through by businesses and private citizens through taxes. The tests performed show a highly significant negative relationship between foreign aid and head of state incumbency advantage. These tests illustrate that as foreign aid into a country increases, the likelihood of a head of state being removed from power, decreases. With 99% significance, I show that aid allows heads of state to stay in power longer.
Case Studies

Case studies give an illustration similar to the empirical analysis described. Though many countries, resource rich or poor, have had their share of coups, constitutional crises, as well as stable democratic elections, studying a few cases shows the relevance of the rentier state in maintaining state power. When studying states rich in oil resources, I found pertinent relationships which support my empirical data.

The Democratic Republic of the Congo, formerly Zaire, illustrates the relationship between resource wealth and the rentier state, in producing a patrimonial government with control over the elections. After independence from Belgium in 1960, the Republic suffered from a heavily divided political system, with severe rivalry between parties vying for control over the state’s resources. In 1965, a military coup led by Mobutu Sese Seko, gave the Popular Movement of Revolution party control for the next 34 years, with Mobutu as head of state until 1997. Between 1969 and 1990, Mobutu controlled government power through single-party elections, characterized by “confirmation of a ‘lider maximo’ by high voter turnout” coincident with a “lack of choice, an intimidated electorate and/or manipulated results.”

The vast oil resources in the Republic of the Congo, enticed the international community to get involved with the political processes, complicating an already difficult situation. The United States played a role in manipulating neighboring countries, political parties as well ethnic groups in the Congo, during the Cold War.

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Mobutu used foreign aid to support his system of patronage, and when combined with the rents from oil, this gave him a lot of leverage to control elections and legitimize his stay in power.

A clear example of a one-party state, dependent on oil resources, fitting the description of the rentier state described earlier, is Gabon, a major oil producer, with 50% of its GDP now coming from the oil sector.\(^{33}\) Controlling presidential and parliamentary elections consistently from 1957 to 1998, the Democratic Party of Gabon (PDG),\(^{34}\) has consistently stayed in power for the duration of the period, and only two heads of state, Leon M’ba and El-Hadji Omar Bongo held this highest of positions. The party maintained control through various means. By analyzing the electoral ballots, we see that oftentimes the incumbent runs alone, with a simple “yes” or “no” vote to decide the winner. The Democratic Party of Gabon controls who is placed on the ballot, which has resulted in non-competitive parliamentary and presidential elections occurring eleven times between 1961 and 1986. The PDG and their chosen head of state, won 100% of the vote all but one time, after the coup in 1964, after which they were restored to power.\(^{35}\) Manipulating the ballots was not the only way the party won elections, as El-Hadji Omar Bongo officially outlawed any opposition in 1967, and rewrote the constitution, certifying the one-party state in 1972. All opposition had already defected to the PDG by the 1967 election.

Guinea, the second-largest producer of bauxite, with 75% of total exports in 1999 coming from the mining sector, exhibits the characteristics of a rentier state. By directly

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\(^{34}\) The Democratic Party of Gabon (PDG) was originally named the Democratic Block of Gabon. It changed its name after the 1967 elections.

controlling the resource, bauxite, the majority party allocates revenues to supporters and through this, as well as suppression of labor organizations, gains control of the state. Sekou Toure, Guinean head of state from 1958-1984, illustrates how one head of state and one party acquires this kind of control over labor.

By enacting the framework law, in 1956, France submitted to calls for more autonomy and gave Guinea and the rest of the colonies a measure of control over industry. Not wanting to spend French tax money on wage equality in its colonies, France let the costs fall on the “taxpayers of each territory, to whom the politicians looked for votes.” The interdependence this should have created between the Guinean state and labor did not arise, however. Many of the French colonies achieved independence in a few short years or less, and more quickly in Guinea’s case, in 1958, as they insisted upon full autonomy rather than joining a community of French states. The Guinean population voted 95% in favor of full independence, angering France, who in reprisal, cut off aid and investment and allegedly pulled out much of the bureaucratic supports that held the government together.\textsuperscript{36} A power vacuum appeared in many states when the colonial officials left, leaving the new regimes to be “distrustful of the very social linkages and the vision of citizenship which they had ridden to power.”\textsuperscript{37}

Sekou Toure’s rise to power illustrates the results of this power vacuum, and the consequent suppression of all opposition. Before independence, Sekou Toure developed and headed the strong labor movement in Guinea. Becoming the main union leader, he advocated African alliance against the French regime, but at independence, “strike movements were suppressed, the trade union movement was subordinated to the political


\textsuperscript{37} Cooper, Frederick, 159.
party, and union leaders who advocated different positions were arrested.”

