Why Do Resource-Rich Transitional Democracies have Different Rates of Political Stability?

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Why Do Resource-Rich Transitional Democracies have Different Rates of Political Stability?

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An Honors Thesis Submitted to the Department of Political Science
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**Introduction:**

Why do some regimes survive while others fail? Many existing studies investigate if natural resources impact political stability. Other research emphasizes the impact of a state’s institutional structure on political stability. My research synthesizes the two existing areas of study and highlights the differing mechanisms that are sufficient for facilitating political stability within resource-rich transitional democracies. In other words, while controlling for resource wealth, why do transitional democracies still experience different rates of political stability?

Variation in the political stability of states generates opportunities and constraints for domestic actors. How do the opportunities and constraints in Saudi Arabia differ from those in the Democratic Republic of Congo? Why is the potential to be born in a stable regime equally as likely as growing up in an unstable regime or a failed-state? The arbitrary luck of the world has encouraged further research into why some states succeed and others fail.

The opportunities a domestic actor has are largely determined by the institutional structure they were born into. The domestic actor has no control over where he or she is born. Geographic determinism forces humans to operate under levels of uncertainty. Outcomes in the world that are *only* explained by chance and luck are often inadequate. We should pursue certainty even if the ability to access certainty is difficult. Furthermore, it is not enough to be certain that luck plays a role in human outcomes. This would be similar to asserting that troop movement played a role in the outcome of World War II. While it is true, it negates the deeper factors that allowed troop movement to differ between armies, such as the development of the fighter jet and the Panzer Tank. Studies have investigated the impacts of jets and tanks on warfare outcomes. Similarly, it is necessary to investigate the impacts that specific institutions have on a domestic actor’s behavior.
A better understanding of the mechanisms that facilitate political stability will grant more states the opportunity to engage in measures that promote political stability and will provide future generations with the ability to generate more efficient policy measures. It is clear that social scientists who are products of stable regimes have an obligation to investigate the determinants of political stability. More efficient mechanisms can be discovered by questioning the conventional paradigms of economic and political thought that remain unable to explain the arbitrariness of outcomes associated with political stability.

**A Theory of Political Stability for Resource-Rich Transitional Democracies:**

Regime type and political stability are correlated but not causally related (The World Bank, 2017). As a result, varying degrees of political stability cannot be reduced to a regime type. Out of 195 sovereign states in the world, 103 are considered stable (World Bank, 2017). 58% of the world’s citizens live under democratic systems, while 39% live under autocratic rule (DeSilver, 2017). Out of 39% of autocratic states, some exhibit strong authoritarian tendencies and experience continuous political stability, while others remain in cyclical revolution. Out of the 58% of democratic states, some experience durable and long-lasting political stability, while other fail to establish any degree of institutional performance\(^1\). While the relationship between regime type and political stability is not supported by the evidence, variations in institutional performance provide a more promising explanation for why a state may thrive or fracture.

The presence and structure of political and economic institutions is significant on both an actor’s intent to establish new institutional structures and the influence prior institutional structures have on the actor’s intent. A resource-rich transitional democracy can remain stable for significant lengths of time while confronting an array of internal disputes. Conversely, other

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\(^1\) Institutional performance is defined as an inclusive institutional structure that protects civil rights and property rights (Shin, 2019).
resource-rich transitional democracies can fragment and crumble under minor pressures. The determinants that ensure long-term stability or guarantee the political demise of a regime can be explained by the actors and the environments in which they operate. In this theory, I will offer conditions that are sufficient for political stability to occur. Through further examination, I will show that these conditions provide a potential explanation for why the current political environments and institutional structures of two resource-rich transitional democracies (Venezuela, and Trinidad and Tobago) differ so greatly. The theory will first introduce the primary actors involved: indigenous and colonial factions. Next, the secondary actors will be the actors that emerge following initial colonial contact. Both primary and secondary actors have significant impacts on the institutional make-up of a territory. Conversely, the institutional landscapes have significant impacts on the primary and secondary actors involved. As a result, the interaction between both actors and institutions generate outcomes that are either sufficient or insufficient for facilitating political stability.

First, let us discuss the general importance of institutions for facilitating political stability, beginning with economic institutions. It is known that the economic components and economic institutions of a state are significant for promoting political stability (DeFronzo, pg. 11, 2015: Paine, pg. 728 – 729, 758 – 759, 2016: Przeworski, Adam, et al, pg. 35, 1996: Powell, pg. 1036, 2012: Morrison, pg. 106, 2009: Wantchekon, n.pg. 2002: Fosu, pg. 344, 2002). In many circumstances, stable and robust economic institutions are the most significant. Moderate economic growth, declining levels of inequality, and a favorable international climate can facilitate political stability (Przeworski, Adam, et al, pg. 35, 1996). Economic systems can be divided into inclusive or exclusive forms. An inclusive economic system provides equal access to opportunity, while an exclusive economic system is filled with obstructive barriers to entry,
regulations inhibiting effective market functions, and a failure to secure basic rights. Exclusive economic systems benefit elite and politically-powerful citizens through the extraction of resources from the populace (Acemogul and Robinson, Chapter 3, 2012).

