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The Connection Between Resource Wealth and Electoral Competitiveness in African Politics

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Does resource wealth affect the competitiveness of elections in underdeveloped countries? Do poor democracies suffer more from oil and mineral wealth windfalls rather than succeed? Presuming that the government controls the revenues coming in from the resource, is the ruling party of a resource-rich country better able to hold onto power, through patronage, than the ruling party of resource-poor country? If this is the case, does this mean that having resources like oil is actually a political burden?

Literature Review

Political scientists study oil-rich Middle Eastern countries attempting to answer why research typically finds lower levels of democracy in these countries versus in wealthy states. Research shows a correlation between resource wealth and a lower level of democracy in underdeveloped countries. Does this conflict with the prevailing notion, which argues that democracy is more likely in wealthy countries? Are these oil-rich states necessarily more wealthy—or is the oil actually a constraint on wealth and political freedom? According to Przeworski and Limongi, more wealthy countries are likely to be democratic and stable while governments of poorer countries, democratic or not, topple more easily¹. Yet, oil and mineral-rich countries of the third-world, such as Nigeria, Uganda, Libya, Venezuela, and Congo-Brazzaville, have had some of the lowest levels of democracy. This wealth does not correlate with democracy in the way Przeworski and Limongi predict. However, this does not mean Przeworski is mistaken—there are deeper issues that need to be evaluated since resource dependent states have

¹ Adam Przeworski, Michael Alvarez, Jose Antonio Cheibub and Fernando Limongi, *Democracy and Development: Political Institutions and Well-Being in the World, 1950-1990* (New York: Cambridge University Press, 2000).

odd characteristics, which hypothetically enable greater government control over elections: The government's growing dependence on the resource leads to the wealth being used in non-democratic manners. This paper tests the effect of resource dependence on democracy by looking at the competitiveness of elections in countries in Africa.

Not much research has been done outside of the Middle East because most of the very oil-dependent states lie in this region. In "Does Oil Hinder Democracy,"² Michael Ross diverges from the Middle Eastern constraint, deciding to test resource wealth's effect on African, Asian, and Latin American politics as well. Ross tests the validity of 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 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 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. He studies three possible causal models: the "Rentier state" effect, the "repression effect" and the "modernization effect."³ The Rentier effect hypothesizes that governments of resource-rich countries use low taxes and patronage to alleviate demands for state accountability. The repression effect argues that governments spend resource wealth on augmenting their military might in order to oppress the citizenry into submission. The modernization effect reasons that the growth from oil and mineral exports does not lead to the social and cultural changes needed to bring about a democratic government. This argument states that labor-independent resources do not form, for example, the collective bargaining apparatus, which appeared in industrializing nations from 1800-1950. This apparatus created a collective force to fight against government

² Ross, Michael L. "Does Oil Hinder Democracy," World Politics. Vol. 53, No. 3 (April 2001), 325-61.

³ Ibid.

power and control. This paper analyzes an aspect of the Rentier effect that has not been tested as yet: The ability of an incumbent party to gain electoral support through patronage and to use this support to win election. Ross finds a strong correlation between his dependent variable, regime, and his independent variables, oil and mineral wealth. His data for the dependent variable comes from Polity98⁴ which gives coded data on elections in 161 countries. Ross only includes 113 of these countries. and Ross uses the DEMOC and AUTOC variables compiled by Gurr and Jagers. DEMOC distinguishes between states that are relatively democratic while AUTOC differentiates between states that are autocratic. He combines the measures found in Polity98 into a measure from 1-10 where 10 is the most democratic. Ross' study has shortcomings, however, in that it does not deal with a certain aspect of democracy and so does not test a specific correlation between democracy and resource dependence. I hope to add to his study by using the competitiveness of elections as a more specific dependent variable and performing the study over a greater time span.

