



# Petropolitics?

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# The scholarly literature

**Case studies (Madhavy 1970; Skocpol 1982; Anderson 1987; Beblawi 1987; Luciani 1987; Davis 1987; Crystal 1989, 1990; Chaudry 1994, 1997; Van de Walle 1994; Khan 1994; Yates 1996; Clark 1997, 1998; Gardinier 2000; Dillman 2000; Hodges 2001; Bellin 2004; Vandewalle 1998, 2006).**

**And a large-N literature (Barro 1999; Ross 2001, 2009; Wantchekon 2002; Jenson and Wantchekon 2004; Smith 2004, 2007; Ulfelder 2007; Goldberg, Wibbels, and Myukiyehe 2008; Ramsey 2008; Papaioannou and Siourounis 2008).**



# The conventional wisdom

**The causal relationship between natural resources and authoritarianism is reported as a robust fact in:**

**The scholarly literature on comparative political systems (e.g., Huntington 1991).**

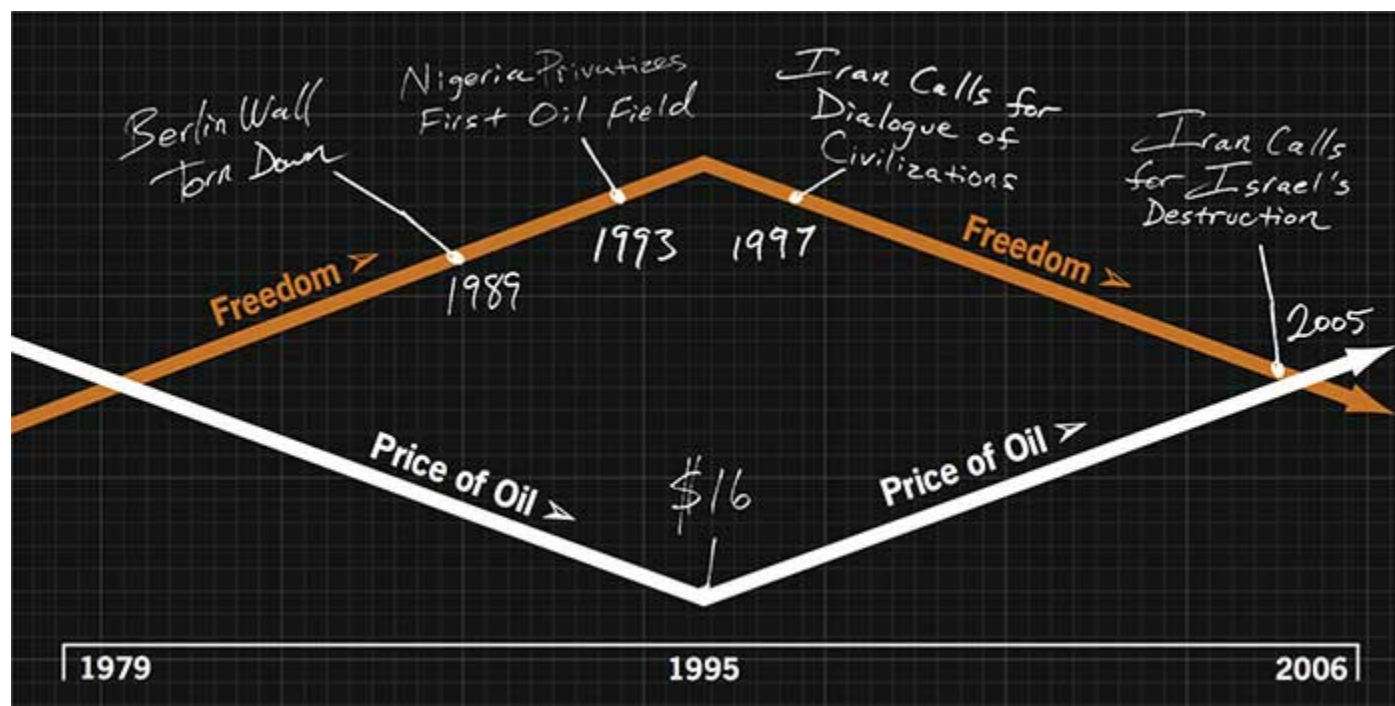
**Policy papers written by researchers at multilateral aid organizations (e.g., Harford and Klein 2005).**

**Popular books on world politics and economics (e.g., Friedman 2007, Collier 2008).**

**The mass media (e.g., Friedman 2006, Rosenberg 2007).**



# Friedman's first law of petropolitics





# You got a problem with that?

- 1. The resource curse is about a dynamic, time-series process, but the econometric techniques that have been used to test it are primarily static, centered on cross-sectional variance, and are estimated on data sets that are truncated with respect to time.**
- 2. You have to assume that these regressions estimate the independent effect of resources on democracy without bias: that all the factors that might jointly determine natural resource reliance and political regime have been held constant.**
- 3. You have to further assume that the regressions fully capture these variables' trajectories — in explaining the variance in levels across countries, the regressions assume that the actual adjustment process that drives democratization to new levels due to changes in resource reliance can be ignored without biasing the estimates.**
- 4. Finally, you have to assume that the regressions properly model possible non-linearities, be they threshold effects or conditional relationships. Dunning (2008) is a partial exception and a real step in the right direction on this count.**



# Translation to Brooklyn

**Do you really believe that Venezuela  
would be Spain if it didn't have oil?**

**WTF?**



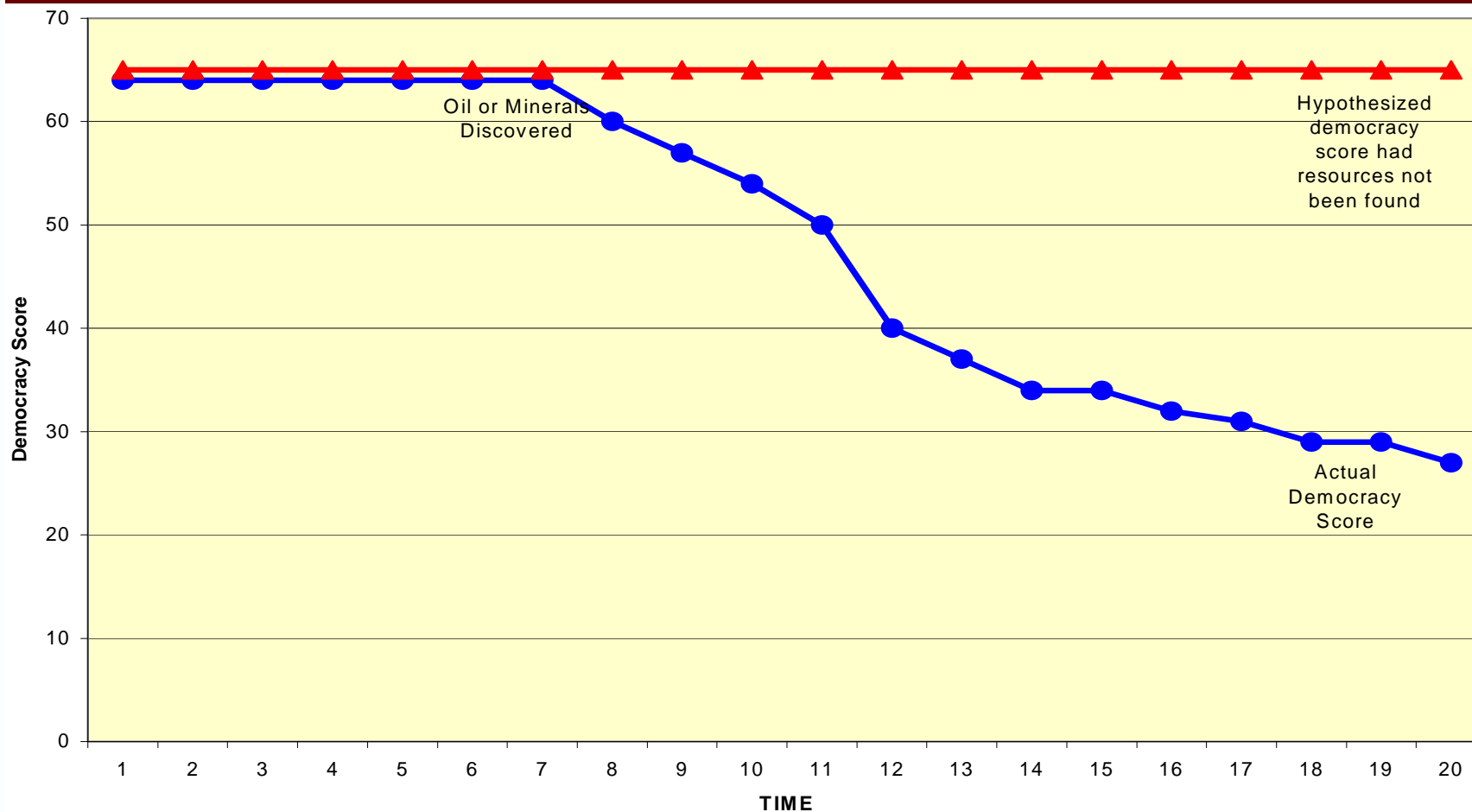
# History without a license

**The oil curse is a theory about change over time. It posits that had it not been for the discovery of oil, a “cursed” country would have gone down a different path of institutional development.**



