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Cover Page Footnote
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Democracies, Autocracies, and Political Stability

Since the third wave of democratization, many scholars have debated whether or not there exist necessary prerequisites for the consolidation of democracies. In fact, democratic transitions toward democracy cannot occur without the state achieving a semblance of ‘stateness,’ as a state that has various ethnic groups or polarizing cleavages may bring about political instability, which will make it unlikely for democracy to endure. Giovanni Sartori argues that democracy cannot arise in societies that are prone to internal conflict. What a country needs before it can experience the advent of democratic politics is domestic security within its borders. A growing number of scholars, on the other hand, claim that the causal relationship is reversed. Samuel Huntington, Juan Linz, and Guillermo O’Donnell all argue that democracies are prone to political instability primarily because they invite political pluralism. In other words, the large presence of interest groups and the mobilization of independent associations can likely weaken the state from carrying out its capacity to govern effectively. When economic modernization outpaces the development of democratic political institutions, the likelihood for the emergence of political order and stability become highly unlikely. As a result, coups, revolutions, and the breakdown of democratic institutions is a likely scenario in highly democratic regimes. This article addresses the fundamental empirical question of whether nation-states that are more democratic are more likely to be politically stable or unstable over time.

Using a global model of 122 nation-states, the cases included represent a variety of countries that experienced a legacy of colonialism, and accordingly are likely candidates to be praetorian states in the Huntingtonian sense: states that are prone to strong-armed governments and political instability. A majority of the states in the study are also considered patrimonial...
states where government officials look at political offices and the natural resources of their
country as exploitable rents that can be plundered for private personal gain or as a means to favor
a particular ethnic or religious group. Due to the nature of client-patron relations and high levels
of corruption, these patrimonial states are prone to low levels of economic growth and hence are
more prone to higher levels of political instability, in particular the collapse of civilian
governments through civil wars, military intervention, political unrest, or prolonged
insurrectionist movements.\textsuperscript{7}

A number of empirical works demonstrate the negative effect of democracy on political
stability. Bingham Powell establishes the linkage on how democracies fall prey to large-scale
political unrest.\textsuperscript{8} In his study of twenty-eight nation-states during the 1958-1976 period, he finds
that nation-states that had high levels of multi-party democracy experienced large-scale
instability in terms of political violence, strikes, rallies and protests. Since most of the nascent
democracies did not have party systems that are institutionalized, extremist groups took
advantage of the weakness of the current political system and brought about political mayhem in
the streets that weakened the legitimacy of elected governments. Alessina and Perroti show that
democracies are prone to large scale instability primarily because sectorial interests in a
pluralistic setting may bring about large scale income inequality.\textsuperscript{9} They found that democracies
are likely to generate higher levels of income inequality (measured by the share of the third and
fourth quintiles of income among a population). Thus, democratic systems are prone to generate
social discontent, which facilitates socio-political instability. As such, there is an indirect
relationship of income inequality causing a decrease of private and public investments. They
predicate the inverse relationship between socio-political instability on democracy based on
uncertainty – such that private entrepreneurs are discouraged from continued investment in a
nation-state blighted by assassination attempts, coup plots, and a high death rate based on domestic disturbances.

Despite the empirical evidence concerning democracy’s inability to reign in political and social order, other scholars suggest that democracies promote political stability in many ways. First, democracies are known to provide a pacifying effect on social unrest by allowing citizens to express dissatisfaction with the incumbent regime through the electoral process. Second, democracies are known to provide a smooth transition from one elected leader to another without political violence. Third, democratic regimes are known to be responsive to citizen needs and the demands of the electorate which generates accountable, transparent, and efficient governance. Democracies, due to the accompanying freedom of speech, are more reactive to social problems before they lead to the destabilization of the state. Fourth, democracies are known to value the pluralistic nature of ideas. Thus, democratic systems aim to settle political conflict through meaningful debate and civilized discourse, leading to cultural values of consensus seeking and compromise building, which can offset political instability coming from minority groups in society. Fifth, democratic states allow citizens to exercise their right to show displeasure about state policies without restraint from state authorities. This functions as a safety valve that allows collective dissent to be organized, civil, and work under the rule of law, thus obviating large scale demonstrations that can weaken state legitimacy. Sixth, scholars allude to how democratic regimes are known to generate economic progress and development more so than autocracies, thus leading to higher levels of citizen satisfaction with their quality of life.

The task of this article is to address an empirical conundrum: Does democracy promote political instability or does it have institutional mechanisms that induce political order? This
study allows us to go beyond the limitations of empirical studies that have made the link between democracy and politically instability. For instance, the empirical studies previously mentioned are not truly cross national in scope and thus do not allow one to make generalizations as to whether or not regime type has an enduring effect on levels of political stability. Powell’s study largely examines twenty-eight developed states, with most of them European.\textsuperscript{17} Alessina and Perotti’s study are cross-sectional regressions examining seventy states, half of which are economically developed countries in the Northern Hemisphere.\textsuperscript{18} The findings of this project add to the scholarly conversation and provide a contemporary empirical testing of the question. This article shall utilize a large cross-national study consisting of developing states which are at highest risk of political unrest to answer this question.

This article examines 122 developing states that vary in terms of their level of ethnic and religious fractionalization, which can affect their level of democratic development and political stability. These countries are located in disparate regions of the world: from developing Asian countries such as the Philippines, Indonesia, Malaysia, Thailand, Cambodia, Myanmar, India, Nepal, Pakistan, and Sri Lanka; to African patrimonial states like Nigeria, Kenya, the Republic of Congo, and Zimbabwe; to Latin American polities that had varied experiences with civilian or military dictatorships (like Nicaragua, the Dominican Republic, Brazil, and Chile) and those with a long tradition of democracy (Costa Rica and Colombia); and post-communist polities like Estonia, Lithuania, Belarus, Kazakhstan, which all share a socialist past. The analysis involves a set of countries that endured a variety of regime types: from illiberal to liberal democracies to civilian, personalistic, and military dictatorships, one-party autocratic rule, totalitarian rule, and monarchical and sultanate type autocracies (like Saudi Arabia, Kuwait, Qatar, and Oman). Hence
the case selection gives this study an opportunity to test if higher levels of democracy are conducive to political instability.

This article proceeds in six parts. The first part reviews literature that links democracy (as a regime system) to political instability. The second part discusses why dictatorships are likely to have a semblance of political stability over time. The third section offers theories as to why democracies should experience higher levels of political stability. The fourth part provides a brief overview of the variations in the levels of democracy among the cases. The fifth section provides a set of hypotheses, conceptualizes and operationalizes the variables, and discuss the results. The last part of the study concludes and offers theoretical insights.