The driver for stability must extend beyond economic factors. It is known that political institutions influence political stability (DeFronzo, pg. 11, 2015; Acemoglu and Robinson, Chapter 3, 2012; Przeworski, Adam, et al, pg. 39 – 45, 1996; Fearon and Laitin, pg. 2, 2007, Powell pg. 1037, 2012). The structure of political institutions and their governing bodies has significant impact on both the political stability and political outcomes of a state (Fearon and Laitin pg. 1: Powel pg. 1036-1037, 2012). Furthermore, political institutions are important as a means of producing economic growth (Acemoglu and Robinson, Chapter 3, 2012; Przeworski, Adam, et al, pg. 39 – 45, 1996). Within less wealthy regimes, stable political institutions are the most significant factor (Przeworski, Adam, et al, pg. 39 – 40, 1996).

Now, let us describe the actors involved, beginning with primary contact to the territory. To begin to understand the domestic actors within a state, we must first understand the origin and intent of the actors involved. The primary actors within a state can be separated into foreign and indigenous classifications. Foreign actors tend to produce significant alterations to the environment of indigenous actors, especially if these alterations benefit the foreign actors involved (Diamond, 1999). This assumption holds more weight if foreign actors have greater access to monetary resources and political power than that of the indigenous actors. Furthermore, established evidence demonstrating the impact of foreign entities on indigenous populations supports the assumption that foreign actors tend to produce more significant alteration to the domestic environment of indigenous populations (Diamond, 1999; Clint Carrol, 2017). Primary actors show that significant structural change is more likely to occur if foreign entities interact
with indigenous actors. Conversely, structural change is less likely to occur within an indigenous occupied territory if indigenous populations are left to their own devices. It should be noted that structural change does not portend to political stability. The initial structural changes undertaken by foreign actors often produces significant instability.

One kind of significant foreign actor is a colonial power. In the past, colonial powers have idealized indoctrination, imposed servitude and slavery, and terminated entire groups and cultures. While these unsettling truths are valid and may haunt our moral landscape, colonization impacts the institutional structure within a state. Colonial actors broke existing cultural connections among indigenous groups and fragmented the identity of native tribes (Diamond 1999; Clint Carrol, 2017). Identity fragmentation resulted in reduced group cohesion and a diminishing mutual identity. As this separation occurred, new groups formed out of the old groups. An unintended consequence of colonial conquest was often the creation of new identities and structures. These changes did not need to occur in a persistent manner, but rather as shocks to the system (Maseland, 2017). These shocks often produced significant repercussions on the economic and political institutions within a state. Some shocks yielded stronger institutional performance, while others have led to the collapse of the entire socio-political environment.

The length of time in which a colonial shock remains significant to the institutional landscape is contested (Maseland, 2017; Acemoglu, Daron, et al, pg. 1369; Paine). Under certain conditions, colonial shocks have temporary, short-term repercussions on institutional development (Maseland, pg. 259, 2017). Additional evidence suggests that, “these early institutions have remained persistent to the present” (Acemoglu et al, pg. 1395), while others find that the impact of a colonial legacy on the institutional structure is most significant following independence (Lee and Paine, 2017). Additionally, independence can negatively
impact political stability if independence is either granted under prematurely-developed institutions or if independence is achieved through institutional overthrow (Grindle, 2000).

The conditions that determined the effectiveness of colonial shocks are based on the origins of colonial powers and their decision to settle within colonies (Acemoglu et al, pg. 1369,1395, 2001; Facts on File, n.pg; Glaeser and Shleifer, pg. 1193, 2002). A colony of the British Crown was more likely to experience political stability than a colony under the French or Spanish. While all three colonial powers were allegiant to their respected monarchs, British representatives were given greater autonomy, while French and Spanish colonizers were, “servants of the Crown” (Facts on File, n.pg). Colonial operations for the French and Spanish were strictly bound by the interests of their autocratic ruler. British colonizers were only bound by the requirement to enforce British law, so they enjoyed far more autonomy and self-determination (Facts on File, Glaeser and Shleifer, 2002). The institutional structures formed within British colonies could meet settlers demands, so long as they aligned with British law. Institutions formed under the British consequently incentivized more immigration to their colonies than any other colonial power. “By 1754 total population in the English colonies had grown to 1.5 million…conversely… French colonies never broke 100,000 settlers …while the Spanish prioritized military force over settlement” (Facts on File, n.pg.).

A colonial power’s decision to inhabit a colony largely impacted the success of the colony’s institutions as a means of producing political stability (Acemoglu et al, pg. 1369). When colonial actors chose to inhabit a colony, inclusive institutions were more likely to be established. When actors of a colonial power did not inhabit its territory, exclusive and extractive institutions were more likely to be formed. In the minds of colonial actors, the decision to inhabit a colony was predominantly grounded on the mortality rates within the region (Acemoglu et al,
Furthermore, the initial decision to inhabit a colony often incentivized further immigration to the colony. Increased immigration benefited political stability and economic development through the formation of a middle-class and the institutional demands that followed (Grindle, 2000; Wooding 1960).