# H1: Oil undermines democracies

The Natural Resources Undermines Democracy Counterfactual of the Resource Curse



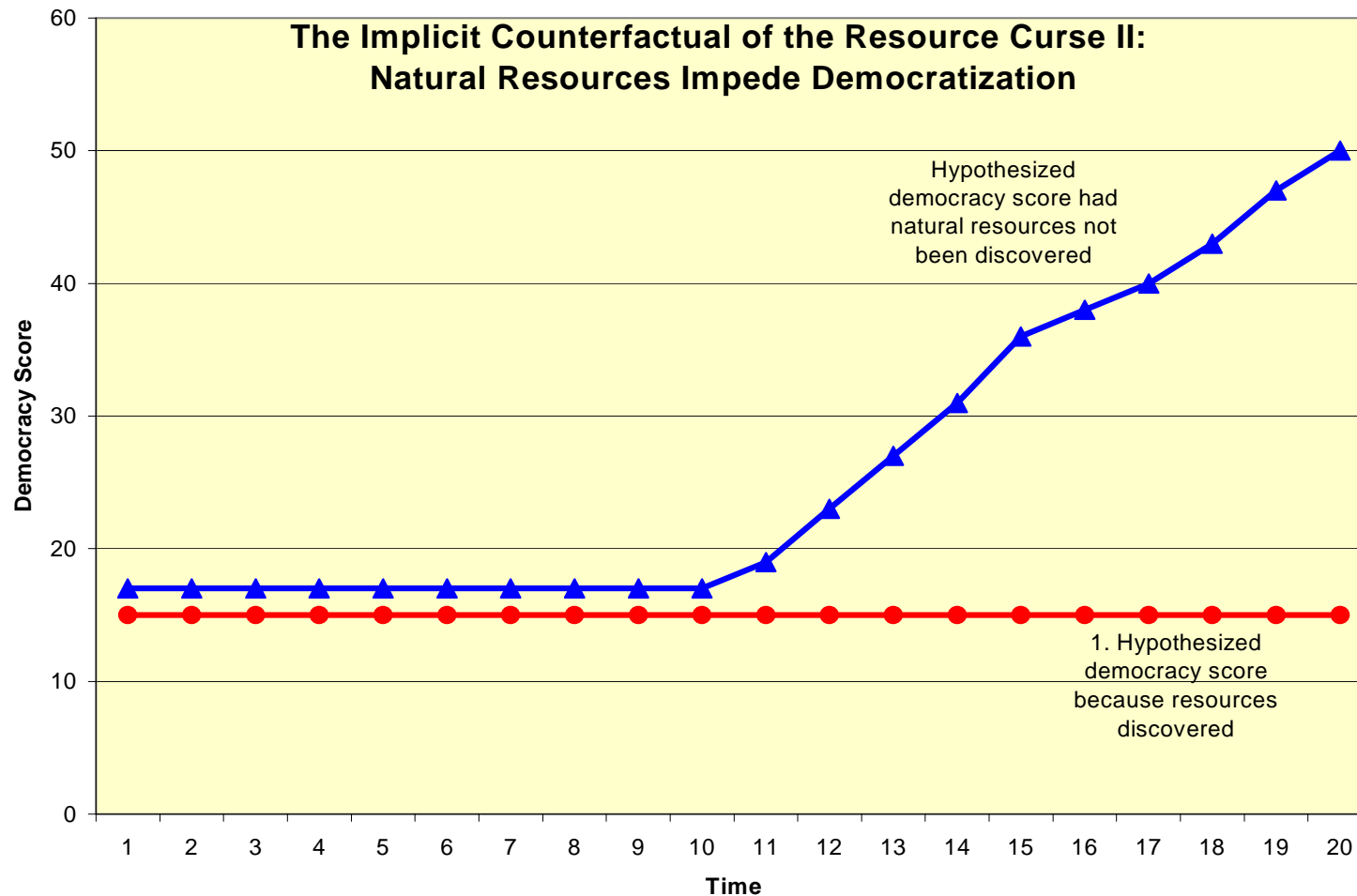
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# H2: Oil prevents democratic transitions



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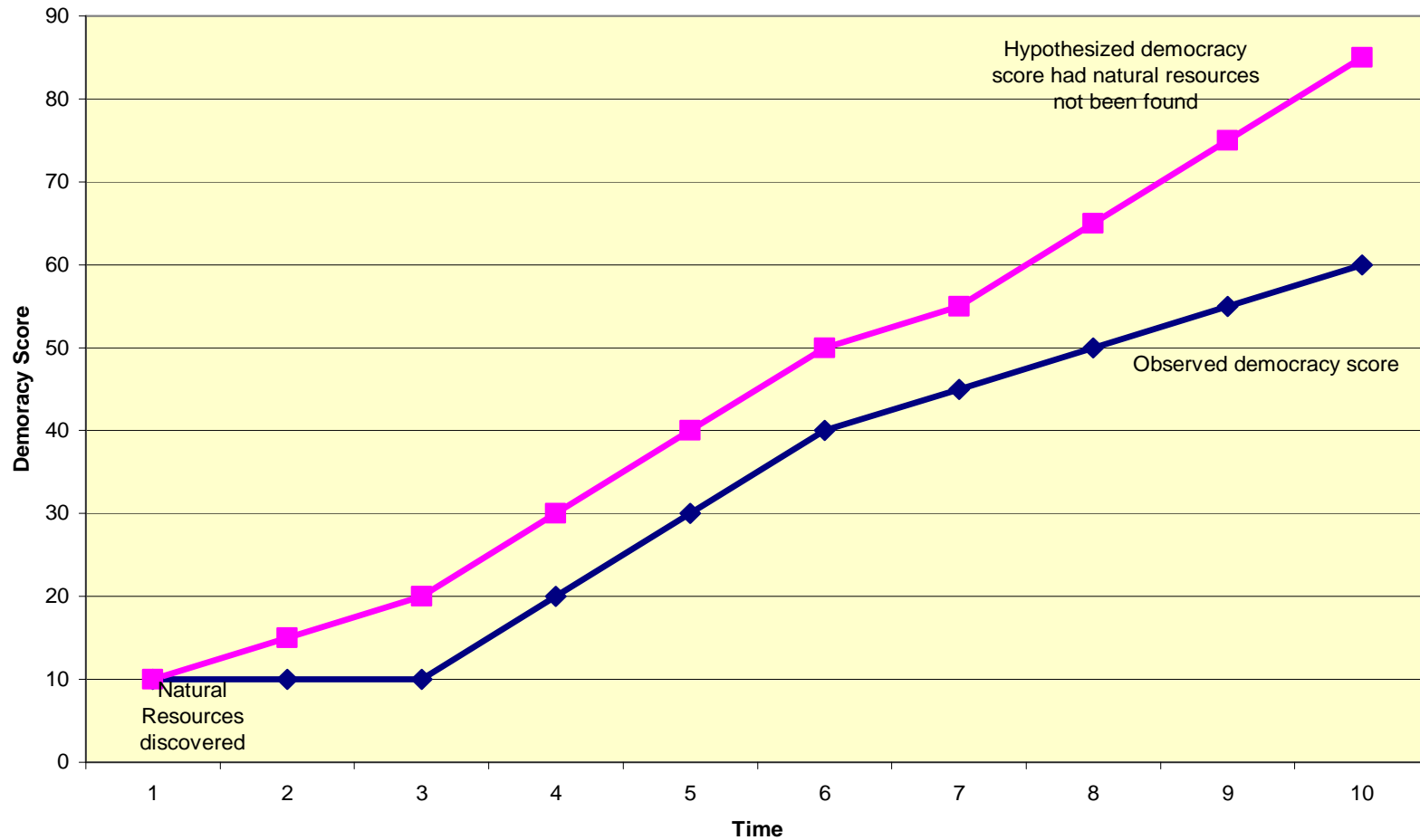
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# H3: Oil delays or slows democratic transitions