Linking Democracy to Political Instability

One of the earliest studies documenting how democracies may not be a good regime system for many states that just endured the decolonization process was Samuel Huntington’s *Political Order in Changing Societies*. Huntington warns that democracies can breed instability primarily if a country has not developed high levels of political development. What he means by political development is the successful creation of political parties that are capable of translating popular demands into policy proposals that the government can implement. Huntington argues that the rapid development of the industrial economy and the rapid economic modernization that it entails may place a stress on democratic institutions. Simply put, nascent democracies cannot respond to mass public demands and expectations. Furthermore if economic development and the pluralism of groups outpace the development of state institutions, political instability may occur—which can eventually lead into long-term authoritarian phases.

Huntington adds that modernization, together with democratic pluralism, can lead to a disruption of the traditional social groupings of society and an increase in social isolation as
individuals become more geographically mobile. This tendency to move from rural to urban areas increases the potential for social alienation of the public and the type of vulnerability that can lead people to join extremist groups. Huntington also alludes to a structural-strain argument. As democracy leads to rising and falling incomes, generating large scale income inequalities, people tend to develop higher expectations for social mobility, and when the state is incapable of meeting rising demands for economic access and social mobility, personal grievances against the existing social order may be manifested through turbulence in the streets and the increased oppressiveness of the state.

This is the same sentiment expressed by Juan Linz in his early work on democracy. In the *Breakdown of Democratic Regimes*, Linz warns democracies are likely to experience the pluralism of interest groups that can weaken the capacity of the state to maintain social order and implement sound policy aimed at redistributing resources and addressing social problems. As groups and factions not within the state are allowed to participate in the polity, Linz warns that this may actually decrease the legitimacy of the state in the long term. Linz noted that interest group hyper-pluralism can lead to the periodic breakdown of democracies.

Guillermo O’Donnell’s work on how authoritarian polities emerged in South America reaffirms Linz’s instability theory on why republics in the region sometimes reverted back to authoritarian episodes. He argues that populist democracies are inherently plagued by the mobilization of populist societal groups that can exert an inordinate amount of pressure on elite interests. Populist pressure facilitated the rise of military juntas and oppressive dictatorships in South America. The rise of dictatorships and military juntas directly relates to the formation of populist sentiments that democratic politics may stir.
Similarly, the rise of democratic politics may even bring about economic underdevelopment that may facilitate long-term political instability. Mancur Olson also argues that special interest groups may apply pressure on the central government to privilege certain sectors of society, leading to the disenfranchisement of others. Many democratic governments may accord these groups key positions in government and craft policy that is advantageous to one group and inimical to other groups. This disproportionate allocation of goods, resources, and social services may trigger social rigidities and class conflict leading to long-term political instability.

Without a doubt, democracies may ignite coups. In developing countries from 1970-1990, many democratic states entertained socialist policies such as the redistribution of wealth, income, and property to appease citizens that had long endured episodes of a hierarchical and elitist class system. This facilitated the rise of the military as a politicized institution that was largely reactionary and instigated rightist coups against democratic regimes. Gupta discovers that polarized class tensions are always apparent in democracies. A political crisis arises when a particular class demands wealth redistribution, which can increase the prospects of military intervention in civilian politics.

Such democratic states may in fact pay lip-service to the demands of populist orientations or ideologies leading to the virtual expropriation of the wealth and property of the elites. Most of the military in third world democracies shared the ideological interests of the elite class, in particular the investing class who wanted to preserve their property rights from state attempts at distributing resources equitably. The military became the servant of elite interests, and it became interventionist when the state began to espouse public policies that threatened to nationalize and expropriate private and personal property. Furthermore, the military did not intervene when
elite interests were secured from populist pressures. For example, in several African
democracies generals intervened when states began to promote socialist ideologies that
threatened elite interests.\textsuperscript{26}  

Coups that arise from wayward democracies are known as veto coups, wherein the military
asserts its vanguard role in controlling the redistributive demands coming from pressures from
the political left in a democratic system. These veto coups became paramount in Latin America
beginning with the removal of the populist dictator Juan Bosch of the Dominican Republic in
1963, but they only became more commonplace after the removal of Salvador Allende by
General Pinochet in 1972, continuing well into the late 1980s in the rest of Latin America. The
rise of veto coups spread throughout the world much in response to democratic regimes that
infringed on the interests of the elite. In such regimes, the property less individuals would place
political pressure on politicians, by instigating unrest and political protest. As the government
became more sensitive to the interests of the average citizen (who did not possess property), they
implemented reforms, including redistribution of land and higher taxes for the rich. This often
triggered the elite to court the military institution to launch a coup to veto “out” populist policies
that curtailed the economic liberties and social dominance of an elite base.\textsuperscript{27}  

Democracies and Ethnic Dominant Minorities

Amy Chua’s recent work on market-dominant minorities warns that the advent of parallel
transitions to democracy and a capitalistic system are inimical to political stability.\textsuperscript{28} Through
various case studies, she argues that many democracies that attempt to initiate neo-liberal
economic reforms are prone to political violence. As one ethnic minority dominates the
economic sectors of society, this leads to a wage gap crisis, unemployment, and the large-scale
economic marginalization of an ethnically dominant class. When this occurs, there is an ethnic
majority backlash that can threaten the stability of democratic politics. For instance, the large scale riots in Indonesia, which targeted the ethnic Chinese community during the post-Suharto period, characterized the nature of the political violence that market dominant minorities in democracies can bring.

There are many democracies that are prone to electing to government ethnic minority groups that may have democratic aspirations. However, these democratic regimes do not survive because ethnic majority groups not in power mobilize actively to topple them, as a heightened sense of nationalism compels them. Accordingly, nationalism is such a pervasive force that majority groups not in power will do everything in their capacity to oust democratic minority governments by force because minority democratic rule is an “intolerable breech of political propriety.” Minority groups that hold political power will lead to the creation of ethnic blocks and the continued ethnicalization of political competition. A political culture of mistrust and intolerance develops which makes it difficult for political stability to arise.

Democraticaly elected minority presidents are susceptible to employing client-patron relations in governance. Such ethnically divided societies may have democratic regimes that tend to enact policies that do not promote the public good. Public service provision tends to be catered to one narrow clientelistic group, especially when an ethnic minority group is in power. When minority groups are in power, they also do not engage in policy activism. Granted, policies that promote a more equitable distribution of wealth and resources may lead to one group losing inordinate amounts of political and economic power; hence minority groups are prone to maintain the status quo ante. Therefore, there is a tendency for fractionalized democratic societies to formulate policies that promote status quo initiatives that do not empower or improve the quality of lives of citizens—specifically those who are traditionally marginalized or
historically excluded from the political system. Naturally, this promotes higher levels of political discord.