This happened under Sekou Toure’s call for all Africans, and specifically the powerful trade union movement, to “‘remain in the same line of emancipation’” against colonial power, because rebelling against an African headed government, “‘was unthinkable.’”

Taking advantage of his leadership role in the union movement, he cemented his place as head of state by suppressing opposition during the volatile period after independence. Just as Sekou Toure retained the head of state position for 36 years, President Lansana Conte, who seized control of the government in 1984, has won every constitutional election since they were reinstated in 1992. The next one is planned for 2006.

Angola exemplifies the political and social problems that arise in a rentier state dependent on natural resources, and illustrates the connection between resource wealth, patronage and incumbency advantage. With de facto one-party rule since independence in 1975, Angola struggled through a long civil war over which political party would control the country’s rich resources of oil and diamonds. Two main parties arose after independence, the National Union for Total Independence of Angola (UNITA) and the Popular Movement for the Liberation of Angola (MPLA), which obtained control of the state, and placed Agostinho Neto in power from 1975 until his death in 1979 from natural causes. After Neto’s death, Jose Eduardo dos Santos won the presidency and still holds it now in 2005.

When the MPLA took over the government, they secured command over the oil exporting channels, thereby “controlling the interface of national and world

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38 Cooper, Frederick. 79.
39 Cooper, Frederick. 79.
They maintain control over the offshore oil, but only nominally control the diamond industry, under the national company, Endiama. UNITA was able to take over regions of diamond mining in Lunda Sur and Lunda Norte. The resources are completely controlled by either of the two main political parties, which means they completely control the cross-border trade and the money flows. The two parties distribute the rents from the oil as it pleases them because of the resource’s essentially ‘labor-free’ structure, as illegitimate underpaid immigrants do most of the work. In this way the government cuts all ties with the people. Hardly any money goes to create public goods for citizens, who are among the poorest in the world, in a country with oil deposits tantamount to Saudi Arabia’s, and arguably the most valuable diamonds in Africa. While Angola is one of the poorest nations in the world, “the offshore oil industry, and even the onshore diamond industry, continue to thrive, fattening the pockets of the warlords,” while “most people get no benefit whatsoever from oil or diamonds.” Dos Santos claims the problems plaguing the Angolan people are due to the war, but he has been “known to liberally skim from the $3-billion annual oil revenue” and now that the war is basically over, he “no longer has the excuse that the money goes to weapon acquisitions.” It is obvious that the revenues pay for patronage and political support. It is certainly not allocated to public goods.

Planned national elections are to be held in 2006, however the Angolan government, still headed by the majority party, the MPLA, has not determined yet who

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will run the elections. In trying to reach a consensus on this matter, the MPLA advocated creating a National Electoral Commission (CNE), which would be controlled by the state. Eleven members would be elected as monitors, with MPLA President Jose Eduardo dos Santos choosing two, the Supreme Court and the Ministry of Territorial Administration choosing one each, and the National Assembly electing six. This would give the MPLA party eight out of the eleven possible votes, when deciding the winner of the elections. Choosing the administrators and monitors of the elections is vital for controlling the outcome. Actions such as these, in Angola and previous cases, determine the winning party and head of state and are imposed in rentier states by manipulating the various power sectors of the government through corruption.

Conclusion and Policy Implications

Terry L. Karl calls it "the paradox of plenty" that nations have such oil riches, yet the great oil boom of the 1970s only caused more economic problems for oil exporting countries, and today many of these countries still suffer from authoritarian governments siphoning funds away from development to place it in their pockets. In the coming decade, Africa will become a key supplier of oil to the United States, with a projected 25% of American oil imported essentially from Nigeria, Angola, Congo-Brazzaville, Cameroon, Gabon and Sudan, with Chad gaining a role if the Chad-Cameroon oil pipeline, funded by the World Bank, goes through. Many support the claim that these oil riches will only exacerbate present governmental corruption, mismanagement, violence and conflict, if policy changes by African governments, oil-importing countries, and oil

corporations do not change. The incentive has to be given for governments to create
democratic relations with the citizens if eruptions of violence are to be prevented.