Domestic actors can change the institutional structures through constitutional consolidation, constitutional reform, or institutional overthrow. Constitutional consolidation reinforces existing institutional structures, while constitutional reform attempts to alter the current institutional structures through either peaceful or violent measures (Andreev, 2003; Stepan and Skach, 1993). Additionally, acts of constitutional reform “reduce the likelihood that significant changes will be made to a Westminster system of government” (Elkins et al, 2011, pg. 10). It should be noted that an act of constitutional consolidation for one state may be an act of political reform for another. For example, within a democracy the act of expanding the number of parties in a political system is a form of constitutional consolidation, while within an authoritarian regime it is a form of constitutional reform.

Civil wars and coup attempts can both be used as a means of facilitating constitutional consolidation, constitutional reform, or institutional overthrow. Civil-wars and coup attempts can both have negative impacts on the institutional structure within a country. Most theorists agree that there needs to be a trigger for intra-state war to occur (DeFronzo, pg. 11, 2015: Gurr, pg. 18, 2015: D'Orazio and Yonamine, n.pg. 2015: Fearon and Laitin pg. 1-2). A revolutionary movement is defined as a social movement in which the group involved seeks to significantly alter or totally replace existing social, economic, or political structure (DeFronzo, pg. 11, 2015). For a revolutionary movement to occur, there must be frustration and discontentment within society (DeFronzo, pg. 11, 2015: Gurr, pg. 18, 2015). “Mass frustration” occurs when a majority
of citizens in a society are disappointed with its current political, economic, and social functions (DeFronzo, pg. 12, 2015). Coups can be differentiated into three categories: coup d’états, abortive coups, and coup plots (Fosu, pg. 329-348, 2002). Coups can have negative impacts on a country’s political stability and economic growth, regardless of the type (Alesina et al. 1996: Fosu pg. 345, 2002: McGowan and Johnson, pg. 633, 1984).

Resource revenue often gives a state the ability to consolidate the existing institutions, if its institutional structure allows it. Resource revenue is particularly significant for maintaining political stability because of the leverage it provides the state (Luong and Weinthal, 2010: Morrison, pg. 106, 2009, Paine, pg. 728 – 729, 758 – 759, 2016: Powell, pg. 1036, 2012). In both regime types, non-tax revenue is shown to increase social spending on the general populace (Morrison, pg. 106, 2009). Additionally, patronage funding of the military is particularly important (Paine, pg. 728 – 729, 758 – 759, 2016: Powell, pg. 1036, 2012). When a state has excess resource wealth, the government can arm the military with the revenue, offer the challenger a share of the revenue, and reabsorb any residual revenue. Conversely, the challenger can either accept the patronage of the state or initiate civil war (Paine, pg. 728 – 729, 758 – 759).

Oil wealth often gives a state more leverage to deter civil wars or coup attempts and initiate compelling patronage (Paine, pg. 728 – 729, 758 – 759, 2016: Powell, pg. 1036, 2012).

In conclusion, a foreign actor’s interaction with indigenous inhabitants is sufficient to produce structural changes to the indigenous environment. Structural changes can be more significant if the foreign actor has greater economic resources and political power. Colonial powers are significant foreign actors with large economic resources and political power, giving them a significant ability to fragment existing structures and superimpose new ones. Superimposed structures differ based on the colony that imposed them and whether the colony
decided to inhabit the territory. Out of these differing structures emerged domestic actors who could seek constitutional consolidation, constitutional reform, or institutional overthrow. Constitutional reform is more likely to occur under inclusive colonial institutions, while constitutional consolidation or institutional overthrow are more likely to occur under extractive colonial structures. Constitutional consolidation and constitutional reform measures undertaken within a colonial structure tend to produce outcomes that facilitate political stability. Conversely, institutional overthrow measures undertaken within a colonial structure may facilitate temporary stability but will result in long-term degradation. If constitutional consolidation is initially allowed to occur, resource wealth will exacerbate the mechanisms responsible for consolidation. If a country’s institutional structure does not allow for constitutional consolidation, resource wealth will have a low-to-moderate impact on the political stability or instability of the state.

*Trinidad and Tobago: A Case Study*

The Republic of Trinidad and Tobago is comprised of two Caribbean islands off the northeastern coast of South America. The resource-rich country has been fraught with social conflict but continues to be politically stable. Currently, political affairs in Trinidad and Tobago show similarities to those of a functioning democracy. The current constitution was signed in 1976 (Marshall and Gurr, 2011). The constitution operates with a three-branch system of government and attempts to ensure a balance of power among the branches. The executive body includes a head of state as the president and the head of government as the prime minister. The president is directly elected, while the prime minister is appointed. The legislative branch is bicameral and incorporates both a House of Representatives and a Senate. The House of Representatives is directly elected, while the senate is appointed by the president and requires advice from the prime minister. Lastly, the judiciary branch operates independently but has been
criticized for its lack of effectiveness (Marshall and Gurr, 2011). In 2010, Trinidad and Tobago had a combined polity score of ten reflecting a strong democracy rating. Additionally, regime change in Trinidad and Tobago has not occurred for 48 years, represented by a durable rating of 48. The last significant regime change occurred in 1962 (Marshall and Gurr, 2011).