The nature of client-patron relations in developing democracies is also clearly apparent in neo-patrimonial regimes in Africa where “the right to rule is ascribed to a person rather than to an office.” Such neo-patrimonial attachments dictate that chief executives grant personal favors and material inducements to their ethnic kin, while ethnic rivals are denied full political access. Ethnic political patrons that have access to political power also form a durable relationship of favoritism with their ethnic group. To a certain extent, this relationship of dependency generates large scale political and economic losses to ethnic groups that are the ethnic rivals of presidents and prime ministers. Furthermore, powerful chief executives who are members of a minority group plunder state resources to grant political favors. These neo-patrimonial ties have also been conceptualized as prebendalism. Thus, the political and legal system becomes favorable to the ethnic group of the chief executive—largely eroding the political identity, civil liberties, and economic freedoms of disfavored ethnic groups. Such exclusion, especially if it becomes institutionalized, is prone to facilitating protracted political violence among clashing ethnic groups.

Why Dictatorships Are More Stable Over Time

Naturally, dictatorships are logically capable of maintaining a semblance of political order over time because of their virtual monopoly on violence and their capacity to restrain and suppress political dissent with outmost ferocity. They can withstand pressures from civil society either by co-opting its agenda through corporatism, or its outright purging from the political system. In authoritarian and totalitarian regimes, there is no significant political pluralism that can threaten the entrenched de jure and de facto monopoly on political power by political elites.
Many states in the Middle East and Africa resisted the forces of democratic change because of the dominance of the Rentier state economic system. By harnessing the wealth associated with oil, autocratic states were able to pacify mass public demands for accountable governance with entitlement and social welfare programs that financially protected citizens. Oil wealth allowed many states to lessen or eliminate the burden of taxation, thus facilitating the creation of a dictatorial redistributive state. Fareed Zakaria argues that such Rentier state economic systems are responsible for the long-term political stability of autocracies. As citizens are given free benefits and social inequities are dealt with appropriately by state agencies, the public remains silent and does not apply pressure on the state in terms of enacting political reforms. If there are no demands for changes in the political system, such autocracies continue their monopoly on political power. Thus Rentier state autocracies remain politically stable over time.

Recent empirical analysis shows a more blurred picture on the relationship between autocracies and long term political stability. According to research conducted by Przeworski and his co-authors, if autocrats cannot control dissent against the state, such regimes are more likely to collapse because any threat to legitimacy of the ruler may bring about capital investment flight and economic decline, thus opening up the space for political dissent that can usher in prolonged periods of political instability and ultimate regime change.

The Relationship between Democracy and Political Stability

Despite works documenting how democracies are prone to political instability, there is research to suggest that this perspective is largely incorrect. Robert Dahl’s work on democracy established how democratic systems are more inherently stable than autocratic systems. For instance, democratic states allow for citizens to contest the state within the rule of law, allowing
a safety valve upon which citizens can show dissatisfaction or resentment against state policies without actively destabilizing or overthrowing the state. Countries with a longer democratic experience also benefit from a safety net that absorbs citizen dissent and political conflict. That safety net is the existence of contentious politics that is inherent in democracies with free, fair, and competitive elections. They allow mass citizenries to vent their frustration at the ballot box rather than in the streets. This also allows contending groups the opportunity to articulate their grievances in an open space where they can openly influence political outcomes without resorting to subversive acts.

Democratic polities strengthen political stability in three ways. First is through legalistic norms that prohibit the state from making arbitrary decisions as mentioned by the sociologist Max Weber. In autocracies, arbitrary decisions by the state may trigger political turbulence for an already oppressed group or segment of the population. This can range from arbitrary arrests without due process, forced abductions or disappearances of civilians, or the sudden expropriation of wealth and property. Second, in democracies property rights and the enforcement of contracts are more secure. For example, democratic systems lessen the possibility of the state expropriating the property of civilians or repudiating their private transactions. Overall, this lessens political turbulence because it promotes the economic well-being of the majority of the population – inducing them not to rebel against the state. Thirdly, democracies are known to be conducive to higher levels of economic development and macro-economic stability. Such regimes, it is argued, systematically leads into the consolidation of democratic politics even in ethnically fragmented states. Autocracies, on the other hand, are more likely to be politically unstable over time by the nature of its institutional features and reliance on oppression and arbitrary decisions.
Hypotheses

At the outset, the theoretical section of this article explicated a research question, which the following hypothesis attempts to answer:

Main Hypothesis 1: Developing states with higher levels of democracy are prone to higher levels of political instability.

Although this is seen from the perspective of scholars who believe democracy spurs populist tendencies and sectorial mobilization can destabilize the state, other scholars like Mark Lichbach also formulate a countervailing theory arguing that the use of increasing repression by dictatorships can lead into large scale political violence. Hence it is also possible that autocracies are more likely to be politically unstable.

A series of sub-hypotheses will help to examine the role of other variables in affecting variations on the levels of political stability among developing states. For example, extant research demonstrates how political stability is affected by several variables, including ethnic fractionalization, religious fractionalization, variations of levels of economic affluence, and institutional features, which include parliamentarism and federalism. As discussed previously, democracies are known to become chronically unstable because of the emergence of ethnic dominant minorities who hold a larger share of the national wealth. This phenomenon draws resentment from a country’s large ethnic-dominant minority population. Thus, levels of ethnic fractionalization may induce political unrest among nation-states. Hence, sub-hypothesis 1: Ethnically fractionalized states are more likely to experience higher levels of political instability.

Likewise, religious fractionalization, which afflicts most countries in the developing world (as a result of colonial powers drawing borders not reflecting primordial religious identities and sectarian divisions), may trigger higher levels of political unrest. Research by
Collier and Hoeffler\textsuperscript{47} found that religiously divided polities are more likely to experience civil conflict over time. Thus, sub-hypothesis 2: Religiously fractionalized states are more likely to experience higher levels of political instability.

Economic affluence, as reflected by variations in a country’s Gross National Product may also be a primary factor in triggering political unrest. Dipak Gupta finds that countries with lower levels of economic affluence and economic development are more likely to face social rigidities, upon which the population is prone to higher levels of economic dislocation as a result of pervasive income inequities.\textsuperscript{48} Thus, poorer countries are likely to experience a large mass base of the population experiencing relative deprivation \textit{vis-à-vis} a minority in the population that own most or have a greater share of a country’s wealth. This relative deprivation may manifest itself through large scale violence which may affect the state’s ability to govern and reign in political order. Countries that are not economically developed are chronically politically unstable, which is reflected in sub-hypothesis 3: States which are economically underdeveloped are more likely to experience political instability.