Leonard Wantchekon studies underdeveloped countries in Africa, testing the correlation between democracy and resource dependence. In "Resource Wealth and Political Regimes in Africa,"⁵ he studies why resource-rich countries have a tendency to be authoritarian regimes. He maintains that studies of Rentier states have mainly focused on case studies and he therefore 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 revenues to gain control. 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 also proposes that resource rents allow the ruling party to use

⁴ Gurr, Ted and Keith Jagers. "Polity98:Regime Characteristics, 1800-1998," <http://www.bsos.umd.edu/cidcm/polity/1999> (consulted March 1, 2000).

⁵ Wantchekon, Leonard. "Resource Wealth and Political Regimes in Africa," in Comparative Politics, (Forthcoming).

repressive measures to gain control.⁶ He found data for his dependent variable, regime type, from PolityIII statistics compiled by Gurr and Jagers.⁷ 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. His study however does not delve as deep into electoral detail as this study intends. Testing the efficacy of elections, which many political theorists⁸ argue is a major component of democracy, seems to be of utmost importance to add to the specificity of the causal model. Wantchekon has written a theoretical paper⁹ that dealt with this topic, but I will be continuing it with an empirical study. 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. He tests authoritarian governments but hypothesizes that this resource wealth will also have “crucial effects on the outcome of democratic elections.”¹⁰ 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

⁶ Ibid.

⁷ Gurr, Ted and Keith Jagers. “PolityIII” <https://www.bsos.umd.edu/cidcm/polity/>

⁸ Huntington, Samuel P. “Will More Countries Become Democratic?” *Political Science Quarterly*. Vol. 99, No. 2, 1984, pg. 195 and Robert Dahl, *Polyarchy: Participation and Opposition*. NewHaven; Yale University Press, 1971, 4-9 as well as G. Bingham Powell in *Elections as Instruments of Democracy: Majoritarian and Proportional Visions*. New Haven; Yale University Press, 2000. pg 3-4.

⁹ Wantchekon, Leonard. “Why Do Resource Abundant Countries Have Authoritarian Governments?” *Journal of African Finance and Economic Development* 2002. Vol. 5, No. 2, 17-56.

¹⁰ Ibid.

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.

Michael Bratton's "Second Elections in Africa" argues a similar idea as the one asserted here—the competitiveness of elections is affected by resource dependence—but Bratton only covers the period from 1989-1997¹¹. 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.

Alan Gelb gives intercontinental comparisons of oil as a mixed blessing in Oil Windfalls, Blessing or Curse.¹² 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 gains countries experienced but asks whether they turned into a net loss and whether gains like these are too destabilizing to ever be beneficial. Gelb analyzes six countries with oil-based economies, Algeria, Ecuador, Indonesia, Nigeria, Trinidad and Tobago, and Venezuela.

¹¹ Bratton, Michael. "Second Elections in Africa," Journal of Democracy. (1998) Vol. 9, No. 3, 1998, pg. 51-66.

¹² Gelb, Alan. Oil Windfalls: Blessing or Curse? Published for the World Bank. Oxford University Press; New York. 1988.

Gelb mentions the discrepancy between countries with high amounts of private goods versus those with public goods. He questions how a windfall like in these countries could turn into losses unless a majority of the money was going to public and not private goods.

Nigeria's economy demonstrates the growth of dependence on one resource. The crude oil is the cleanest in comparison to most Oil Producing and Exporting Countries, lacking the sulfur that decreases profit. The dependence on this one source of income is discussed in, Nigeria: The Political Economy of Oil by Ahmad Khan.¹³ Arguably, oil is the backbone of the Nigerian economy, and because of this, different social and political aspects tie together to form a complex web of patronage networks. The multitude of ethnic groups separated by region competes for government revenues to funnel money into their specific state. Khan discusses the non-taxable nature of oil revenues that make it independent of the citizenry, as an important reason for the government's direct control of the economy and consequently the politics of the country. Ahmad Khan briefly compares Nigeria's economy of oil to that of Norway's, pointing out the differences in the countries from time of discover to now.

Causal Model

Hussein Mahdavy¹⁴ 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 population of people in the government. This kind of state passes the control of the resource down to political descendants. It is ruled by a small number of people with connections to the rents from the exportable resource. Underdeveloped states, dependent on one source of wealth such as oil or minerals, have been found to be superficially democratic, with one party ruling for long periods of time, though many hold "multi-party" elections. According to some political

¹³ Kahn, Ahmad. Nigeria: The Political Economy of Oil. Oxford; Oxford University Press, 1994.