This study shows the relevance of election studies in Africa, giving evidence that
illustrates how regimes manipulate elections to sustain governmental control and
consequently preside over the democratic and economic development of the nation.
Regimes understand the importance elections hold in convincing the citizens and the
world of their legitimacy. This study also shows the circularity of the problem, that
regimes, which become dependent on resources, no longer search for other methods of
funding, and deepen the dependence even further. They do not develop the kinds of
industry and manufacturing that other countries must in order to survive. This study
supports the electoral and economic development organizations and their work to
construct systems of accountability to direct the flow of resource wealth away from the
pockets of government leaders. It also illustrates the need for resource wealth
accountability in all sectors, nations, and corporations dealing with oil wealth. For though
the responsibility for development lies primarily with these African nations, no incentive
exists for the leadership to change, mainly because no accountability or transparency of
revenue allocation exists in the international oil setting.

Reducing the dependence on one resource is easier said than done, however
necessary it may be. There are other options to consider, though. Developing systems of
accountability may decrease the government’s ability to allocate revenue indiscriminately
to political supporters. Simultaneously creating an interdependent relationship between

the citizens and the government may help in spurring the government to adhere to these accountability measures. Policies which emphasize the use of foreign aid to states, to induce them to follow democratic ways, often backfire because these policies don’t take into consideration the power of the rentier state and the necessity for systems of interdependent accountability between all levels of administration. Money flows simply support the patronage system, as the aid tends to keep regimes in power longer.

New plans implemented in the last decade by the Clinton and Bush administrations give possible solutions to the aid problem, by increasing accountability measures. Both policies identify those countries which have a history of benefiting from aid, and require these debtor countries to develop plans which define how the aid will be used. The Bush administration recently pushed forward the “The Millennium Challenge Account,” which essentially rewards responsible governments thus giving incentive for others to demonstrate effective use of aid.48

One possible problem with these plans is the continued intrusion of Western countries in the affairs of African states. However, if states work interdependently to improve accountability, (because these problems are internationally interdependent, though they affect these regions in Africa), problems may be solved without further manipulation by foreign governments. The Chad-Cameroon pipeline project to actually use the oil to promote development and end poverty, could be a start to find a middle-ground in the problem of development, where companies and Western governments have been criticized before for acting in such blatant self-interest. The measure of the

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program’s effectiveness will not be the amount of oil produced, but the amount of poverty reduced in Chad.

Another possible problem with these plans is that governments which have shown a poor history of aid usage, like the Democratic Republic of the Congo under Mobutu, will be denied aid now, which could possibly increase instability among neighboring countries in the region. The instability in the end may defeat the purpose of the development plan, by diminishing the effectiveness of aid meant for historically responsible nations. Singling out those governments with poor records may also deny aid to those worthy governments wanting to change.

In creating programs to aid these developing countries, monetary aid will be helpful if the government is held responsible to the United Nations, the African Union, or NGOs. at the same time would allow these countries more economic freedom, since they are no longer monetarily bound by other countries such as the United States. If accountability measures, such as the ones developed by the Clinton and Bush administrations, can fund accountability and electoral monitoring systems within African nations, as well as between neighboring states, to develop the interdependence among African countries, those lagging behind developmentally may be prodded to change. The organizations already funding aid programs Technology to improve electoral systems of voting, data collection, and reporting may disable the government’s ability to manipulate results. These organizations could, and create administrative systems to guide resource revenue and foreign aid directly to national development projects, and build Although helpful, if governments can be made accountable for where the revenues go, aid has been shown to prolong a regime’s hold on power, and is not distributed to the people who need
it most. It may not be economic aid that is needed, but modified development programs that increase accountability in elections and government spending. Depending less on aid, and more on direct contact between governments, might also alleviate the high amounts of interest developing countries pay, and at the same time would allow these countries more economic freedom, since they are no longer monetarily bound by other countries such as the United States.