Scholars in comparative politics have also begun to look at the role of institutions in facilitating political order and stability. Research by Alfred Stepan and Cindy Skach,\textsuperscript{49} Juan Linz,\textsuperscript{50} and more recently by John Gerring, Strom Thacker, and Carola Moreno,\textsuperscript{51} empirically find that parliamentary systems are more politically stable over time compared to presidential systems. This is due to parliamentary systems being more consensus-oriented due to coalitional politics. Parliamentary systems also allow for multi-partism in national governance which can defuse ethnic or religious tensions. They also have heads of governments that can simply be removed by a single vote of non-confidence and not have executives that need to serve fixed terms. Hence, such systems are less likely to experience coup d’états and military adventurism to
remove inefficient leaders. Furthermore, parliamentary systems are more likely to produce career oriented politicians that have loyalty and experience, compared to political amateurs that presidential systems may bring. It is also recognized that parliamentary system, because they are more cohesive and unified organizationally, are less prone to bureaucratic gridlock and are more likely to initiate much needed economic reforms without a protracted stalemate between divided branches. Lastly, parliamentary systems are likely to avoid political instability because they are more likely to enhance higher levels of economic, human and social development. Thus, the sub-hypothesis 4: States that have parliamentary systems are more likely to be politically stable.

Federalism is also an institutional variable that is recognized to have a longstanding effect on political stability. Scholars have generated mixed findings on its ability to reign in political order. For instance, Erik Wibbels finds that federalism may in fact generate fiscal irresponsibility on the part of the national government as sub-national units overspend and are more likely to avoid the costs of fiscal adjustment. Federal states are more likely to experience higher levels of macro-economic instability and are less likely to initiate economic reforms aimed at curbing inflation, unemployment, and sound monetary policies. As a result, federal states are more likely to be politically unstable over time. However, scholars like Lemco and Filippov and his co-authors note how federalism promotes subsidiarity governance, upon which nation-states divided by ethnicity and religion give autonomy to their local regions, states and provinces, granting such sub-national units the ability to construct their own taxing, education and spending policies. Thus, federal states are more responsive to the demands and needs of their local constituents. Over time, the federalist principle of giving self-determination to peripheral regions has a pacifying effect on political unrest. This supports sub-hypothesis 5: States that have federal systems are more likely to be politically stable.
Data and Methods

This paper seeks to empirically solve two questions: (1) Do higher levels of democracy promote higher levels of political instability and (2) Are autocracies more likely to promote higher levels of political stability.

It is important to describe the nature of the data and methods used in this research. First, the operationalization of the democracy variable is author-created utilizing democracy indices provided by several prominent organizations involved in the study of democracy. Second, the study involves 122 developing states. For some of the regression models the number of states was dropped to 101 because the Political Risk Rating measure (one of the dependent variables used) is not available for some countries. Third, several measures are utilized to operationalize levels of democracy and the extent of political stability as a way to add robustness to the results.

The Freedom House Index\(^{56}\) for the years 1974-2006 measures levels of democracy as a proxy for a maximalist definition of democracy.\(^{57}\) Empirical evaluations of the scores collected since 1974 show that it is consistently correlated with other democracy indices from other sources, in particular the Polity IV index and the Vanhanen index.\(^{58}\) The Freedom House Index has two scores: one on the degree of political freedoms of citizens (the right to free and fair competitive elections, the right to political action, etc.) and the amount of civil liberties that citizens have in each state (the right to protest, hold rallies, freedom of speech, and freedom of religion). The average of both scores is derived which is ranked from a range of 1 to 7. The scores are reversed for the sake of clarity and ease of presentation, with higher scores (such as 7) connoting higher levels of democracy, while lower score (such as 1) denoting lower levels of democracy. The averages of the two scores are computed which proxies for the prevailing level of democracy for each state over a 32 year period. As shown in Table 1, countries in Asia have
an average score of 3.9 out of the 7 point democracy scale of the Freedom House index, indicative that the region still has a substantial number of illiberal states that deprive their citizens of basic political rights and freedoms. For example, North Korea still has a personalistic totalitarian dictatorship under the Juche ideology of Kim Jong Il’s successor Kim Jong Un. Cambodia still has to deal with the remnants of a long civil war, rendering its parliamentary government incapable of guaranteeing full civil and political rights to its citizens. Nepal has also scored quite low on the scale primarily because of the threat of a Maoist insurgency movement and the autocratic tendencies of the state. The military regime in Myanmar which grabbed power from Aung-Sang Su Kyi still deprives its citizens the opportunity to protest. The junta regime has also continuously denied the Burmese of free, fair and competitive elections since British independence. Laos, Vietnam and China are still ruled by a predominant Communist party system that has denied their citizens a fair choice in choosing their political leaders. Lastly, Malaysia scores low on the Freedom House scale primarily because of the predominance of a one party state under the aegis of the United National Malay Organizations that has used intimidation tactics against the political opposition particularly the oppositionist Anwar Ibrahim.

### Table 1 Average Democracy Scores of World Regions and Rankings

<table>
<thead>
<tr>
<th>Region</th>
<th>Freedom House Score</th>
<th>Vanhanen Democracy Index</th>
<th>Democratic Age (Polity IV)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>3.92 (3)</td>
<td>6.570 (3)</td>
<td>5.931 (3)</td>
</tr>
<tr>
<td>Africa</td>
<td>3.68 (4)</td>
<td>3.301 (4)</td>
<td>4.347 (4)</td>
</tr>
<tr>
<td>Latin America/Caribbean</td>
<td>5.40 (2)</td>
<td>11.953 (1)</td>
<td>20.583 (1)</td>
</tr>
<tr>
<td>Europe</td>
<td>5.49 (1)</td>
<td>7.973 (2)</td>
<td>8.727 (2)</td>
</tr>
</tbody>
</table>
In Latin America, most of the countries scored above the midpoint of 3.5 (with an average of 5.40 out of the 7 point democracy scale of the Freedom House index), with the exception of Cuba, where a dictatorship still thrives. This shows that the region is mostly democratic. In Africa, many states are still democratic laggards (with an average score of 3.68 out of the 7 point democracy scale of the Freedom House Index), even if most of the countries have democratized in the early 1990s. Countries in Africa where political rights and civil rights are still denied to a large segment of the population include Chad, the Republic of Congo, Cote d'Ivoire, Equatorial Guinea, Sudan, and Swaziland. One country in Africa which stands out as highly democratic is Mauritius, with a thirty-two-year average Freedom House score of 6.9. This is probably a result of its unique British colonial experience and a stipulation in their constitution requiring the depoliticization of its military.\(^{59}\)

The rest of the Middle East from Egypt, Kuwait, Oman, Syria, Saudi Arabia to the United Arab Emirates score below the midpoint of 3.5 over the thirty-two year period (with an average score of 3.48 out of the 7 point democracy scale of the Freedom House Index) – rendering the region as having mostly autocratic states, partly as a result of its Rentier-state economic system and the satisfaction of the mass public with the status quo of state paternalism.\(^{60}\)

Table one shows that the most democratic region among developing states based on raw averages of the Freedom House Index assorted by region is Europe, followed by Latin America, Asia, Africa and then the Middle East.