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The Natural Resources Delays or Impedes Democratization Hypothesis

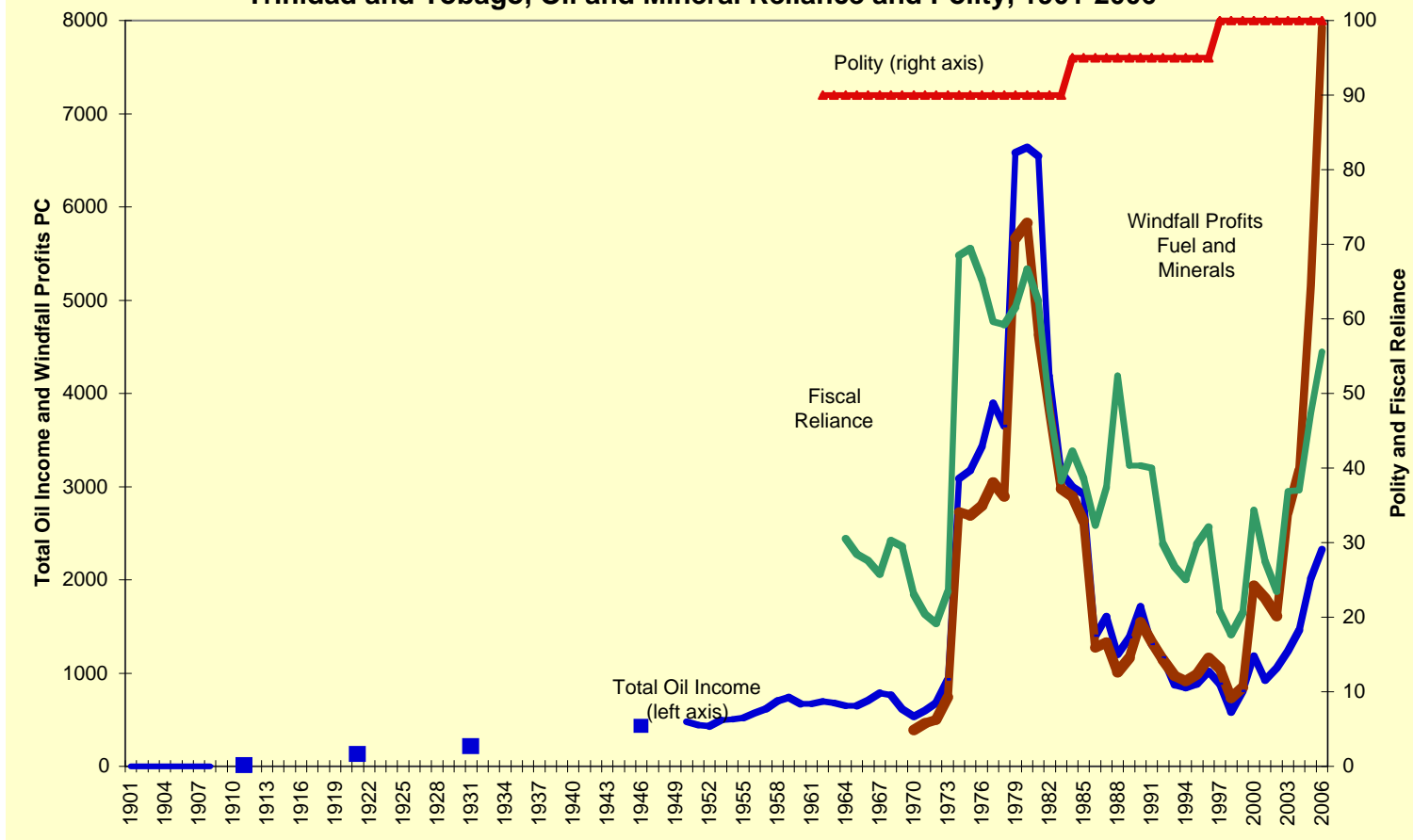


Haber and Menaldo 2009



# Trinidad and Tobago

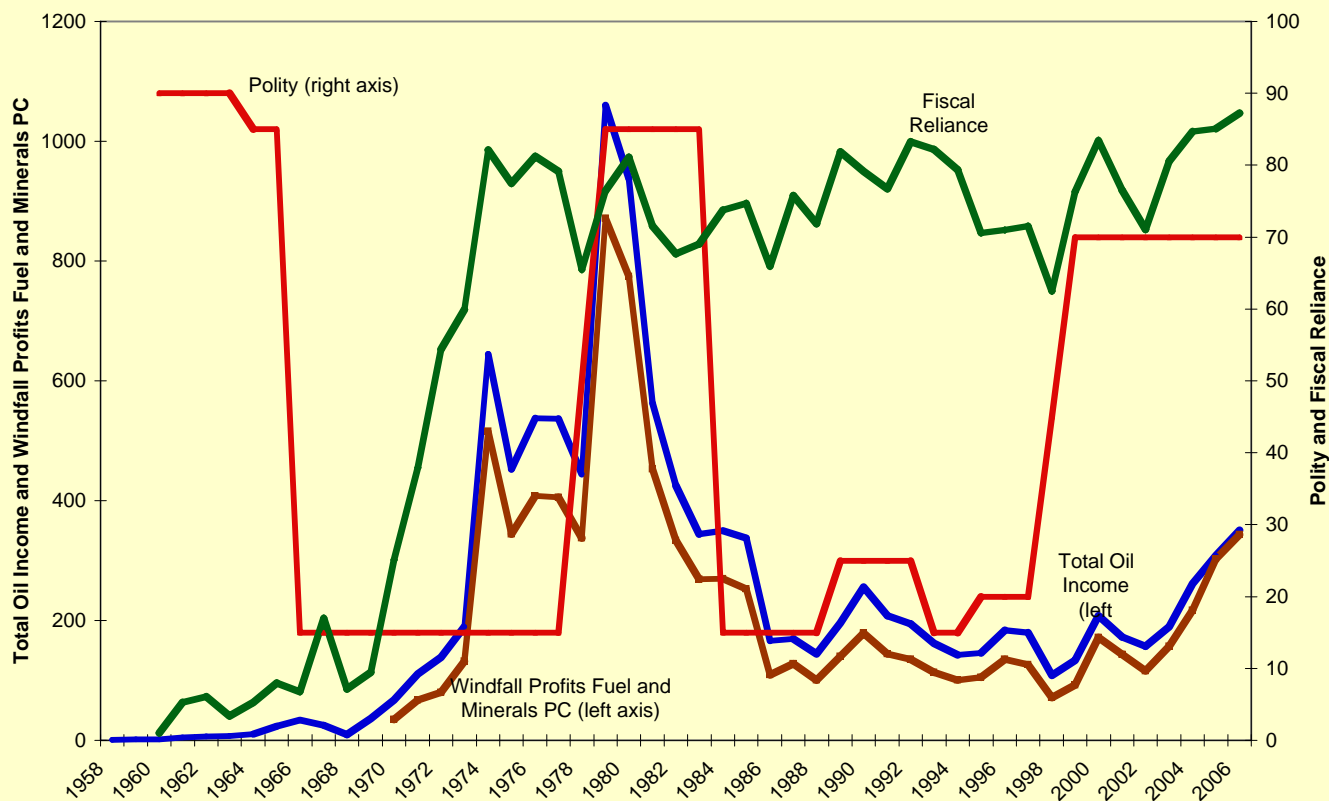
Figure 1:  
Trinidad and Tobago, Oil and Mineral Reliance and Polity, 1901-2006