¹⁴ Hussein Mahdavy, "The Patterns and Problems of Economic Development in Rentier States: The Case of Iran," in M. A. Cook, ed., *Studies in Economic History of the Middle East* (London: Oxford University Press, 1970), 428.

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.”¹⁵ G. Bingham Powell, Jr. agrees, stating in accordance 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.”¹⁶ According to Huntington’s definition, a majority of the states in the third world today only fulfill half of this definition: They carry out elections but these elections are not legitimate as 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. These theorists call the over importance given to the role of elections in democracy, the “fallacy of electoralism”¹⁷ argument. However, though these theorists argue too much weight is placed on the role of elections in determining democracy, it is simply because elections occur unjustly. Their argument is actually in accordance with a presumption in my argument—that elections are core components of democracy and can demonstrate democracy in states—*when they are competitive*.

A unique characteristic of the resource in Rentier states is its labor-free profit base. The state is unconstrained by labor forces in making decisions. Resources such as oil are not labor-intensive and therefore no collective bargaining will form to make the state accountable to the public. Governments that have this non-labor resource are non-responsive to the collective bargaining of the citizenry and therefore usually have a small minority of people in control of the government. The state does not worry about potential strikes and therefore, no public goods are distributed to please the labor force.

¹⁵ Huntington, Samuel P. “Will More Countries Become Democratic?” *Political Science Quarterly*. Vol. 99, No. 2, 1984, pg. 195

¹⁶ Powell, G. Bingham. *Elections as Instruments of Democracy: Majoritarian and Proportional Visions*. New Haven; Yale University Press, 2000. pg 3-4.

¹⁷ Bratton, Michael. “Second Elections in Africa,” *Journal of Democracy*, (1998) Vol. 9, No. 3, pg 51-52. Bratton refers to Terry Karl’s argument of the “fallacy of electoralism” here.

A Rentier state survives by siphoning revenues from the main export in the economy into the government, 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 ideology.¹⁸ This argument is similar to that of Bruce Bueno de Mesquita's, who argues that a small winning coalition can use private goods to keep electoral control¹⁹. As the size of the winning coalition grows, the government will not be 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 in control of the resource. The state is dependent on the revenues to win the next election. In many of these countries the resource was nationalized, to give the state complete control. Because the government is not dependent on the people for labor, and therefore not accountable to the people, the government only has to ensure that 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 are not necessarily authoritarian regimes, though the corruption and uninterrupted reign of the leaders would seem to demonstrate this. Often the states have a pretense of democratic elections. This gives a front of legitimacy to the leader, while winning the election is a result of patronage.

The state seizes and retains electoral support through three tactics attributed to Ross's examinations: "taxation," "spending" and the "group formation effect."²⁰ 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

¹⁸ Wantchekon, Leonard. Resource Wealth and Political Regimes in Africa. Comparative Political Studies. (Forthcoming).

¹⁹ Bueno de Mesquita, Bruce, Alastair Smith, Randolph M Siverson, and James D. Morrow. The Logic of Political Survival. Cambridge; The MIT Press, 2003.

²⁰ Ross, Michael. "Does Oil Hinder Democracy," World Politics. Vol. 53, No. 3, (April, 2001), 334.

(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 considering the United States government. Citizens do not receive public goods from the government, but then do not expect them and so do not press for democratic representation. This is the taxation effect.

Another means of gaining control over the electoral process is through the spending effect. The government uses the revenues received from the resource 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 stay in power. The government hands out private goods to the elite or 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 or not to risk losing the wealth they are receiving from the government if they think they can gain 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 aggregate support is the group formation effect. Through this avenue the ruling party uses the revenues to expand the military and then gain 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.

According to this causal model, the party or leader partaking in these strategies will gain an increase in 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.