From this vantage point, we can see that most of developing world still has many autocratic states that do not guarantee their citizens full political and civil rights. Indeed, states that centralize their ruling apparatus accordingly by depriving the civil rights of citizens may be
prone to political stability. By virtue of using force or the threat of punishment, political opponents or dissidents of the state are purged, murdered, assassinated, and imprisoned with no writ of habeas corpus. Hence, the likelihood for further protest or political instability in the long term is nil because the opposition is muzzled, restrained and becomes immobilized.

To further operationalize the level of democracy in each state, this study also utilizes other data sources besides the Freedom House Index. In the interest of adding methodological strength to the analysis, the Vanhanen measure of democracy and the polity IV measure are also used in the analysis. The Vanhanen measure of democracy is considered to be a more reliable measure of democracy because of its parsimonious nature of conceptualizing democracy, clear coding rules, inter-coder reliability, replicability, and its utilization of an aggregation technique that is methodologically sound. Scholars consider the Vanhanen measure as parsimonious because it is grounded on the Dahlian notion of electoral competition and mass participation in voting. The Vanhanen measure looks at democracy as a manifestation of how competitive national elections are in each sovereign state (the degree to which opposition parties have a realistic chance of winning elections) and the extent to which citizens exercise their right to suffrage. For example, the competition variable portrays the electoral success of smaller parties, that is, the percentage of votes gained by the smaller parties in parliamentary and/or presidential elections. The political participation variable portrays voter turnout in each election, and is calculated as the percentage of the total population who actually voted in national-level elections. Vanhanen creates an aggregated index of democracy by multiplying the electoral success of smaller parties with the percentage of the actual voting age population that participated in voting in a particular year. The two variables are then multiplied together and divided by 100 to create a democracy score. Lower score values indicate lower levels of
democracy, whilst higher score values indicate higher levels of democracy. This article derives the average Vanhanen score for each of the nation-states in the study from the period years 1975-2000, which proxies for the level of democracy in each state over a twenty-five-year period.66 By averaging the Freedom House Index (from 1974-2006) and the Vanhanen measures (from 1975-2000), this paper obtains the best approximation of the enduring nature of regimes.67

In the interest of determining if democratic age has any effect on levels of political stability, this paper also employs the Polity IV measure. The Polity IV score is a widely used measure of democracy that provides the longest measure of democratic performance among nation-states with a population of more than 500,000 since the 1900s. The Polity IV score is released by the Center for International Development and Conflict Management that is led by Monty G. Marshall and Keith Jaggers of the University of Maryland. The democracy measure of Polity IV generates a score of -10 to +10 for each state based on the extent to how state institutions are regulated, if there are checks and balances imposed on the executive, if the executive branch of the centralized state is constrained and restrained by other institutions in the state (including civil society), if potential candidates for political offices are free to run in competitive elections regardless of religion, ethnicity, or class, if there is competition and regulation in political participation, if the nature of the recruitment of political candidates for elections is based on equity, and if the state allows associational groups in society to participate in the polity without institutional restraints.68 For this study, the overall democratic age score for each state is derived by counting the number of years a country scored a +5 through +10 (for at least two consecutive years) between 1900 and 2004.69 This method of obtaining the prevailing democratic age from the Polity IV index is consistent with previous work that attempted to
operationalize institutionalized democratization.\textsuperscript{70} Thus higher values on this variable serve as a proxy for states with institutionalized democracies.

The World Bank Governance Indicator measures political stability (Mean1996-2006).\textsuperscript{71} Political stability is measured as the likelihood that the current regime will be overthrown by the use of force; specifically the perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including the use of domestic violence and internal terrorism. This measure utilizes aggregate survey data from the World Economic Global Competitiveness Survey, the Business Environmental Risk Intelligence Global Risk Service, and the iJET country Security risks ratings. The measure looks at the internal politics of the state and the extent to how the regime is threatened by internal violence, civil conflict, terrorism, political unrest in the streets, and military intervention. The measure for political stability ranges from -2.5 to +2.5, with higher values denoting higher levels of political stability.

Since the World Bank measure is quite crude in relying on an aggregation technique of using multiple surveys (based on risk assessments by policy experts)\textsuperscript{72}, it is worthwhile to implement another measure of political stability known as the Political Risk Rating provided by the Political Risk Group (PRG, hereafter).\textsuperscript{73} The PRG group provides a yearly ranking of political risk status for more than 100 states investigating the component indicators of governmental stability, the risk of socio-economic unrest, economic viability, the possibility of internal and external conflict, military intervention in politics, religious and ethnic tensions, the breakdown in law and order, and the accountability and bureaucratic quality of states. The PRG group combines these measures to generate a political risk rating that can range from a minimum of less than 50 points to a maximum of 100 points. Accordingly, states that achieve less than 50
points are known to be at risk of a regime breakdown; if state scores somewhere in between 50-60 points, it is at high risk of a regime breakdown, while those in the 60-70 range are at a moderate risk of state failure. Countries that score in the 70-80 range are at a low risk of regime collapse, while those that score in the 80-100 range are at the lowest risk category and are considered to be politically stable. The average score for each state from 2000-2006 is utilized as another measure for the dependent variable.\textsuperscript{74}

Bi-Variate Analysis

This analysis begins by examining whether or not there is a relationship between the level of democracy and democratic age on levels of political stability. Indeed, as the main hypothesis suggests, higher levels of democracy should elicit higher levels of political instability primarily because political pluralism can weaken the state’s capacity to govern effectively. However, as shown in table 2, the simple bi-variate analysis suggests that there is a positive relationship between levels of democracy and democratic age on the two measures of political stability. This suggests that states with higher levels of democracy and longer experiences with democracy are more likely to be politically stable over time. The Freedom House measure shows the highest level of statistical significance at (b=0.246, p<.01) for the World Bank measure of political stability and (b=3.214, p<.01) for the Political Risk Rating. Likewise, the co-efficient for the Polity IV measure of democratic age also shows statistical significance at (b=0.018, p<.05) for the World Bank measure of political stability and (b=0.186, p<.05) for the Political Risk Rating. These findings illustrate that nation-states that have a longer experience with democracy are likely to have higher levels of political stability. Furthermore, the Vanhanen measure of democracy is also positively correlated with political stability using both the World Bank measure at (b=.029, p<.05) and the Political Risk Rating at (b=0.359, p<.05). These results demonstrate that a country’s level of democracy (through electoral competition and political
participation) has a direct influence on its level of political stability. It appears that countries with lower levels of democracy (autocratic states) are less likely to be politically stable.