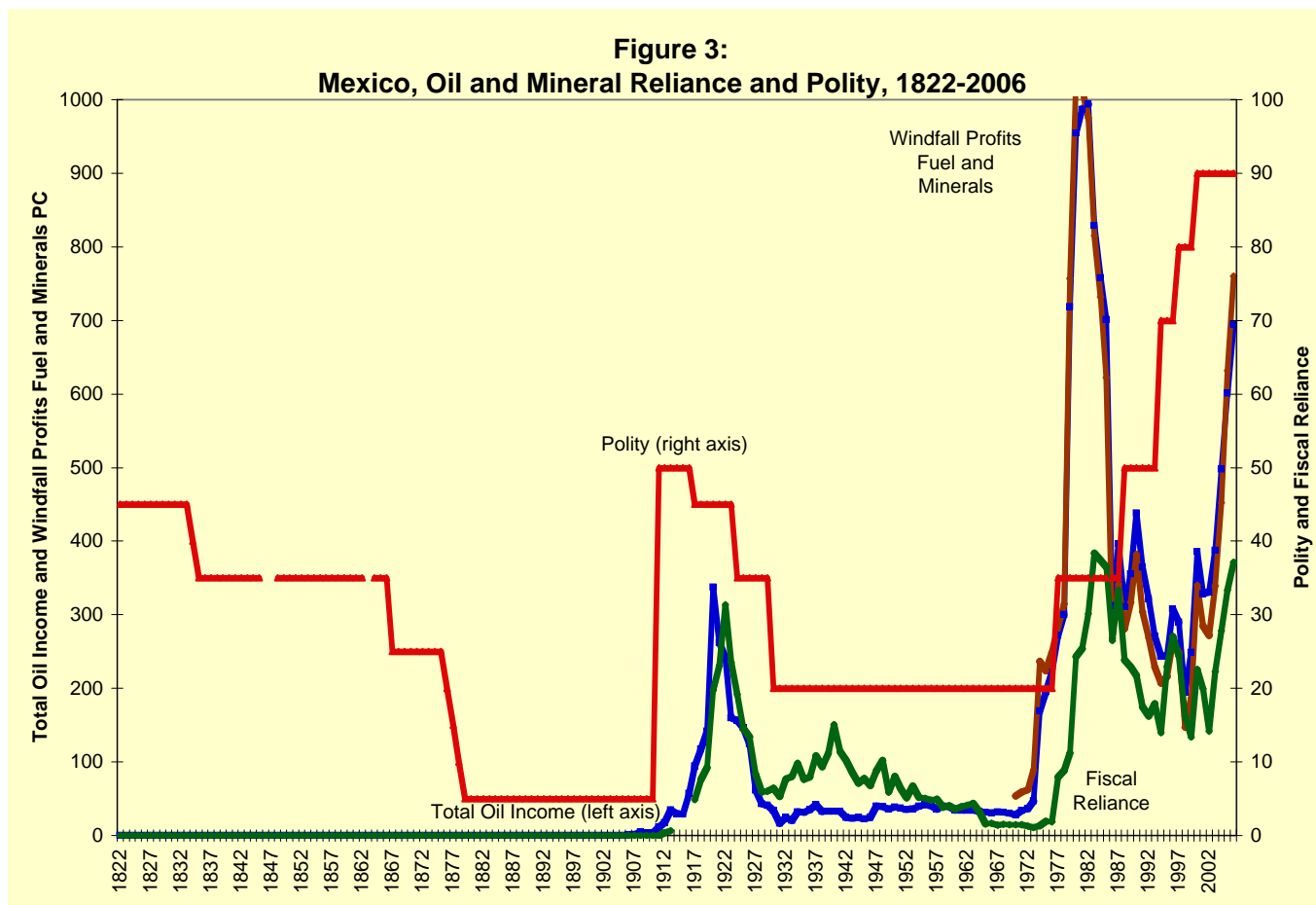
# Nigeria & Syria—autocratic before oil

Figure 2:  
Nigeria, Oil and Mineral Reliance and Polity, 1958-2006



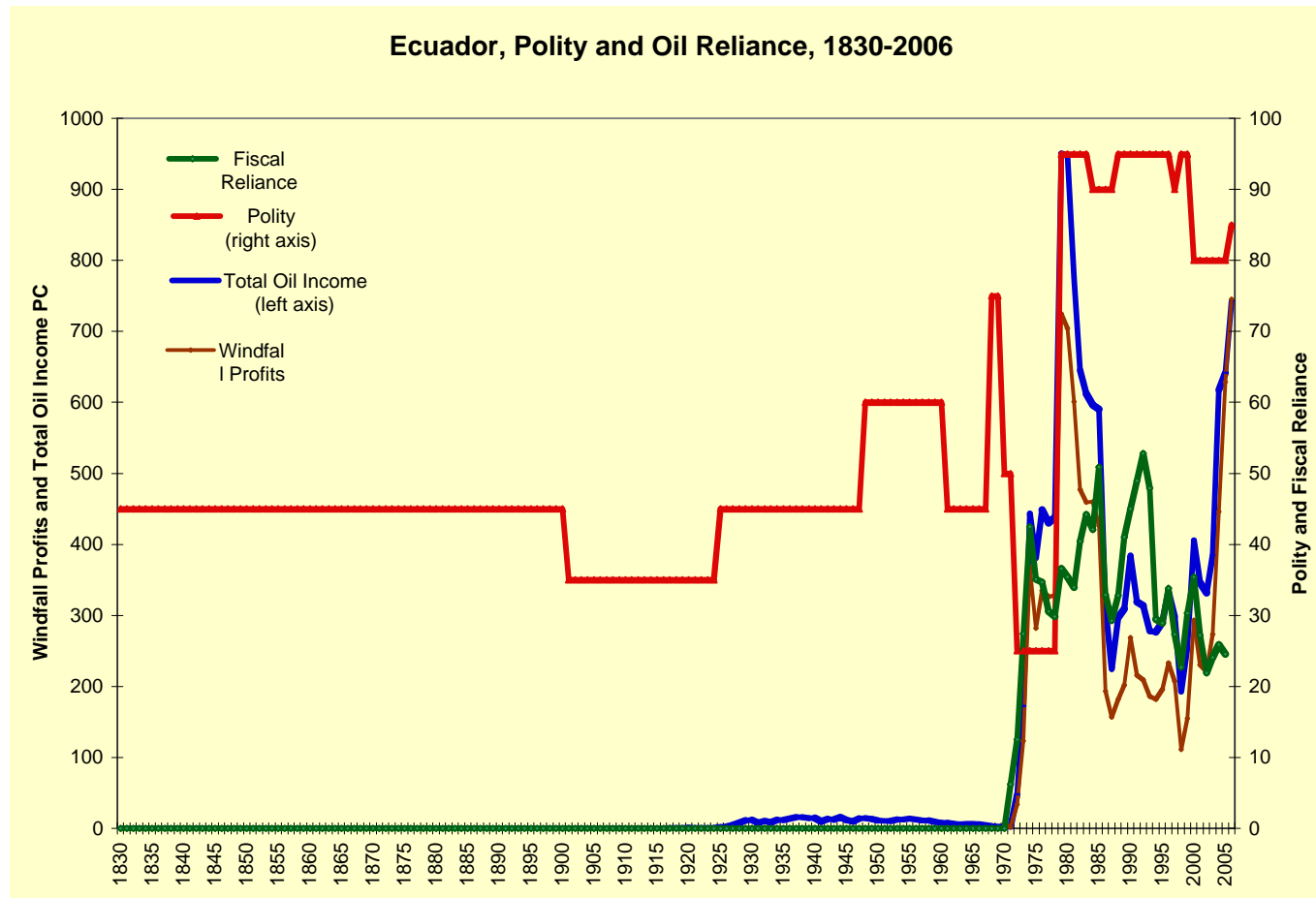


# Mexico — democratic after oil