Usually governments do not have enough money to buy legitimacy. This should mean that resource-poor ruling parties are in a predicament. If the only wealth a country receives comes from the labor force, and it is not an efficient 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. However, resource-poor countries have to find a way around the predicament of not being able to afford patronage. Some take advantage of the labor force, meaning they decide to be accountable to the electorate in a democratic manner. They provide private goods, and have found to be more stable than their resource-rich neighbors.

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 democracy and resource dependence. I hypothesize that testing the competitiveness of elections in these countries and correlating this data to the resource dependence of the countries will generate a significant relationship. 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. I use data compiled by the World Bank showing the number of service providers who pay bribes and the perceived level of corruption in states as confirmed by residents in each district of the state.²¹ The World Bank has compiled data on a majority of states, including Uganda, Botswana, among others. Also, Transparency International, a German-based organization compiles similar data on perceived and prima facie corruption in countries around

²¹ World Bank, http://www4.worldbank.org/afr/stats/sector_search.cfm

the world.²² Resource-rich countries will have in essence single-party rule, mostly with one leader as head for an extensive period of time, while resource poor countries will be switching leaders much 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.

The cases will differ on their level of resource dependence, but all will have elections. 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.²³ However, in order to ensure validity, controlling for fractionalizations among sample countries is imperative.

The level of GDP wealth and growth will be controlled in the analysis. The connection between high GDP could be correlated to mean the economy is doing well. 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.

Data set

A combination of Large-N and case studies are used to test empirical data and create a causal model for the hypothesis. My sample will consist of elections in African countries, whether democratic or not, separated into two planes: type of government (parliamentary or presidential) and level of resource dependence. Level of democracy will not be a determinant of my sample, as that, according to my test, is a subjective quality which I am testing through competitiveness of elections. I will be looking at data compiled by Matthew Golder to create my

²² Transparency International, http://www.transparency.de/Corruption_Perception_Index__C.280.0.html

²³ Chandra, Kanchan. "Ethnic Diversity and Democratic Stability," 2003

dependent variable, competitiveness of elections.²⁴ Golder separates African countries into four groups: Democratic/Dictatorial and then divided by government type (parliamentary or presidential). Since no country was ever completely parliamentary or presidential, I code for the type of government for each separate election held. The sample to be analyzed consists of 331 legislative elections and 172 presidential elections starting in 1946 and ending in 1996.²⁵ The competitiveness of these elections will be the dependent variable. As my hypothesis states, the dependent variable will depend on the level of resource dependence of the country.

Resource dependence is measured by the value of resource-based exports divided by GDP.²⁶ In choosing possible cases for my independent variables, oil and minerals, comparing the country's dependence on one source of income is important. I will select resource dependent and non-dependent states from this proportional measure of resource-based exports as a ratio of GDP. A resource dependent state collects a majority of its wealth from the export of one resource. The government has no other real form of monetary revenue. By using the Energy Statistics Yearbook 2000, generated by the United Nations Statistics Division, I will compare the ratio of GDP from oil to choose which countries are "resource dependent" and which ones are not. This source gives data on each type of fuel shown for individual countries and areas. The Yearbook is compiled from annual energy questionnaires distributed by the United Nations Statistics Division and supplemented by official national statistical publications. It includes annual data on importers and exporters of energy (coal, oil, and natural gas) and the capacity of petroleum refineries by type from 1950 to 2000. I will use the data from these country reports to put together data sets for my independent variables, oil and minerals. The World Bank has also put together data on oil and mineral exports as a percentage of the total merchandise exports. Leonard Wantchekon used this

²⁴ Golder, Matthew. "Africa: Dictatorial and Democratic Electoral Systems since 1946," in Colomer, Josep. Ed. *Handbook of Electoral System Design*. London: Palgrave; 2003. (Forthcoming).

²⁵ Ibid. (16-17).