The reasons for the maintenance of political stability in Trinidad and Tobago can be attributed to the political and economic institutions that were established by competing colonial legacies. These colonial legacies created a basis for the institutional structure in Trinidad and Tobago for two reasons. First, the demands of the colonizers created an institutional basis for limited government and economic access for foreign actors. Secondly, these competing colonies generated a level of mass frustration needed to moderately reform the institutional structures towards inclusivity. The history of Trinidad and Tobago illuminates the competing colonial powers that occupied the territory and the actors that were benefitted or constrained by the evolving environment.

Prior to colonization Trinidad, the larger island, was occupied by the Arawak tribe, while Tobago was occupied by the Carib tribe (Commonwealth, pg. 1). Many tales regarding the two indigenous tribes, and their aggressions or tolerances are rumored around the Caribbean. However, it is estimated that, “all Carib’s had been killed off by Dutch settlers,” as was the case

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2 The polity variable focuses on, “authority patterns of state operation in the world system” and incorporates measures such as electoral competitiveness, executive constraints, and executive election or appointment processes. The combined polity score is derived from subtracting a states autocracy score from the state’s democracy score. A score of positive ten reflects a strong democracy rating, while a score of negative ten reflects a strong autocracy rating (Marshall and Gurr, 2011).

3 The durable score represents the amount of years since the most recent regime change. Regime change is defined as a three-point shift on the polity index within three years. The durable variable begins at 0 with the initial regime and adds one unit for each year the regime remains in power. The durable variable resets to zero when regime changes occur (Marshall and Gurr, 2011).
for the Arawak tribe by the 17th century (Commonwealth, pg. 1). The islands were first discovered by Christopher Columbus in 1498 (Commonwealth, pg. 1). On his third voyage, Columbus became the first entity to extract resources from the islands on behalf of a foreign actor (Wooding, 1960, pg. 143). The islands remained under Spanish control for nearly 200 years, following the first established colony in 1592. In 1783, a Cedula initiated by the King of Spain brought small numbers of aristocratic French agriculturalists and their slaves to the region (Wooding, pg. 144). The Cedula was the first significant shift in migration policy for the Spanish Crown. In Trinidad and Tobago Spanish structures offered no level of institutional performance.

The migration and importation between the 18th and 20th centuries produced an intermingling of slave owners and their slaves and generated differing degrees of societal status. In 1797, the British overtook the Spanish Colony and enacted the Treaty of Capitulation (Wooding, 1960, pg. 145). Articles within the treaty extended private-property protections to Spanish inhabitants as well as those falling under the emerging “free-colored” classification. Soon after, Trinidad became an official colony of the British Crown and a legislative council was established (Commonwealth, pg.1-3). To conclude, the period of immigration and labor importation began under the Spanish Crown but was greatly exacerbated under British rule (Commonwealth: Wooding, 1960).

Demands for limited representation increased in prevalence as more domestic actors emerged within the colonial structure. While these demands for representation were most certainly “aimed at excluding any but white inhabitants from participation,” the demands set the stage for constitutional reform (Wooding, pg.149, 1960). In 1831, a legislative and executive council was established. While these councils were under direct rule of the Crown through an
appointed governor, Trinidad and Tobago achieved a degree of representation (Wooding, pg. 150).

Mass immigration to Trinidad continued under the British Crown. Following the abolition of slavery, colonizers turned to import indentured servants of Chinese and Indian origin (Wooding, 1960, pg. 146). Tobago, now under the British Crown after a period of French control, began to experience negative economic and political impacts due to the abolition of slavery as well as contributing global factors. In hopes of restoring economic order, Trinidad united with Tobago in 1888 (Commonwealth, pg.1; Wooding, 1960, pg. 146). “The laws of Trinidad were extended to the smaller island of Tobago and the financial accounts were merged” (Commonwealth, pg.1: Wooding, 1960, pg. 148).

Following the unification of the two island colonies, the constitutional structure began to develop and evolve. A level of trickle-down education had reached some rural, economically-impotent sectors of the colony. Furthermore, an adequate international climate fueled by the Bolshevik Revolution and labor disturbances throughout the Caribbean provided the grounds needed for constitutional reform. The initial foundation of the electoral system was introduced in Trinidad and Tobago in 1925, becoming the first time a member of the legislative council was elected to their position. During the 1925 elections, strict voter qualifications were implemented that resulted in an electorate that was comprised of only six percent of the population (Wooding, pg. 151, 1960).

Elections were far from fair or frequent, yet electoral expansion gradually increased with time. Reforms were made as a result of growing mass frustration. Reforms to voter laws removed an English language requirement, mandating only a two-year residency within the colony prior to registering to vote (Wooding, pg.157, 1960). As a result, the 1946 election
produced the most participation to date and appointed the first female to the state legislature (pg.157). The eligible voting group rose to approximately 50% of the adult population in Trinidad and Tobago (pg.158). By 1948 Trinidad and Tobago was considered to be “one of the most advanced territories of the time that still maintained colonial occupancy… it was executive in fact as well as in name” (Wooding, 1960, pg. 157).