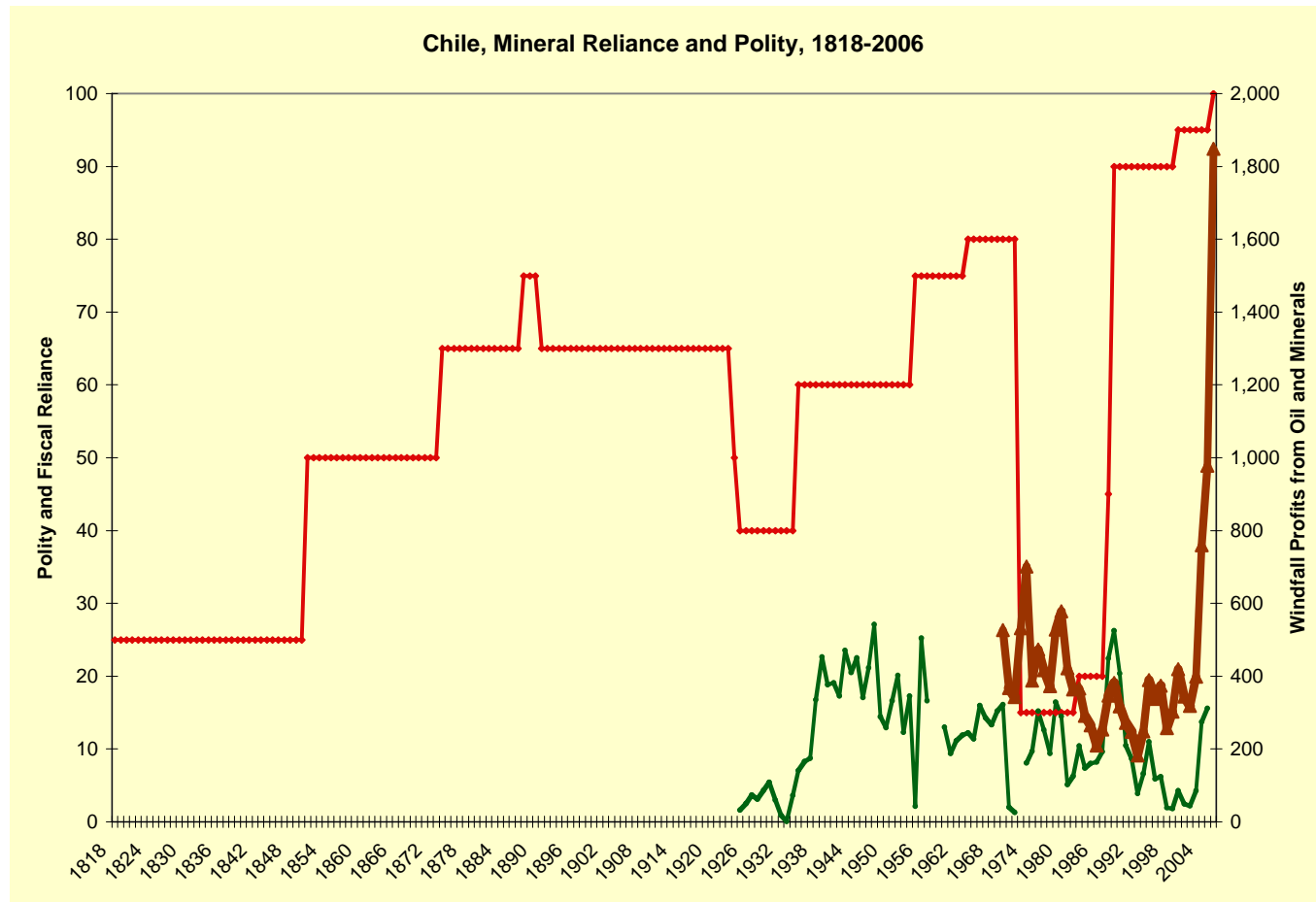
# Ditto Ecuador



# And Chile, why not, why should copper be any different?



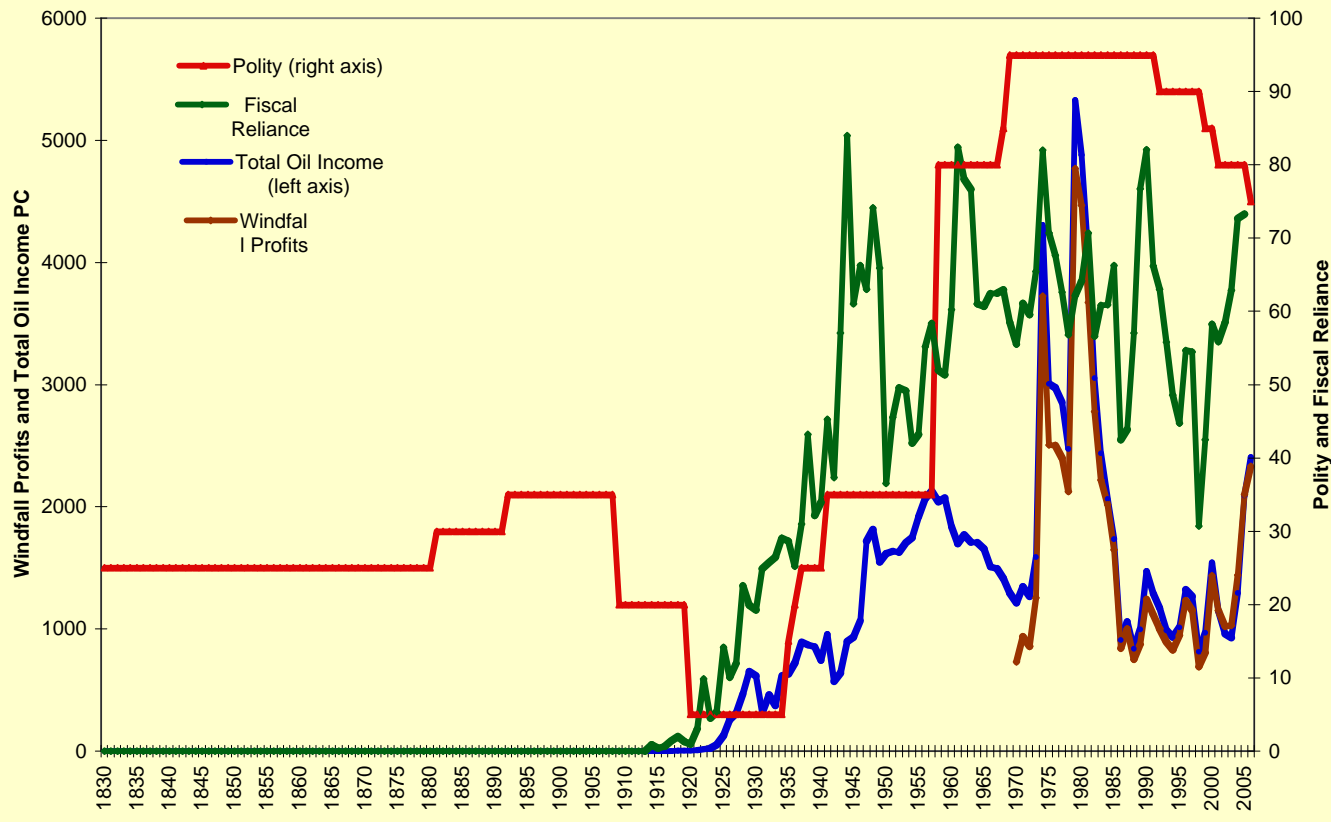
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# El elefante en la sala