**Table 2 Relationship between Democratic Age, Level of Democracy, and Political Stability**

**Bi-Variate Analysis**

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Freedom House Measure</td>
<td>0.246**</td>
<td>0.048</td>
<td>3.214**</td>
<td>0.728</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>(Mean Score 1974-2006)</td>
<td>(0.048)</td>
<td>--</td>
<td>(0.728)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Democratic Age</td>
<td>0.018*</td>
<td>0.007</td>
<td>--</td>
<td>0.186*</td>
<td>0.093</td>
<td>--</td>
</tr>
<tr>
<td>(Polity IV Measure)</td>
<td>(0.007)</td>
<td>--</td>
<td>(0.093)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(From 1900-2004)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vanhanen measure of</td>
<td>0.029*</td>
<td>--</td>
<td>0.359*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>democracy</td>
<td>(0.011)</td>
<td>--</td>
<td>(0.162)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Mean score 1975-2000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Observations</td>
<td>122</td>
<td>122</td>
<td>122</td>
<td>101</td>
<td>101</td>
<td>101</td>
</tr>
</tbody>
</table>

Note: **p<.01; *p<.05; two tailed test; unstandardized coefficients are reported; robust standard errors in parentheses.**

Nonetheless, no clear patterns can be assumed from this analysis. For instance there is a need to control for levels of ethnic fractionalization, religious fractionalization, institutional arrangements, and the role of economic development that can also affect variations on the dependent variable (political stability).
Multivariate Analysis

OLS regression analysis is used to determine if levels of democracy and democratic age has a positive or negative effect on political stability. The regression analysis also controls for levels of economic development (using the natural log of GNP per capita from 1970-1995, as a way to obviate the endogeneity problem), ethnic fractionalization, religious fractionalization, an institutional legacy of federalism, and parliamentarism. These control variables may adversely affect levels of political stability. The modeling also employs robust standard errors to mitigate problems concerning heteroskedasticity. A test for multi-collinearity by examining the Variance Inflation Factor (VIF) scores suggests that there are no collinear variables utilized in the modeling as VIF scores are consistently below the numerical value of 2.

Table 3 shows consistently that all the measures of democracy are correlated to higher levels of political stability, while controlling for other variables. The results show that highly democratic states are more likely to experience a decreased likelihood that its regimes will be overthrown violently. States with higher levels of democracy are also less prone to ethnic tensions, religious tensions, socio-economic grievances, and military intervention as indicated by the Political Risk measure of political instability. More specifically, the coefficients of the Freedom House Index at (b=0.165, p<.01) for the World Bank Measure of political stability and (b=1.828, p<.05) for the Political Risk Rating illustrate that nation-states that have higher levels of democracy are more politically stable. The results are confirmed even when one uses alternative indices of democracy. The co-efficients for the Vanhanen measure at (b=0.008, p<.05) for the World Bank measure and (b=0.136, p<.05) for the Political Risk Rating also indicate that democratic states (that have higher levels of electoral competition and political participation) have a positive relationship with political stability. Lastly, countries that have had a longer experience with democracy (as reflected by the Polity IV measure) tend to be more
politically stable since the coefficients of the Polity IV measure for both the World Bank measure and the Political Risk Rating achieve statistical significance at (p<.05) respectively.

Thus, states with higher levels of political and civic freedoms are more likely to avoid large-scale political violence; whilst states with lower levels of freedom and political rights are more likely to encounter political violence. This essentially refutes our aforementioned hypothesis. Indeed, democracies promote the relative absence of political violence despite theories linking democracy to populist pressure that can destabilize legitimately elected governments.

How do the control variables fare in the modeling? Table three shows that economic wealth as measured by the natural log of the GNP exerts a positive influence on levels of political stability. Nation states that have higher levels of economic development tend to be more politically stable over time (generating statistical significance at p<.05 and p<.01 respectively). Ethnic fractionalization elicits a negative parameter coefficient that is statistically significant only for the political stability measure of the World Bank (p<.05), suggesting that ethnically fragmented polities are susceptible to higher levels of political instability. However, ethnic fractionalization as a variable loses its statistical significance when regressed with the Political Risk Rating of the PRG group. Furthermore, religious fractionalization does not elicit any statistical significance, and its parameter coefficients are positive suggesting that religious pluralism in states promote higher levels of political stability which is confirmation of secularization theory. For example, adherents of secularization theory argue that religiously fragmented states tend to be secular and secularism lessens the impact of religion as an ideological force that can incite political and social discord among groups.78 None of the institutional variables have any statistically significant relationship with the political stability
measures. Thus, parliamentarism and federalism, institutional arrangements geared to lessen regional or group conflict among heterogeneous states\(^7\) have substantially no impact on levels of political stability.

Table 3: The Effect of Democracy and Democratic Age on Political Stability OLS Analysis

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Freedom House Measure</td>
<td>0.165** (0.056)</td>
<td>--</td>
<td>--</td>
<td>1.828* (0.701)</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Democratic Age Polity IV Measure</td>
<td>--</td>
<td>0.009* (0.004)</td>
<td>--</td>
<td>--</td>
<td>0.144* (0.071)</td>
<td>--</td>
</tr>
<tr>
<td>Vanhanen measure of democracy</td>
<td>--</td>
<td>--</td>
<td>0.008* (0.003)</td>
<td>--</td>
<td>--</td>
<td>0.136* (0.059)</td>
</tr>
<tr>
<td>Natural Log of GNP</td>
<td>0.147* (0.061)</td>
<td>0.198** (0.057)</td>
<td>0.199** (0.057)</td>
<td>4.258** (0.740)</td>
<td>4.793** (0.786)</td>
<td>4.701** (0.773)</td>
</tr>
<tr>
<td>Ethnic Fractionalization</td>
<td>-.639* (0.278)</td>
<td>-.604* (0.293)</td>
<td>-.628* (0.290)</td>
<td>-5.101 (4.178)</td>
<td>-4.706 (4.267)</td>
<td>-5.076 (4.378)</td>
</tr>
<tr>
<td>Religious Fractionalization</td>
<td>0.301 (0.304)</td>
<td>0.343 (0.310)</td>
<td>0.338 (0.316)</td>
<td>4.898 (4.558)</td>
<td>5.243 (4.632)</td>
<td>4.830 (4.721)</td>
</tr>
</tbody>
</table>
To further gauge the impact of democracy on political stability, it is worthwhile to discuss predicted estimates for each measure of democracy on the two measures of political stability using Long and Freese’s SPOST function. Figure 1-A and Figure 1-B shows that higher levels of democracy (using the maximalist measure of democracy provided by the Freedom House) is positively correlated to higher levels of political stability (and lower levels of political risk), while holding other control variables constant at their means and modes. Even with the Vanhanen measure, as shown in figures 2-A and 2-B (which uses a more minimalist criteria of measuring democracy), the same positive effect on political stability is documented, while holding other control variables at their means and modes. But what is the impact of democratic age on levels of political stability? Figures 3-A and 3-B provide evidence that polities that have a longer experience with democratic politics (as measured by the polity score over time
since 1900-2004) tend to be stable politically over time, while holding other control variables constant at their means and modes.