The 1956 elections produced more constitutional reform measures that established a self-governing political system and implemented a bicameral legislature. As reform measures continued, more domestic actors gained institutional access and were provided with a bargaining platform against their colonial ruler. Independent movements in Trinidad and Tobago began in 1958. Trinidad and Tobago was granted independence from the British Crown in 1962 and became The Republic of Trinidad and Tobago in 1976 (Commonwealth, pg. 2).

The institutions that were reformed during this period were rigid and demanded evolution, yet their structures mimicked that of their colonial establishers. These institutions have, “been largely faithful to the Westminster system of government” (Elkins et al, 2011, pg. 6). Trinidad and Tobago remains the most constitutionally-active state within the Caribbean in respect to constitutional reforms, yet the reforms have not dramatically altered the institutional structure within the country. A large amount of the institutional structure has remained the same as the structure that existed at the time of independence (Elkins et al, 2011, pg. 6, 10). Over recent decades, new natural gas reserves and technological advancements have increased party divides and ethnic conflict within Trinidad and Tobago (Marshall and Gurr, 2011). While politics have become more contentious, the institutional performance of the country remains sound.
Additionally, the British Crown’s settlement and immigration policies still have residual impacts on the demographic composition of Trinidad and Tobago. The population of Trinidad and Tobago is 1.3 million people as of 1990. The demographic makeup is composed predominantly of Indian and African ethnicities, who account for 80% of the population. The residual 19% is classified as Mixed race, while the remaining fractions are designated under White, and Chinese labels (National Census Report, 1990).

**Venezuela: A Case Study**

Venezuela is a Latin-American country along the Caribbean Sea in the northeastern portion of South America. Venezuela is comprised of 23 states and one capital district. The current constitution of Venezuela was signed in 1999. The constitution operates with a three-branch system of government that is dominated by executive overreach. The executive is the president of the country. Presidents of Venezuela have utilized varying forms of executive consolidation which include: the direct election of the executive, the appointment of the executive, and the elimination of executive term limits. The legislative branch is unicameral and incorporates a National Assembly which offers direct election of representatives but is primarily overseen by the executive. In theory, Venezuela has a judiciary branch that operates independently, however in practice the judiciary has been largely inefficient and is subject to outside influences, primarily those of the executive (Marshall and Gurr, 2011). In 2010, Venezuela had a combined polity score of negative three reflecting a weak autocracy rating. As of 2010, Venezuela has undergone three significant regime changes within three years, shown with a durable rating of one. As of 2010, the last significant regime change occurred in 2009 (Marshall and Gurr, 2011). Current events in Venezuela display that regime change still remains present.
Venezuela has plagued the recent geopolitical environment with conflict and debate surrounding the regime of Nicolas Maduro. The executive seat within Venezuela has emerged as a political pawn to be fought over due to the amount of institutional control the seat holds. The Maduro regime has consolidated institutional power, producing a socio-political vacuum that has reduced basic living standards for the Venezuelan people.

In January of 2019, The Venezuelan National Assembly appointed Juan Guaidó to be the country’s legitimate leader (Vox, 2017). Discussion regarding the new president and questions of international recognition remain front and center. The White House recognized president Guaidó as the legitimate president of Venezuela within 30 minutes of the National Assembly’s appointment (1600 Daily, 2019) During these political disputes, the Venezuelan people remain in a 90% electricity blackout (1600 Daily, 2019; Al Jazeera, 2019). Conditions in Venezuela have produced party fragmentation and have resulted in the emergence of two rivalrous socio-political groups (Al Jazeera, 2019). One of the movements, fueled by Maduro supporters, emphasizes anti-imperialist ideology directly in line with the contemporary Bolivarian movement. The other movement, encouraged by Juan Guaidó, stresses the severity of the economic structure in the country and encourages protestors to take to the streets during every blackout (Al Jazeera, 2019).

To understand the current events of Venezuela we must dive into its history, beginning with the initial contact of primary actors. We must critically view the structure of institutions and how they have evolved over time within the country. Then, can we understand the operational domestic actors in Venezuela and the constraints those actors face.

The story of Venezuela begins with tribalism and Spanish conquistadors. The geographic area of Venezuela was occupied by a range of tribes and cultures. This region is considered to be one of the most densely-populated regions prior to colonial contact, with several million
indigenous inhabitants (New Internationalist, pg. 12, 2006). Many of these groups formed agriculturally-based societies in which the productivity of the region was predominantly determined by the climate of the central plains (Binford, pg. 235-236, 244-245, 1997). These agriculturally-driven societies produced many basic systems of infrastructure for transportation and trade (New Internationalist, pg. 12, 2006). The first colonial contact with the region was made in 1498 by Christopher Columbus (Grindle, pg 40, 2000). During this journey, Columbus claimed to have found the, “Garden of Eden” (New Internationalist, 2006). Trade routes for gold, cocoa, and slave markets made the Caribbean coastline economically valuable to the Spanish. The period that followed was plagued with wars between colonial powers and the indigenous populations (Grindle, pg. 40 - 47, 2000; New Internationalist, 2006).