Venezuela, Polity and Oil Reliance, 1830-2006



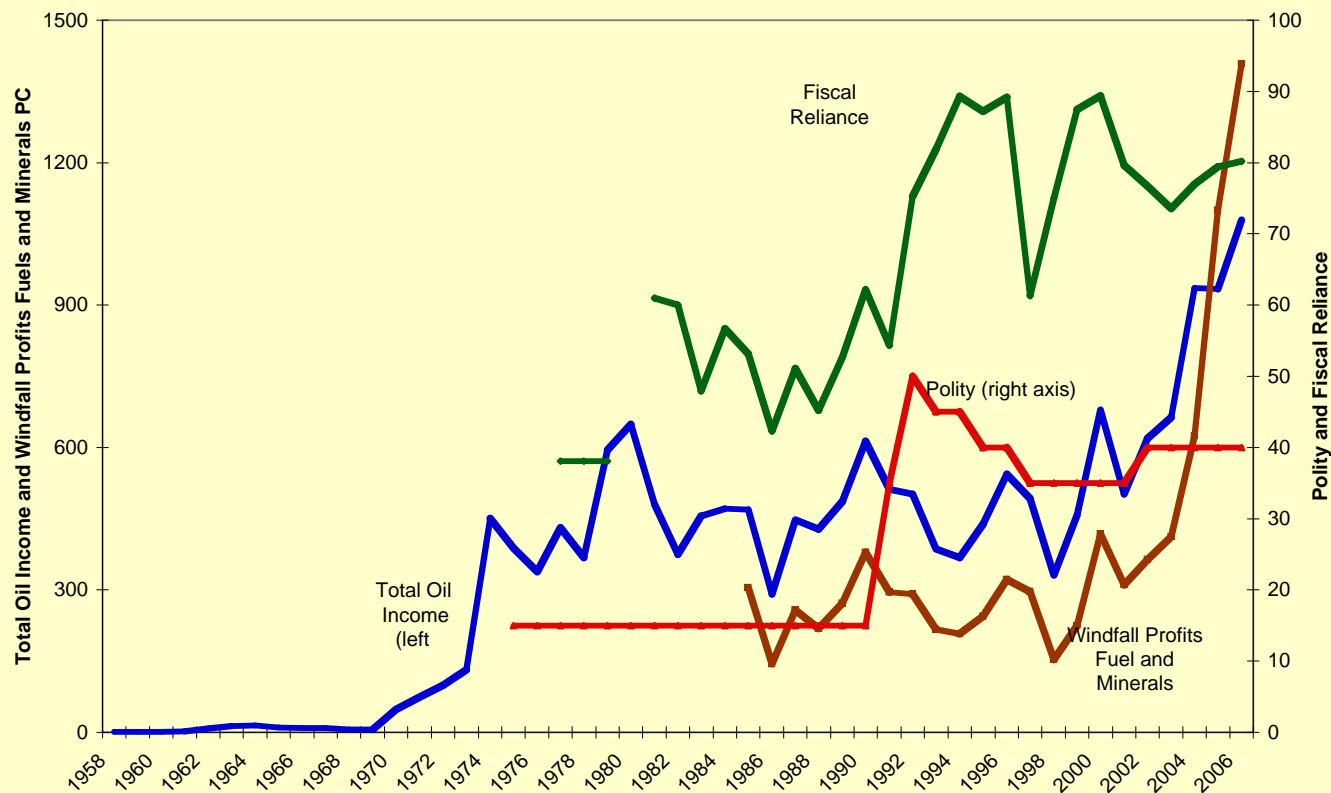


# Some countries democratized during resource booms



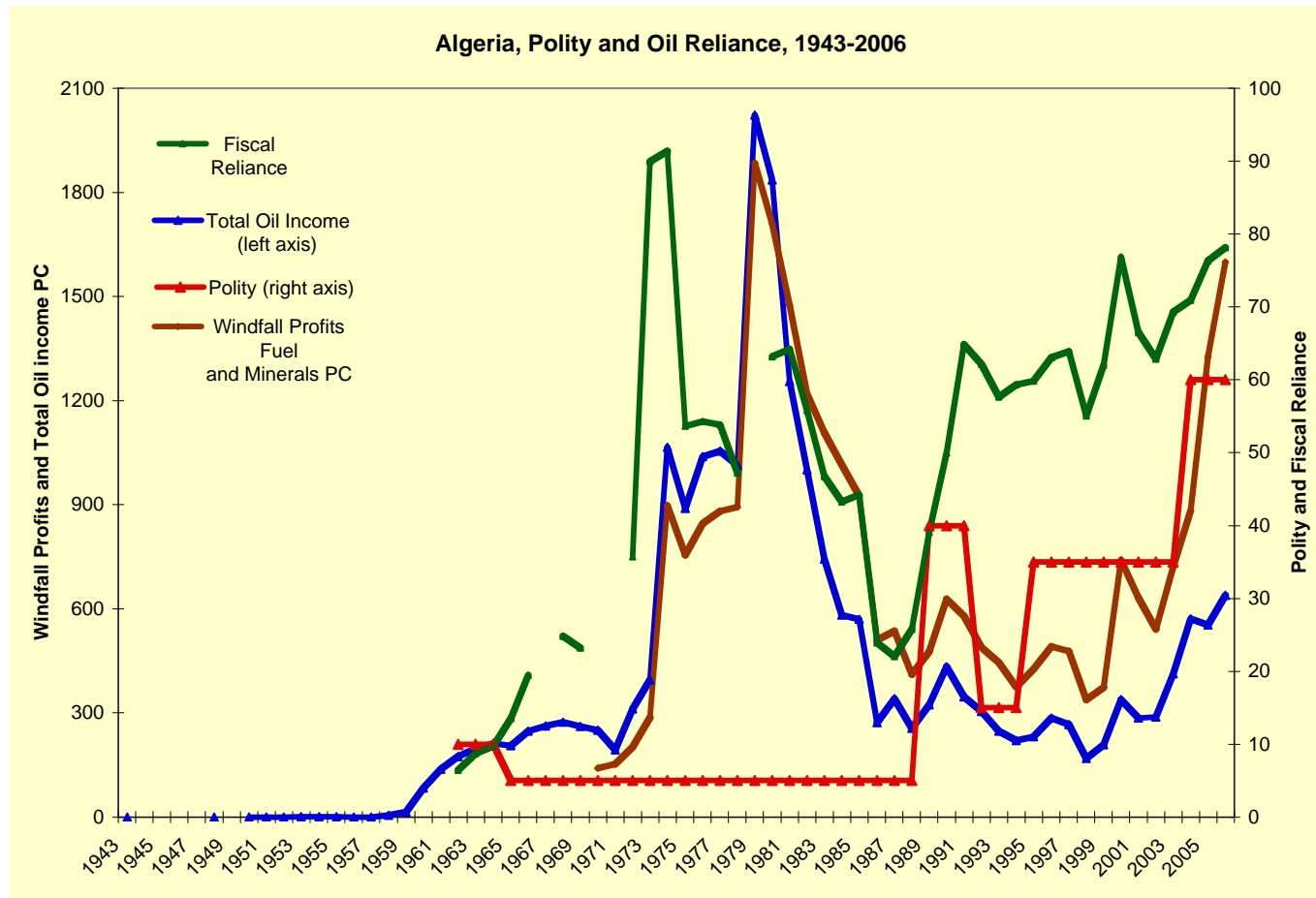
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Figure 4:  
Angola, Oil and Mineral Reliance and Polity, 1958-2006