²⁶ Ross, Michael L. "Does Oil Hinder Democracy," *World Politics*. Vol. 53, No. 3 (April 2001), 325-61. Ross explains here how resource dependence is defined and empirically measured.

data for his study.²⁷ I will also use the British Petroleum Statistical Review of World Energy, 2003 to help select oil-rich countries and create a set of data for my statistical analysis. The BP site gives annual data starting from 1965 on oil production for oil producing countries worldwide. Oil is the variable for countries dependent on oil while minerals includes all other countries whose governments are supported by gold, diamonds, copper and the like. Nigeria is a possible case study because of its oil wealth, which has driven the economic, political and social aspects of the country since its discovery. Since there are quite a few things to control for, such as GDP and social cleavages, I will include cases to ensure validity of the causal model.

While reading the works and studies mentioned above, I have collected a possible set of cases to study. I find resource dependent countries by looking at the ratio of fuel or mineral based exports as a proportion of GDP. The connection between resource dependence and government reliance on the resource will be made by looking at corruption data compiled by the World Bank and Transparency International. I will choose case studies by how resource dependent the states are and how intertwined in that resource the government is.

The CIA Factbook gives economic and political characteristics including the CIA's view on relative legitimacy of elections as well as the GDP levels in countries.²⁸ This was used as a cursory aid in developing a possible list of cases to use. Leonard Wantchekon's studies point out resource dependent countries in Africa. I investigated further to see if these countries matched my criteria for viable case studies. Libya, Nigeria, Algeria, Gabon, Cameroon, Uganda, Congo—Brazzaville, Togo, Sierra Leone, Guinea and Zambia are all possible inclusions to create a set of resource-rich cases to compare with the resource-poor cases. The first eight of these cases are petrol-states, dependent on oil. Togo is the world's fourth largest producer of phosphate, with phosphate making up a sizeable proportion of that states GDP. Sierra Leone's major source of

²⁷ Wantchekon, Leonard. "Why Do Resource Abundant Countries Have Authoritarian Governments?" Journal of African Finance and Economic Development 2002. Vol. 5, No. 2, 35.

²⁸ Central Intelligence Agency. The World Factbook, 2003.
<http://www.cia.gov/cia/publications/factbook/index.html>

hard currency is diamonds and though industry only accounts for 31% of GDP (22 % is services and 49% is agriculture), this country is a prime example of a resource-rich politically corrupt state where the opposition has no fair chance of gaining control. Guinea has enormous resources, being the second-largest producer of Bauxite containing 30% of the world's reserves, yet the elections are basically non-competitive as demonstrated by the ruler having been in power since 1984.

One significant source for a case study could be Zambia. It was dependent on its main resource, copper, for many years, yet because mineral prices are so low, the government is failing. The government cannot get enough revenue from the resource and according to the causal model, the government's ability to fund patronage and corruption depends on the way it controls the resource revenues. Zambia, though it is resource rich, does not receive the normally high revenues that being resource rich usually means. This may then explain why Zambia is one of the more democratic states in Africa—having held elections in 2002, with a change of leadership, and expected elections to be held in 2006. The last multi-party elections came out with the major parties receiving equivalent vote shares and many opposition parties getting a proportion of the votes. I will have to research how much the monitoring of the elections in 1991 played a part in the rise of the stability in the state.²⁹

Each country listed above has one resource, which it mainly depends on, and which does not need a large labor force. For the resource poor cases I would look at Mali, Chad, and Benin. Therefore, the government is in a different situation, hypothetically not having the funds necessary to create a network of political corruption and patronage.

Empirical Method

The dependent variable is the competitiveness of elections as determined by the ability of opposition parties to gain executive power. The independent variables, oil and minerals take into account how much of the economy is dependent on the natural resource. The study will control

²⁹ Bratton, "Observing Multi-Party Elections in Zambia," 1992.

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.

$$\text{Elections} = -a(\text{oil}) - b(\text{minerals}) + c(\text{Log GDP}) - d(\text{Social Cleavages}) + e(\text{Legislative dummy variable}) + f(\text{Presidential dummy variable})$$

The coefficients in my regression equation account for the relative importance of each of the variables. Oil and minerals are both negative, for hypothetically they will have a negative effect on the competitiveness of elections. 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 as well as my case studies, I look at Matt Golder's election data to test my dependent variable, competitiveness of elections.³⁰ For parliamentary elections, I will count the vote shares of the winning party, as well as the vote shares of the president or prime minister popularly voted into office. Since in some African countries, the president appoints the prime minister, (as in the cases of Algeria, Gabon and Chad),³¹ (or the prime minister/legislature appoints the president), in this kind of parliamentary system, I will count the vote shares for the head of state who is popularly elected, as well as counting the vote shares of the party in power of the legislature. For those countries where the prime minister and the president are both appointed

³⁰ Golder, Matt. "Africa: Dictatorial and Democratic Electoral Systems since 1946," in Colomer, Josep. Ed. *Handbook of Electoral System Design*. London: Palgrave; 2003. (Forthcoming).