The first colonial settlement within Venezuela was the modern-day city of Cumaná. Furthermore, Cumaná is historically the “oldest European settlement on the mainland of South America, established in 1521” (Britannica, 2015). Many European settlements during this time were in constant threat of being decimated by indigenous populations. Diego de Losada, a Spanish conquistador, fought to establish the modern-day capital of Caracas which was formally named Santiago de León de Caracas in 1567 (New Internationalist, pg. 12-13, 2006). A cabildo or town council was formed, that projected increasing levels of authority over the Venezuelan territory in the interest of the Spanish Crown. Caracas gradually emerged as an economic and political epicenter for Venezuela during the 17th and 18th centuries. The Captaincy General of Venezuela was established in Caracas in 1777, becoming the first recognized political organ of the Venezuelan government (New Internationalist, pg. 12, 2006). Spanish conquest of the region was incentivized due to the large profits the cocoa industry was producing. African slave trade and indigenous enslavement both increased during this period. Extractive institutions that
provided the Spanish with resources and labor were further consolidated. A class system based on race and ethnicity emerged within Venezuela. Under the class system, Spanish descendants were socially superior. White islanders emerged as the middle class, while African slaves and indigenous populations were considered to be the most inferior (Grindle, 2000; Azzellini, 2009). Though these classifications were introduced, the extractive environments were only responsive to the needs of Spanish descendants.

Simón Bólivar and Antonio José de Sucre are two products of the extractive interactions between the Spanish Crown and indigenous populations. Simón Rodriguez (Bólivar) was born in Caracas in 1783 (Britannica, n.pg. 2015) and Antonio José de Sucre was born in Cumaná in 1795 (Britannica, n.pg. 2019). Both Venezuelan natives were born into local aristocracies that were able to take advantage of the colonial schooling systems within Caracas. After supporting a movement against the Spanish Crown, Rodríguez was sent to live in exile in France. During his time in France, Rodríguez came in contact with enlightenment philosophers who professed doctrines of self-autonomy (Azzellini, pg. 414, 2009). After encountering the ideas of Rousseau, Rodríguez returned to Venezuela and decided that, “there is a need to create innovative models of self-government as opposed to importing extractive European models to South America” (Azzellini, pg. 414, 2009). Early forms of Bolivarianism emerged out of growing adamancy towards European styles of government and social movements that spread across indigenous populations and were expressed through slogans such as, “free land and free people” (Azzellini, pg. 414-415, 2009).

After more than three centuries of colonial rule under the Spanish Crown, the stage for Venezuelan independence was set. In 1813, Simón Rodriguez, now Simón Bolívar, returned to Venezuela in hopes of capturing the city of Caracas (Azzellini, pg. 415, 2009). Following
disputes with José Tomás Boves, a military leader, Bolivar was forced out of Caracas and fled to Jamaica. Those closely allegiant to Bolivar, such as Antonio José de Sucre, kept the movement afloat (Britannica, n.pg. 2019). Following Bolivar’s return in 1819, the royalist military forces were ousted, and Caracas was secured by the proclaimed Bolivarians. In 1821, The Constitution of the Gran Columbia was signed by Bolivar, the new president (Grindle, pg. 41-44, 2000).

To conclude, Venezuelan independence occurred through a violent eleven-year war between Spanish loyalists and the Bolivarian independence movement. The Bolivarian movement, in large part, allowed Venezuela to be one of the first territories in the Spanish-Americas to declare independence from Spain (New Internationalist, pg. 12, 2006). While Venezuela was able to achieve independence from the Spanish, “it could hardly be said that the country of Venezuela existed between the 1830’s and the 20th century” (Grindle, pg. 51, 2000).

The period that followed in Venezuela has been referred to as the era of democratic-caesarism in which dictators attempt to govern the masses (New Internationalist, pg. 13, 2006). Battles between Bolivarian loyalist and caudillismos 4 continued for the next century. “Between 1830 and 1935, Venezuela endured 13 differing governments over the course of thirty-two significant revolutions and more than a hundred minor uprisings” (Grindle, pg. 41 2000; Z). In 1908, General Juan Vicente Gómez gained control of the Venezuelan institutions. Gómez aspired to create a centralized and stable state that suppressed dissenting opinions. Gomez famously stated, “A dictatorship is an adequate form of government for primitive non-white Venezuelans” (New Internationalist, pg. 13, 2006). Gómez’s institutional consolidation and the Mexican and Russian revolutions provided university students in Caracas with the mass frustration needed to facilitate an uprising (Grindle, pg. 44, 2000). Many of the protestors were imprisoned under the

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4 Military strongmen whose rule was based on force and their position of power. (Grindle, pg. 40, 2000)
Gómez regime. Notable individuals that were imprisoned included Rómulo Bentancourt and Raúl Leoni who would both become future presidents of Venezuela. “Modern political parties in Venezuela date back to the 1930’s where their identities were born in opposition to dictator Gómez” (Grindle, pg. 44, 2000; Azzellini, pg. 414 – 415, 2009). After Gómez’s death in 1935, all of the Gómez family and close caudillismo loyalists were killed. An age of short-term stability followed by mass political and social unrest emerged in Venezuela (New Internationalist, pg. 13, 2006).