Predicted Estimates: The Effect of Level of Democracy on Political Stability
Figure 1-A Using Freedom House Scores
Figure 1-B

Predicted Estimate of level of democracy (Freedom House Score) on Political Risk (PRS measure)

Figure 2-A

Using the Vanhanen measure of democracy

Predicted Estimate of level of democracy (Vanhanen Measure) on Political Stability

Vanhanen Measure of Democracy (1975-2000)
Figure 2-B

Predicted Estimate of level of democracy (Vanhanen measure) on Political Risk (PRS measure)

Figure 3-A

Using Polity Measure (Democratic Age)

Predicted Estimate of Democratic Age on Political Stability (World Bank Measure)
Discussion and Conclusion

The relationship between democracy and political stability among developing states has always raised an empirical conundrum that remains unresolved. Using a model of developing states with varied regime types, it is discovered that polities with higher levels of democracy are more likely to be politically stable. Further, states that have a longer history of democratic politics are less likely to see a violent overthrow of their regimes, because they have lower levels of political risk– ranging from ethnic and religious tensions, socio-economic grievances in the population, internal and external threats on the regime, and direct military intervention. The results of this study provide countervailing evidence against the arguments held by many theorists who posit that democracy is prone to political instability due to the nature of political pluralism and the rise of populist policies that threaten the state’s capacity to govern effectively.
Why is it that democratic politics promotes stability while autocratic polities are prone to higher levels of political instability? The answer may be based on the nature of authoritarian regimes that continuously repress their people. As Gurr posited, levels of oppression may cause the population to hold grievances and induce them to rebel.\textsuperscript{82} The repression of political and civil rights by the state can in fact facilitate an increase in riots, protests, and civil disturbances aimed against autocracies. Furthermore, we can glean some validation from the work of James Scott who claimed that in societies where power is centralized in the hands of the few, the weak and the disenfranchised will find a way to challenge or supplant the oppressiveness and exclusivity of the system.\textsuperscript{83} This points to the civil disturbances that many despotic regimes have experienced in the past few years.

Since the late 1990s and up until today, spates of riots have occurred in Myanmar in reaction to the Junta’s inability to control inflation. Most recently in 2007, the sudden increase in the price of basic commodities spurred pro-democracy movements that many Buddhist monks have joined. This is not new to Myanmar, as periods of political unrest blighted the early years of the junta regime. Could it be that repression in autocracies brings about political violence and instability? Anecdotal evidence in China shows that unrest in the cities periodically happen, mostly led by students who have protested against the inefficient bureaucracy of the educational system.\textsuperscript{84} In Saudi Arabia, there is always a constant threat to the royal family of the Saud dynasty coming from the Wahabi faction that preaches against the close ties between the royal family and the United States— in particular allowing US forces to occupy Saudi soil. The Wahabi movement does not have much legitimacy among the Saudi mass public, but it has an organized presence in the Shura council (a consultative branch that the King consults on a daily basis). Experts claim that the extreme Wahabi movement is a direct threat to the stability of the Saud
family if its social contract in preserving the primacy of Sharia law fails. If that occurs a more fundamentalist regime may dominate the Saudi political system, which may directly see factional conflict between liberal and conservative forces—which could theoretically lead to political violence. In fact, the 1996 bombings of the Khobar towers in Saudi Arabia is an indication of the increased militancy of the Wahabi movement, when the armed group Hezbollah Al-Hejaz engaged in terror attacks to weaken the legitimacy of the Saud family, which continues until today. In Yemen, Islamic fundamentalism has been on the rise since the early 1980s and political riots are commonplace as a result of high food prices and commodities and the realization that oil resources are incapable of offsetting inflation. Thus, political stability is less likely to dominate the Yemeni political landscape as oil reserves dwindle. Furthermore, in North Korea and Cuba, long-entrenched dictators have withstood economic sanctions from the West aimed at targeting their regimes for political change and democratization. However, there is the constant threat of political instability and the erosion of autocracy’s legitimacy—particularly in the leadership structure. Because of press censorship, we do not know the extent of mass political protests in these countries. Political unrest is not covered by the western media, but human rights abuses are documented and are on the increase in these two countries. Increased reports of human rights violations in these countries are an indication of public resentment and political unrest in the streets aimed against state repression. The political turbulence and armed conflict in Syria (which has been ongoing for many years and only now has achieved significant media attention as a result of the Arab spring uprisings) is also a case that corroborates the findings of this study. Syria’s autocratic system headed by an ethnic minority royal family and Alawi-based Baath Party led to the mass mobilization of an aggrieved and disenfranchised majority population that
has been restive in many years. In conclusion, autocratic regimes have a natural tendency to encounter anti-state movements that directly targets the legitimacy and stability of the state.

What is the theoretical link between dictatorships and the potential for more political violence and instability? As Lichbach argues, the increased use of violent coercion by state elements in a dictatorship can lead into large scale political instability. Lichbach asserts that, “An increase in a government regime’s repression of non-violent activity may reduce the level of non-violent activities of opposition groups but it may increase the level of violent activities against the state. This results because the relative costs of non-violent activities to the opposition group have been raised.” This same perspective is also highlighted by Federico Ferrera’s analysis of Myanmar where he shows that increasing repression of an autocratic regime may facilitate the mobilization of forces among societal groups that can threaten the state’s legitimacy and thus foment prolonged periods of political instability. In the end, repression breeds rebellion, protests, and organized movements against an autocratic political system.