³¹ Central Intelligence Agency. *The World Factbook*, 2003.
<http://www.cia.gov/cia/publications/factbook/index.html>

or elected by the legislature, not by popular vote, (as in the cases of Egypt, Mauritius and Ethiopia),³² I will only count the vote shares for the party in control of 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 from 1 – 100 (referring to the percentage of vote shares won by an individual or a party). A number on this scale correlates with a larger vote share for a party. I include a dummy variable (coded 0 – 1) to account for any effect caused by the type of government. A parliamentary system during the election will be coded 0, while a presidential will be 1.

The independent variable, resource dependence, will be coded 1 – 100, defined as the value of resource-based exports as a percentage of GDP. 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. The social cleavages variable will be coded according to Wacziarg's work on ethnic fractionalization in collaboration with the World Bank.³³ The data set provides measures of ethnic, linguistic and religious fractionalization for about 190 countries. This data, as opposed to the well-used Atlas Nardorov Mira data set, includes more definitions of fractionalization. The sample includes data on 51 of Africa's 54 countries. According to the authors, one main difficulty in measuring fractionalization is the fluidity of groups and the creation of groups by endogenous factors, such as migration. The authors take this

³² Central Intelligence Agency. The World Factbook, 2003.
<http://www.cia.gov/cia/publications/factbook/index.html>

³³ Wacziarg, Romaine, and Alberto Alesina, Arnaud Devleeschauwer, William Easterly Sergio Kurlat. "Fractionalization," *Journal of Economic Growth*, vol. 8, no. 2, June 2003, pp. 155-194.

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.³⁴

To control for GDP levels, I use the log of GDP per citizen 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 Leonard Wantchekon’s study to find data for this.³⁵

I test the causal model by looking at the case studies. By illustrating how governments take control of the revenues, and how the government or incumbent party uses the revenues to gain electoral support and twist the outcome of the elections demonstrates the causal model. The case studies will use the same regression equation except for one factor: corruption. By using the data from Transparency International, I will conduct a test that includes the level of corruption in a country, defined on a level of 1 – 5, with 5 being the most corrupt on a coded scale. Corruption arguably has a negative effect on competitiveness of elections.

Elections = – a(oil) – b(minerals) + c(Log GDP) – d(Social Cleavages) + e(Legislative dummy variable) + f(Presidential dummy variable) – g(Corruption)

Conclusion

This study intends to add to the large amount of research on African democracy by studying a more specific aspect of democratic states: elections. My intention is to find explanations for the lower rate of democracy in African states, and evaluate the hypothetical relationship between resource dependence and electoral competitiveness. Some problems I know

³⁴ Wacziarg, Romaine, and Alberto Alesina, Arnaud Devleeschauwer, William Easterly Sergio Kurlat. “Fractionalization,” *Journal of Economic Growth*, vol. 8, no. 2, June 2003, pp. 155-194. (2)

³⁵ Penn World Tables in Wantchekon, Leonard. “Why Do Resource Abundant Countries Have Authoritarian Governments?” *Journal of African Finance and Economic Development* 2002. Vol. 5, No. 2, 35.

I will encounter along the way have to do with my controls, for which there seem to be an unending supply. The effect of colonialism on democracy in African states should be accounted for, yet how does one control for something which characterized more than 400 years of politics around the world? These things need to be answered before the study is finished, to ensure a correct analysis of the data. There are some studies which account for this factor, but I cannot see how aggregating all the effects of colonialism into one control can possibly deal with the problem.

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