Through this political era, Venezuelans quickly became confined to a dichotomous paradigm where centralism was the only alternative to political instability. The period of democratic-careerism illustrates that government centralization was adequate for facilitating short-term political stability (New Internationalist, pg. 13, 2006; Grindle, pg. 47-51, 2000). Pragmatically, the paradigm of centralization did produce a level of short-term political stability for the country. Between the 1950’s and 1980’s, Venezuela was defined by peaceful transitions of power between the two primary parties, the Christian Democratic Party (COPEI) and the Democratic Action Party (AD) (Marshall and Gurr, 2011). Globally, the demand for oil grew and the extraction methods became more advanced. Within Venezuela, rising oil revenues continued to strengthen the government’s ability to facilitate compelling social welfare programs in order to remain in power (PBS, 2008).

The 1989 political and economic collapse was driven by: failing oil prices, economic degradation, and mass political frustration. A new Venezuela emerged, this time a contemporary Bolivarian republic, inspired directly after the liberator from oppression, Simón Bolivar (PBS, 2008). Contemporary Bolivarianism displays disdain towards neo-liberal ideals and embraces populist tendencies. “Contemporary Bolivarianism has become a set of political ideals…” and
values…without a clearly defined theoretical framework and is thus always a work in progress” (Azzellini, pg. 413, 2009). In reality, contemporary Bolivarianism is based on ideals and offers no foundational framework (Azzellini, pg. 413-415, 2009).

The determinants for institutional collapse in 1989 became the campaign platform for Hugo Chavez. Venezuelans were hopeful that the economy would be improved, and mass frustration would be reduced. Who could better fulfill hopes for economic and political improvement than a populist strong-arm who specialized in mass propaganda? Hugo Chavez capitalized on the fragile institutions and centralized structure of the country and rose to be a populist figure-head within Venezuela. “Within nine years Chavez made more than 152 changes to his cabinet through a public broadcast called Alo Presidenté” (PBS, 2008). Alo Presidenté displayed the centralized power of the executive and his ability to question and ridicule any member of government. These Sunday propaganda pieces fed into the narrative being sold to the people. This narrative told a story of government figures and ministers under Chavez, who were publicly responsible for the conditions of the country (PBS, 2008)

In the early 2000’s, 60% of Venezuela oil was purchased by the United States. As U.S. investments decreased, Chavez quickly turned to producing new institutional alliances with countries such as China, Russia and Iran. In recent decades, citizens have expressed concerns regarding the political efficiency of their oil-rich state. However, concerns of political efficiency are often reduced when a new social-welfare program is implemented. Nicolas Maduro assumed power in 2013 and has continued the Chavez methodology of governance which includes: centralization, consolidation and charisma (Vox, 2017).
**Analysis:**

<table>
<thead>
<tr>
<th>Country</th>
<th>Trinidad and Tobago</th>
<th>Venezuela</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign actor present</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Primary foreign actor is a colonial power</strong></td>
<td>Yes, initial contact was made by the Spanish Crown followed by the implementation of a Westminster government under the British.</td>
<td>Partially, the Spanish Crown made contact in the region however, the territory was also subject to other foreign influences before and after colonial contact.</td>
</tr>
<tr>
<td>One of the colonial powers was the British Crown</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>The colonial power chose to settle in the colony</td>
<td>Yes, inhabited colonies in very <em>large</em> numbers.</td>
<td>No, failed attempts to inhabit in <em>small</em> numbers were made.</td>
</tr>
<tr>
<td><strong>The colonial power incentivized migration to the colony</strong></td>
<td>Yes, mass migration of British, French and Spanish decedents. Institutions brought millions of inhabits to the Americas.</td>
<td>No, weak migration incentivizes existed under the Spanish Crown. Migration was used only to establish the institutions needed for the extraction of resources and labor (A matter of discovery and conquer).</td>
</tr>
<tr>
<td>Institutions established under the colonial power</td>
<td>Strong presence of institutions. Institutions were autonomous in structure with limited and restrictive operations. Strong institutional performance.</td>
<td>Weak presence of institutions. Institutions were centralized in structure with extractive and exploitative operations. No institutional performance.</td>
</tr>
</tbody>
</table>
**Implications:**

First, a colonial legacy has the most significant impact on institutional performance and political stability in transitional-democracies, if the colonial legacy is operating under British law. The impact of colonial influences is significant for states that are either established...
democracies and/or are politically stable. These states include developed democracies such as the U.S. and Australia, as well as politically stable regions such as Hong Kong. This argument does not entail British superiority, but simply a difference in objective between British and Spanish colonizers. The objective of British colonizers was to restrict and limit access to the institutions they created, while the Spanish colonizers emphasized force and extraction in direct accordance with the Spanish Crown.

Secondly, resource wealth tends to have a negative impact on political stability of transitional democracies. The severity of the impact depends on whether resource wealth has allowed constitutional consolidation. The impact on political institutions is ultimately determined by whether the institutional structure allows or prevents constitutional consolidation. While resource wealth in Venezuela has produced social-welfare nets with short-term impacts, the effectiveness of the system depends on the coercive powers of government and the amount of resource revenue the state holds. Because resource wealth has exacerbated constitutional consolidation measures, the destabilizing impacts of consolidation outweigh any short-term gains of the social-welfare programs. Furthermore, social-welfare nets within Venezuela would never have durable and long-lasting political stability so long as they remain products of constitutional consolidation facilitated by resource wealth. Resource wealth did not produce constitutional consolidation measures in Trinidad and Tobago because constitutional consolidation measures were discouraged. While consolidation was unlikely in Trinidad and Tobago, resource wealth has still generated moderate political turmoil for the country.