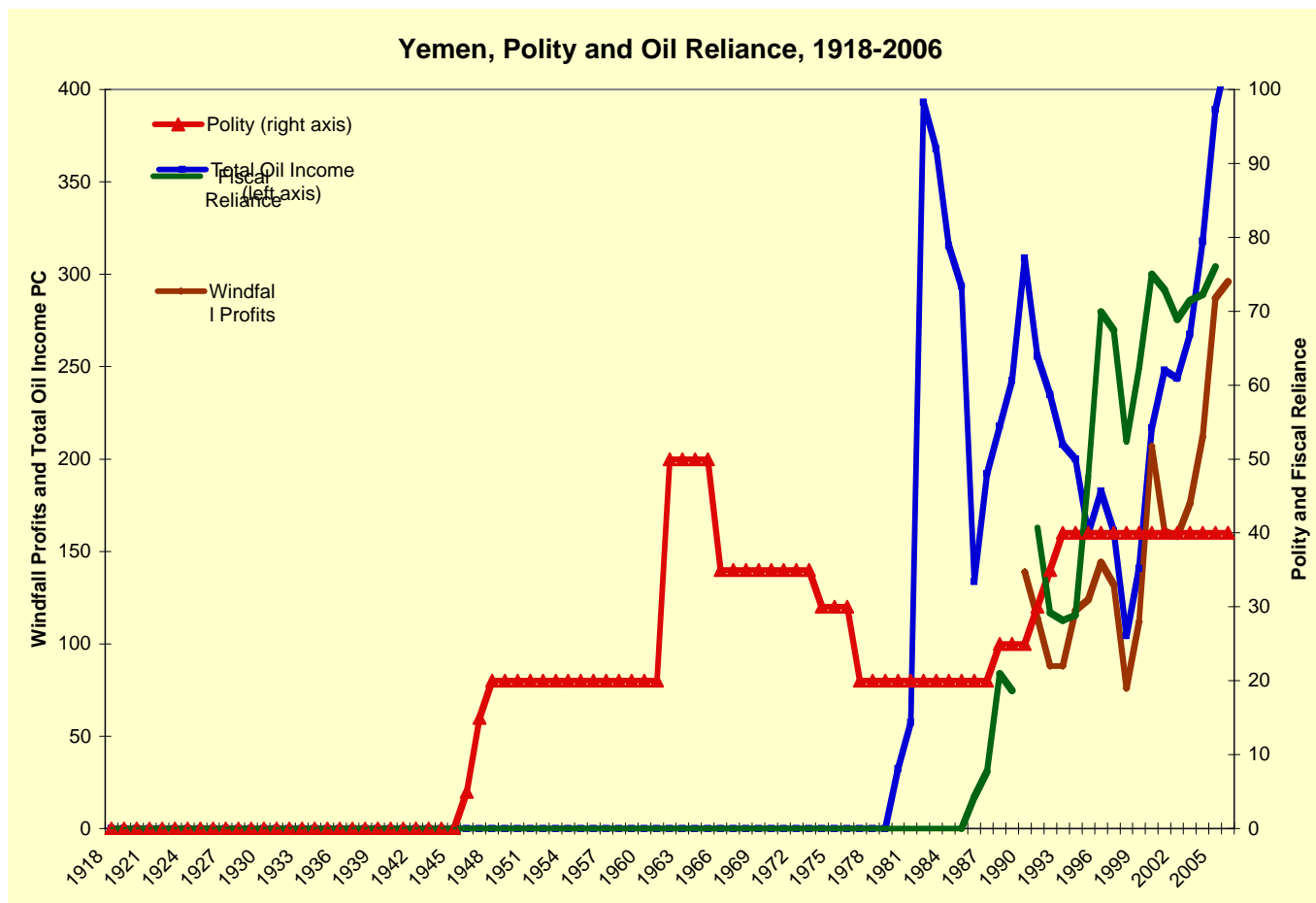


# Even Arab countries ...





# And more than one Arab country ...

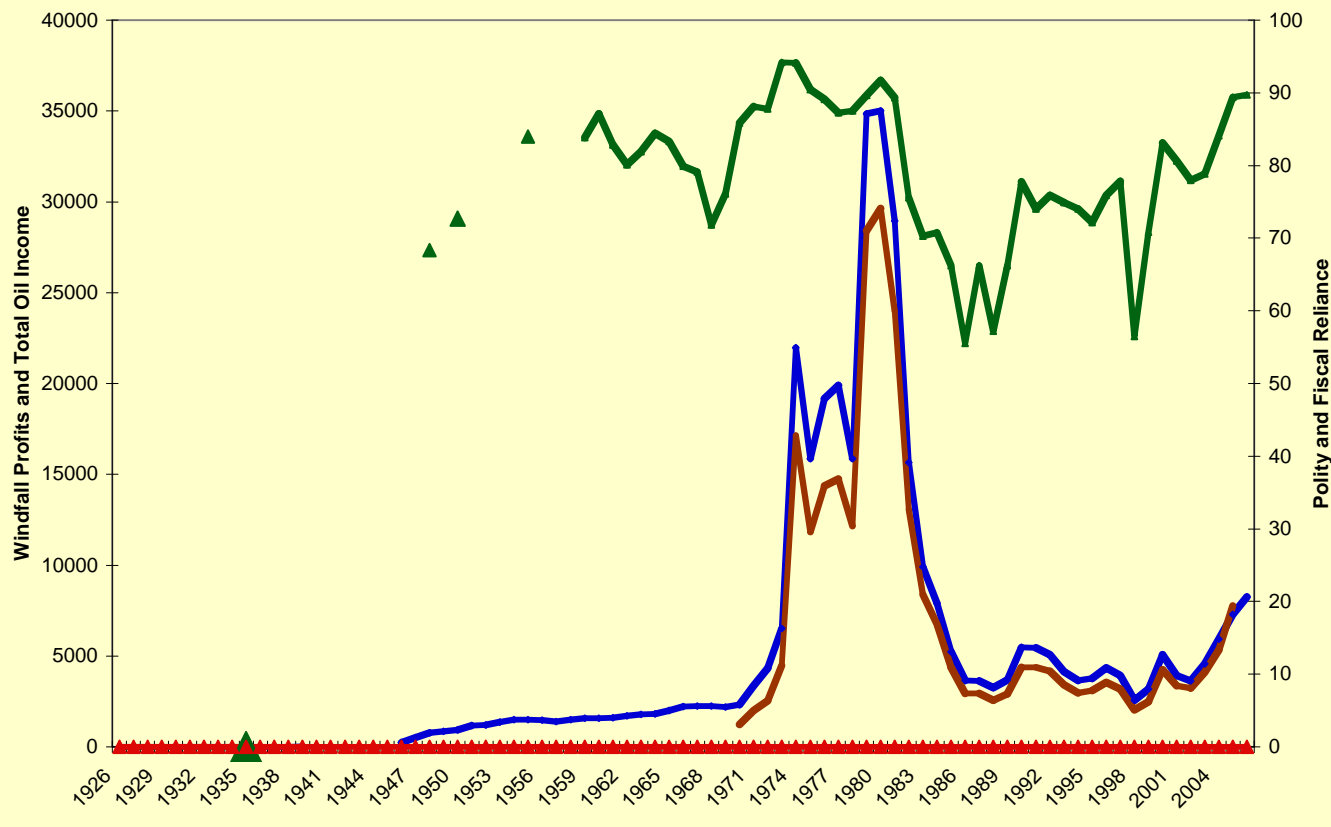


# Nor was Saudi Arabia a democratic paradise before oil



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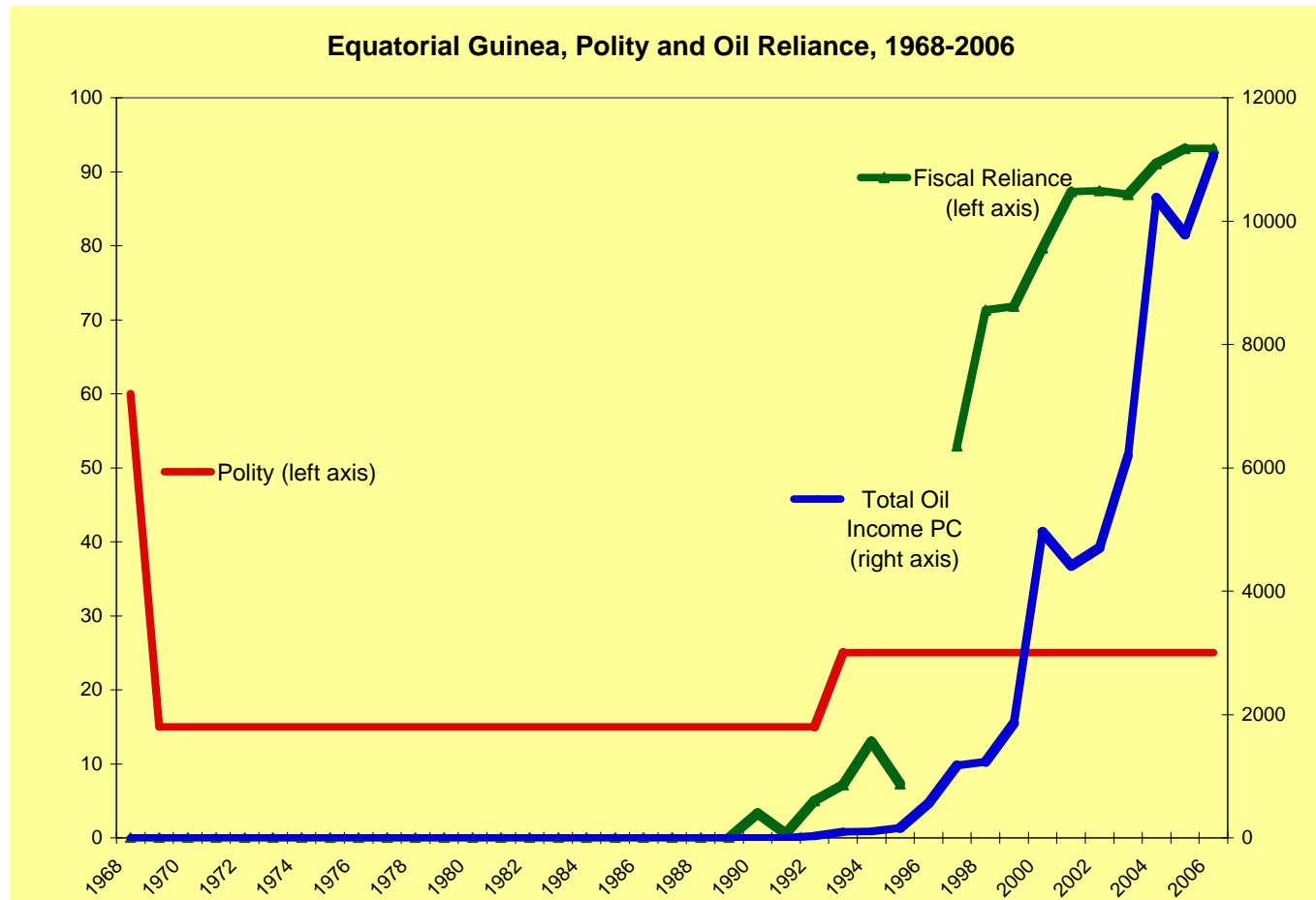
Saudi Arabia, Oil Reliance and Polity, 1926-2006