One difficulty I found in aggregating and analyzing the data is connected to the data’s collection, as many countries had missing information, mostly because the data does not exist, or is not disclosed. Libya has insufficient data for reliable analysis, as only one election occurred after Muammar al-Qaddafi took control in 1969, and it was only a referendum. Angola is also deficient in data, as only after 1992 did monitored, relatively competitive elections take place. I have not tested whether there is a connection between these resource rich countries, as both are, and the absence of data, though there seems to be a logical connection there, with the governments having so much control. The lack of data may be a result of the power of the rentier state, able to limit the freedom of information available and subsequently legitimize an incumbent re-election.

An interesting conclusion I came upon, which relates more to historical analysis, is the relevance of one person in changing the history of states. The most relevant dependent variable for each set of regressions, was the head of state, always the most significant. The head of state staying in power for long periods of time increased the resource dependence more than a winning party staying in power.

Some other problems I encountered along the way have to do with my controls, for which there seem to be an unending supply. Creating one control variable which
aggregates colonial effects on developing states, cannot possibly handle the immense systems that are still in place due to four-hundred years of imperialist control. A nation’s history affects the present and future, for how long can be determined by the people, but placing such an inter-connected immense history into one abstract variable does not seem so realistic.

Table 1: Resource Dependence and Electoral Competitiveness
Table 3 Notes: T-stats produced with standard errors in parentheses. Significantly different than zero at 90% (*), 95% (**), 99% (***).
Table 2: Electoral Competitiveness and Resource Dependence

<table>
<thead>
<tr>
<th>Explanatory Variable</th>
<th>Resource Dependence</th>
<th>Primary Commodities Exports</th>
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<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
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<tr>
<td>Changes Winning Party</td>
<td>-1.376</td>
<td><strong>-0.308</strong></td>
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<tr>
<td></td>
<td>(-1.29)</td>
<td>(-2.59)</td>
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<tr>
<td>Changes Head of State</td>
<td><strong>-2.114</strong>*</td>
<td><strong>-0.294</strong>*</td>
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<td></td>
<td>(-2.85)</td>
<td>(-3.74)</td>
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<tr>
<td>Population Registered</td>
<td><strong>0.025</strong>*</td>
<td>0.002</td>
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<tr>
<td></td>
<td>(1.72)</td>
<td>(1.52)</td>
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<td>Registered Voted</td>
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<td>-0.001</td>
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<td></td>
<td>(-0.14)</td>
<td>(-0.94)</td>
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<tr>
<td>Population Voted</td>
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<td>0.002</td>
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<td></td>
<td>(0.59)</td>
<td>(1.15)</td>
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<tr>
<td>Parliamentary Election</td>
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<td>0.023</td>
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<tr>
<td></td>
<td>(0.59)</td>
<td>(1.12)</td>
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<td>Presidential Election</td>
<td>0.114</td>
<td>0.025</td>
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<tr>
<td></td>
<td>(0.50)</td>
<td>(1.17)</td>
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<td>Per Capita GDP</td>
<td><strong>0.021</strong></td>
<td>-3.04e-13</td>
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<td></td>
<td>(0.09)</td>
<td>(-0.74)</td>
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<tr>
<td>Ethnic and Religious</td>
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<td><strong>6.74e-06</strong></td>
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<tr>
<td>Fractionalization</td>
<td>(2.58)</td>
<td>(2.08)</td>
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<td>PolityIV</td>
<td>-0.000</td>
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<td></td>
<td>(-0.68)</td>
<td>(-1.15)</td>
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<td>British Colony</td>
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<td>0.035</td>
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<td></td>
<td>(0.76)</td>
<td>(1.33)</td>
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<td>French Colony</td>
<td><strong>-0.013</strong></td>
<td>-0.007</td>
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<td></td>
<td>(-0.05)</td>
<td>(-0.30)</td>
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<tr>
<td>Mauritius</td>
<td><strong>-1.811</strong>*</td>
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<td>(-3.31)</td>
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<td>Root MSE</td>
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<tr>
<td>Number of Observations</td>
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<td>351</td>
</tr>
</tbody>
</table>

Table 3 Notes: T-stats produced with standard errors in parentheses. Significantly different than zero at 90% (*), 95% (**), 99% (***) confidence.
Works Cited


Cooper, Frederick. Africa Since 1940: The Past and Present, New York: Cambridge University Press, 2002,