Within extractive institutional structures, constitutional consolidation or institutional overthrow is more enticing to domestic actors. When a state operates with a level of institutional performance, constitutional reform becomes more favorable. The institutional structures are
largely determined by the colonial power’s origin, its decision to inhabit the colony, and its choice to incentivize migration.

In the final analysis, we should also address the limitations of the findings. First, the findings are only specific to the functions of resource-rich transitional democracies. Much of the findings depend on the assumed impact a colonial power can have on the institutional structure of a state. Within resource-rich authoritarian regimes, resource wealth can solidify the autocratic structure (Luong and Weinthal, 2010: Morrison, pg. 106, 2009, Paine, pg. 728 – 729, 758 – 759, 2016: Powell, pg. 1036, 2012). If consolidation does not occur, political instability will follow. Furthermore, a colonial legacy operating in an authoritarian regime tended to reinforce the authoritarian institutional structures as opposed to fracturing them (Acemoglu, Daron, et al. pg. 1375, 2001). Conversely, impacts of resource wealth within transitional democracies can range from minor turbulence to institutional collapse. If consolidation occurs within resource-rich transitional democracies, institutional fragmentation is more likely.

Secondly, the measurement of resource-richness focuses on fossil-fuel-rich states, excluding coal. This decision was made due to differences in the extraction processes of these particular resources. The measurement of resource-richness means that both Trinidad and Tobago, and Venezuela are specifically fossil-fuel-rich states. The findings of the theory could be less significant if states with different forms of resource wealth were compared. Third, the inherent nature of a transitional democracy entails that lower levels of political stability are present. The threshold which defines a transitional democracy as stable could define a democracy or autocracy as unstable. The conditions that generated institutional performance within Trinidad and Tobago are only sufficient in classifying the state as a stable transitional democracy, not a stable democracy.
Lastly, the research argues for conditions that are sufficient for political stability. This weakens the research findings as exogenous factors may exist. Such exogenous factors could produce political instability in a British colony and political stability in a Spanish colony.

Further research would serve to investigate the mechanisms that facilitate political stability in resource-rich authoritarian regimes. The mechanism that facilitate political stability are dramatically different by regime type. The research would be structured similarly to the current design, but the resource-rich variable would become representative of relatively-resource-rich regimes. The research design would intentionally eliminate those resource-rich states that are disproportionately resource-rich compared to the rest of the relatively-resource-rich regimes. Restricting the resource-rich variable would ensure that similar levels of resource wealth are being compared. This is necessary in future research designs, as the resource wealth of Venezuela is astronomically larger than any other nation. As a result, the consolidating impacts of resource wealth may be disproportionately higher in Venezuela.

Conclusion:

A colonial power that settles in a colony and establishes inclusive institutions is sufficient for political stability to occur, as long as institutional overthrow does not occur. The colonial power most likely to settle in the colony, incentivize migration and establish inclusive institutions was consistently the British Crown due to the levels of autonomy given to their representatives. Domestic actors are more likely to engage in constitutional reform measures when the institutional structure is limited as opposed to extractive. Conversely, constitutional consolidation or institutional overthrow is more likely to occur under extractive institutions.

In Trinidad and Tobago, the foreign power was the British Crown. The British settled in the colony, incentivized migration and established limited and restrictive institutions. Domestic
actors were able to reform the limited colonial institutions and produce strong institutional performance. In Venezuela, the primary foreign power was the Spanish Crown. The Spanish did not settle in the region nor did they establish institutional performance. The institutions established were extractive in nature and exploitative in function. While these institutions primarily benefited Spanish decedents, native aristocracies were able to utilize the extractive institutions and engage in institutional overthrow. Institutional overthrow was attempted under the Bolivarian Revolution which was later overthrown by military juntas or The Caudillos. The overthrows produced institutional fragmentation but never dismantled the extractive structure. The extractive structure was then consolidated following independence. As a result, institutional performance was never achieved in Venezuela and remains unlikely.

By controlling for resource wealth, my findings show that resource wealth can have impacts on the political stability of resource-rich transitional democracies. Resource wealth is a significant determinant of political stability if extractive institutions allow constitutional consolidation to occur. If institutions prevent constitutional consolidation, resource wealth only has minor impacts on political stability. Venezuela’s resource wealth has produced constitutional consolidation and a social reliance on the consolidated structures. Conversely, resource wealth in Trinidad and Tobago has only produced minor turbulence in the political system. While this seems significant, it is the performance of institutions that allows or disallows reform, consolidation or overthrow to occur. The research suggests that colonial institutions precede domestic alterations and thus certain alterations become more likely than others. The structure of the colonial institutions and their ability to allow or disallow alteration is a function of whether the colonial power settles in the colony and incentivizes migration. Conclusively, settlement and migration were most likely to occur under the British Crown. I conclude that institutions
established under British colonies were sufficient for political stability to occur, while institutions established under the Spanish were not sufficient for political stability.
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