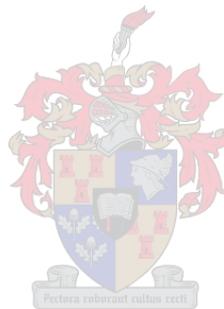


Redistributive Populism Versus Strengthening Property Rights: A Comparative study of Venezuela and Zimbabwe, and Uruguay and Botswana

By

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Declaration

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Abstract

Liberal democracies are commonly lauded for their accomplishments in maintaining democratic stability, as well as steady trends of decreasing poverty. The general observation has been that liberal democracies have exhibited impressive records of economic growth, accompanied by relative political stability. However, as the 21st century has progressed, issues such as inequality persist and new political trends emerge. The liberal democratic paradigm is evidently coming under increasing scrutiny and in many cases challenged. Many of these challenges originated in a new wave of populism, of both a left-wing and right-wing variety, which are gaining a foothold and momentum in the Western world, as well as in the global South. While the Western democracies are witnessing a resurgence in right-wing populism, the global South is being increasingly characterised by the rise of left-wing populism. This thesis focuses specifically on case studies in the global South and thus on a populism of the left built on a platform of radical redistribution.

The thesis attempts to answer the following research question: Is redistributive populism a sustainable long-term policy path for economic growth, poverty and inequality reduction, and for democratic consolidation, or is protecting and enforcing property rights a better alternative to achieve these aims? In order to answer this question, four case studies were compared and contrasted: Venezuela and Zimbabwe were selected as cases where redistributive, left-wing populist regimes have prevailed and under which property rights were substantially eroded; Uruguay and Botswana represent cases of the protection and enforcing of property rights. This qualitative thesis utilises a comparative case study research design, using desktop analysis.

In Venezuela and Zimbabwe a decline in support for the incumbent party was the catalyst for increasingly radical redistributive populist platforms. This thesis found that the redistributive populist cases of Venezuela and Zimbabwe achieved initial improvements in poverty reduction, but that as their redistributive policy paths became increasingly radicalized, these positive conditions stagnated and eventually regressed. Under these redistributive populist regimes, liberal democratic checks on power were weakened or eliminated, and their radical policies led to prolonged periods of substantial economic contraction and hyperinflation. When the Chávez and Maduro regimes in Venezuela, and the Mugabe regime in Zimbabwe, failed to deliver on their populist promises and their economies faltered, their support dwindled further, resulting in an increased radicalization of their redistributive policies and escalated suppression of the opposition in order to retain power. The cumulative result was that support for democracy as the preferable system significantly declined amongst the populations of their countries. Their democracies therefore deconsolidated through declining support for democracy and the erosion or elimination of liberal democratic institutions.

In contrast, the two cases where property rights were protected and enforced, namely Uruguay and Botswana, achieved impressive declines in poverty levels and sustained relatively high levels of economic growth. Protecting property rights contributed significantly to their investor-friendly economies and attracted large amounts of foreign direct investment. Venezuela and Botswana were both rich in one major commodity, but in contrast to Venezuela, where the regime nationalised the oil industry, Botswana negotiated a deal with the diamond industry on the basis of respecting its property rights. The result was that the diamond industry became the engine of the Botswana economy, as it split the revenues with the government, which then re-invested in infrastructure, education and healthcare, and diversifying the economy. Both Uruguay and Botswana are internationally recognised for their strong liberal democratic institutions and stable democratic records, and support for democracy in both countries is significantly high. Their democracies have been able to maintain their level of consolidation, as well as build on it. Yet none of the four cases examined has shown a radical reduction in their Gini coefficients, which is a phenomenon requiring further research.

Opsomming

Liberale demokrasieë word gewoonlik geprys vir hul prestasies om demokratiese stabiliteit te handhaaf, sowel as die bestendige neigings van dalende armoede. Die algemene waarneming was dat liberale demokrasieë indrukwekkende rekords van ekonomiese groei getoon het, gepaard met relatiewe politieke stabiliteit. Namate die 21ste eeu egter gevorder het, duur kwessies soos ongelykheid voort en nuwe politieke tendense kom na vore. Die liberale demokratiese paradigma word klaarblyklik toenemend onder die loep geneem en in baie gevalle betwis. Baie van hierdie uitdagings het ontstaan in 'n nuwe golf van populisme, van linkse en regse variëteite wat in die Westerse wêreld sowel as in die wêreldwye Suide vastrapplek en momentum kry. Terwyl die Westerse demokrasieë 'n oplewing in die regse populisme sien, word die wêreldwye Suide toenemend gekenmerk deur die opkoms van linkse populisme. Hierdie tesis fokus spesifiek op gevallestudies in die wêreldwye Suide en dus op linkse populisme gebou op 'n platform van radikale herverdeling.