Finally, this study has several limitations which have implications for future research. First, of course is the inability to address exhaustively all independent variables that may influence variations on levels of political stability. For instance, future research should address whether or not large scale income inequality is at all related in fomenting higher levels of political instability among developing states as argued by prominent scholars. Recent work has also addressed that the forces of globalization, neoliberalism, economic liberalization, and the politics of austerity measures have precipitated an increase in political violence in Latin America and Africa. It is worthy of empirical investigation to test if the forces of globalization itself has a deleterious effect on political stability globally.
Appendix 1

Summary Statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Observations</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political Stability score</td>
<td>122</td>
<td>-0.433</td>
<td>0.838</td>
<td>-2.538</td>
<td>0.9566</td>
</tr>
<tr>
<td>Political Risk Measure</td>
<td>101</td>
<td>62.133</td>
<td>10.923</td>
<td>23.50</td>
<td>84.00</td>
</tr>
<tr>
<td>Polity IV Democratic Age (1900-2004)</td>
<td>122</td>
<td>7.926</td>
<td>11.385</td>
<td>0</td>
<td>63.00</td>
</tr>
<tr>
<td>Vanhanen level of democracy (1975-2000)</td>
<td>122</td>
<td>6.033</td>
<td>6.245</td>
<td>0</td>
<td>25.908</td>
</tr>
<tr>
<td>Ethnic Fractionalization</td>
<td>122</td>
<td>0.503</td>
<td>0.248</td>
<td>0</td>
<td>0.930</td>
</tr>
<tr>
<td>Religious Fractionalization</td>
<td>122</td>
<td>0.417</td>
<td>0.234</td>
<td>0.002</td>
<td>0.860</td>
</tr>
<tr>
<td>Parliamentarism</td>
<td>122</td>
<td>1.483</td>
<td>0.773</td>
<td>1</td>
<td>3</td>
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<td>Federalism</td>
<td>122</td>
<td>0.122</td>
<td>0.329</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

Endnotes


Ibid., 280-2.

Ibid, 283-4.


Alesina and Perotti, 1996.

Huntington, 1968.


34 Linz and Stepan, 1996.
37 Adam Przeworski, Michael Alvarez, Jose Cheibub, and Fernando Limongi, 2000, 212.
41 Knutsen, 2011.
50 See Juan Linz, “Presidential or Parliamentary Democracy: Does it make a difference?” in *The Failure of Presidential Democracy*, Juan Linz and Samuel Valenzuela, eds. (Baltimore: Johns Hopkins University Press, 1994).
52 Ibid., 335-6.
56 The Freedom House organization, headquartered in Washington D.C., is a prominent non-governmental organization that produces an annual Freedom in the World Report since 1974. The report assesses the level of political freedoms, civil rights and civil liberties that exist in all the sovereign states in the world that is frequently cited by academics, journalists, and policymakers.
57 Maximalist definitions of democracy tap not only the procedural definition of democracy concerning contestation and participation as Robert Dahl proposed, but it also defines democratic polities that grant citizens unrestricted political and civil rights. See for instance, Seymour Martin Lipset and Jason Lakin, *The Democratic Century* (Norman, University of Oklahoma Press, 2004).
61 The Vanhanen measure of democracy from 1975-2000 is available at the following url site: http://www.fsd.uta.fi/english/data/catalogue/FSD1289/meF1289e.html.
62 The Polity IV measure is developed by Marshall and Jaggers (2001). The data for the democracy-autocracy score from 1900-2004, is available at this url site: http://www.systemicpeace.org/inscr/inscr.htm.
63 See Munck and Verkuilen, 2002, 5-34.
64 Ibid., 27-9.
66 Data for the Vanhanen index is available at: http://www.prio.no/CSCW/Datasets/Governance/Vanhanens-index-of-democracy/Polyarchy-Dataset-Downloads/.
68 Refer to the following website for a complete methodological discussion of Polity IV’s democracy score construction. http://www.fsd.uta.fi/english/data/catalogue/FSD1289/meF1289e.html.
69 John Gerring and Strom Thacker also employed the same operationalization of democratic age in their study of unitarism’s effect on political corruption. See John Gerring and Strom Thacker, 2004.
70 Ibid., 297.
71 For the methodological procedure in formulating the measure, see Kauffman, Kraay et al. (2007). Measures of Governance Indicators. World Bank. Data Available at: http://info.worldbank.org/governance/wgi2007/
72 See Criticisms of the World Bank Governance measure by Carmen Apaza, “Measuring Governance and Corruption through the Worldwide Governance Indicators: Critiques, Responses


74 The dependent variables utilized in this study are constrained by data unavailability in certain time periods. For example, the World Bank measure for Political Stability was released starting in 1996 until 2006, while the Political Risk Group only has available data on the Political Risk Rating since 2000 until 2006. Thus, this explains why the two dependent variables have different time frames. Despite the World Bank measure having longer time duration than the PRG data, both measures have a high Pearson’s r correlation coefficient of 0.865 indicating that both dependent variables are highly correlated and are concomitantly measuring the same concept.

75 Observations drop to 101 when using the Political Risk Rating because data is not available for the following countries: Afghanistan, Benin, Bhutan, Cambodia, Central African Republic, Chad, Comoros, Djibouti, Equatorial Guinea, Fiji, Kyrgyzstan, Laos, Lesotho, Macedonia, Mauritius, Nepal, Rwanda, Swaziland, Tajikistan, Turkmenistan, and Uzbekistan.

76 Data for religious and ethnic fractionalization is derived from Alberto Alesina et al., “Fractionalization,” *Journal of Economic Growth* 8 (2003), 155-94. The ethnic fractionalization and religious fractionalization scores range from 0 to 1 where higher scores connote higher levels of ethnic or religious heterogeneity. Data for the natural log of GNP (avg. 1970-1995) per capita is derived from La Porta, Rafael et al. “The Quality of Growth,” *Journal of Law and Economics and Organization* 15, no.1 (1998), 222–79; Data for parliamentarism is derived from Gerring and Thacker, 2004, where they coded each country’s prevailing governmental system based on a trichotomous measure: 1=presidential system, 2=semi-presidential system, and 3=parliamentary system (for missing data I extrapolated the level of parliamentarism by referring to each country’s constitution in the panel study and I assessed the strength of parliamentarism from the last two decades). Data for Federalism is derived from the *Database of Political Institutions* collected by Phil Keefer, where countries with subnational units that have the authority to tax, spend and legislate are coded as 1, all else 0. The data is available at http://econ.worldbank.org/WEBSITE/EXTERNAL/EXTDEC/EXPRESEARCH/0,,contentMDK:20649465~pagePK:64214825~piPK:64214943~theSitePK:469382,00.html


80 Observations drop to 101 when the Political Risk Rating is used because data is not available for the following countries: Afghanistan, Benin, Bhutan, Cambodia, Central African Republic, Chad, Comoros, Djibouti, Equatorial Guinea, Fiji, Kyrgyzstan, Laos, Lesotho, Macedonia, Mauritius, Nepal, Rwanda, Swaziland, Tajikistan, Turkmenistan, and Uzbekistan.


91 Ibid., 29.