# And don't talk to me about Equatorial Guinea ...



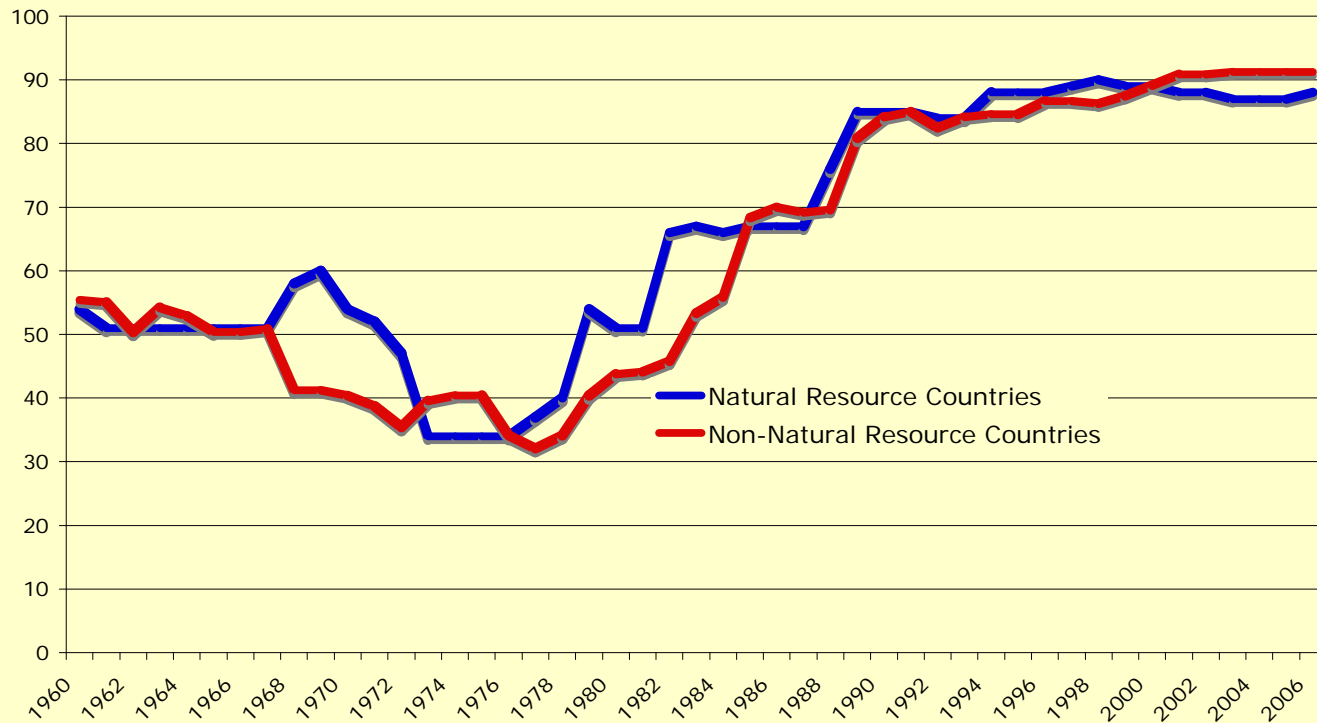
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# The results are econometrically robust

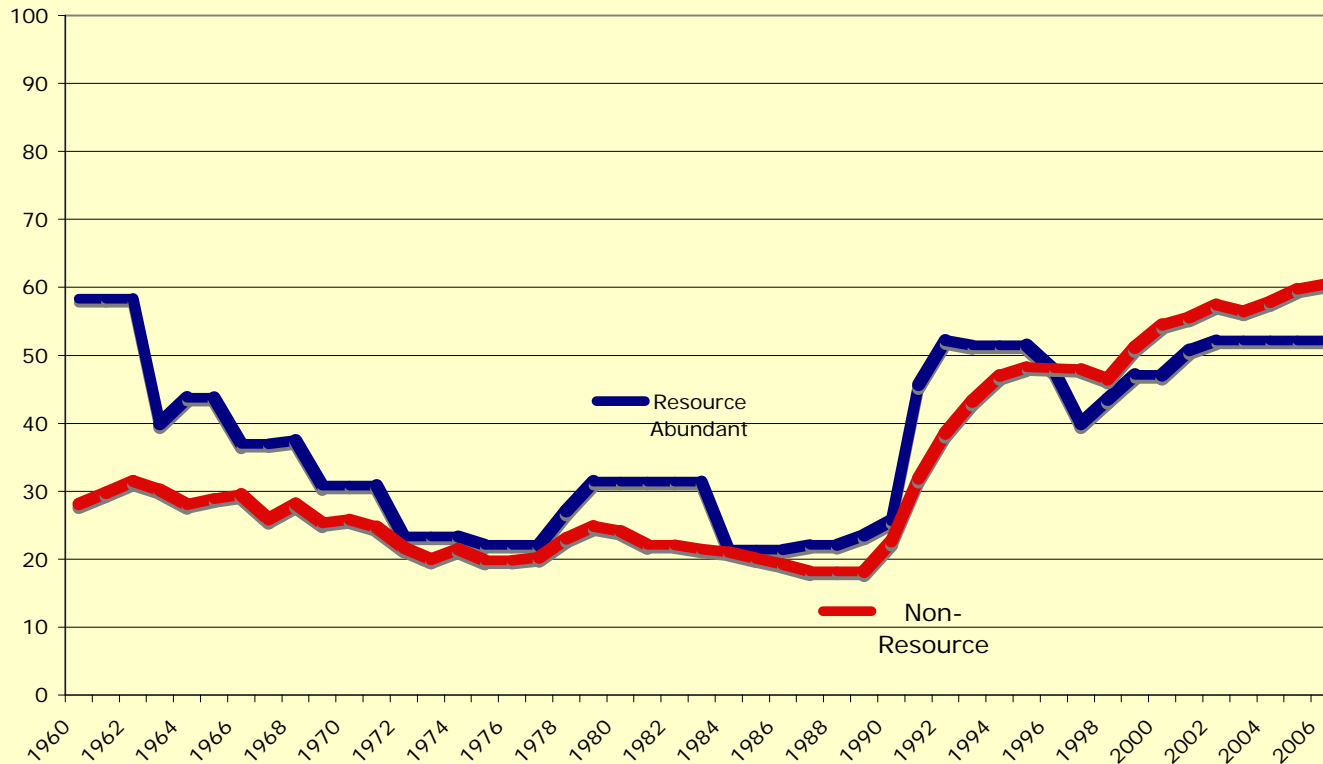
Latin American Average Polity Scores, Resource Producers Vs Non-Resource Producers





# And Africa *is not any different.*

Average Polity Scores, Natural Resource and Non-Natural Resource Abundant African Countries, 1960-2006





# The upshots

- 1. Regime types are not determined by natural resource wealth. This is not to say that there may not be cases where a dictator has held onto power by using resource wealth. It is to say that the evidence does not support generalizable, law like statements.**
- 2. History without a license is a dangerous thing. There are a host of issues in political economy about processes that take place over time within countries that have been addressed using pooled regression techniques on longitudinally truncated data sets — such as the rise of the welfare state, the centralization of taxation, the onset of civil war, and industrialization — not to mention the other hypotheses of the resource curse. We would suggest that they might more appropriately be addressed using time series data and methods.**