Die proefskrif poog om die volgende navorsingsvraag te beantwoord: Is herverdelende populisme 'n volhoubare langtermynbeleidspad vir ekonomiese groei, armoede en ongelykheid, en vir demokratiese konsolidasie, of is die beskerming en afdwinging van eiendomsreg 'n beter alternatief om hierdie doelstellings te bereik? Ten einde hierdie vraag te beantwoord, is vier gevallestudies vergelyk en gekontrasteer: Venezuela en Zimbabwe is gekies as gevalle waar herverdelende, linkse populistiese regimes geheers het en waaronder eiendomsreg aansienlik verweer is; Uruguay en

Botswana verteenwoordig gevalle van die beskerming en afdwinging van eiendomsreg. Hierdie kwalitatiewe tesis maak gebruik van 'n vergelykende gevallestudie navorsingsontwerp, wat gebruik maak van lessenaarontleding.

In Venezuela en Zimbabwe was 'n afname in steun vir die huidige party die katalisator vir toenemend radikale herverdelende populistiese platforms. In hierdie proefskrif is bevind dat die herverdelende populistiese gevalle van Venezuela en Zimbabwe aanvanklike verbeterings in die vermindering van armoede behaal het, maar dat hierdie positiewe toestande gestagneer het en uiteindelik agteruitgegaan het toe hul herverdelende beleidspad toenemend geradikaliseer het. Onder hierdie herverdelende populistiese regimes is liberale demokratiese magskontrole verswak of uitgeskakel, en hul radikale beleid het gelei tot lang tydperke van aansienlike ekonomiese inkrimping en hiperinflasie. Toe die Chávez- en Maduro-bewinde in Venezuela en die Mugabe-bewind in Zimbabwe nie hul populistiese beloftes kon nakom nie en hul ekonomieë verswak, het hul steun verder afgeneem, wat gelei het tot 'n toenemende radikaliserings van hul herverdelingsbeleid en die onderdrukking van die opposisie is in 'n toenemende mate verhoog om mag te behou. Die kumulatiewe resultaat was dat steun vir demokrasie as die voorkeurstelsel aansienlik afgeneem het onder die bevolking van hul lande. Hul demokrasieë is dus gedekonsolideer deur dalende steun vir demokrasie en die erosie of uitskakeling van liberale demokratiese instellings.

Daarteenoor het die twee gevalle waar eiendomsreg beskerm en toegepas is, naamlik Uruguay en Botswana, indrukwekkende afname in armoede-vlakke behaal en relatief hoë vlakke van ekonomiese groei behou. Die beskerming van eiendomsreg het aansienlik bygedra tot hul beleggersvriendelike ekonomieë en het groot hoeveelhede direkte buitelandse beleggings gelok. Beide Venezuela en Botswana was ryk aan een groot kommoditeit, maar in teenstelling met Venezuela, waar die regime die oliebedryf genasionaliseer het, het Botswana 'n ooreenkoms met die diamantbedryf onderhandel op grond van sy eiendomsreg. Die gevolg was dat die diamantbedryf die motor van die Botswana-ekonomie geword het, aangesien dit die inkomste gedeel het met die regering, wat die regering dan weer in infrastruktuur, onderwys en gesondheidsorg belê het en die ekonomie mee gediversifiseer het. Beide Uruguay en Botswana word internasionaal erken vir hul sterk liberale demokratiese instellings en stabiele demokratiese rekords, en die steun vir demokrasie in albei lande is aansienlik hoog. Hulle demokrasieë kon hul konsolidasievlakke volhou en daarop voortbou. Tog het geen van die vier gevalle wat ondersoek is, 'n radikale vermindering in hul Gini-koëffisiënte getoon nie, wat 'n verskynsel is wat verdere ondersoek verg.

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List of Abbreviations

AD	Democratic Action Party
AIDS	Acquired Immunodeficiency Syndrome
AU	The African Union
BDP	Botswana Democratic Party
BTI	Bertelsmann Transformation Index
CE	Common Era
CIA	Central Intelligence Agency
COPEI	Social Christian Party
COVID-19	Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2)
CTV	Confederation of Venezuelan Workers
EFF	Economic Freedom Fighters
GDP	Gross Domestic Product
HIV	Human Immunodeficiency Virus
ICRG	The International Country Risk Guide
IMF	International Monetary Fund
MDC	Movement for Democratic Change
NDP	National Democratic Party
OECD	Organisation for Economic Co-operation and Development
PEN	Poets, Essayists and Novelists
PF	Patriotic Front
PPP	Purchasing Power Parity
PSUV	United Socialist Party of Venezuela
SADC	Southern African Development Community
SRANC	Southern Rhodesia African National Congress
UDC	Umbrella for Democratic Change
UDI	Unilateral Declaration of Independence
UN	United Nations
US	United States
ZANU	Zimbabwe African National Union
ZANU-PF	The Zimbabwe African National Union – Patriotic Front
ZAPU	Zimbabwe African People's Union

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Chapter 1: Introduction

Background and rationale

An increasing number of scholars as well as political analysts have noted that the liberal world order, established in the previous century, has started to show signs of fatigue and even regression. Globally democracy and individual rights are under threat, with global conditions for democracy entering a downward trend (Diamond, 2017:1). Democracy appears to be “in retreat” (Abramowitz, 2019). A common theme in many of these democracies, which reinforces this trend, is the rising spectre of populism alongside persistent or increasing inequality. This is particularly evident in the global South, which tends to have a socio-economic context of higher levels of poverty and inequality. In this context populist parties of the left, within ostensibly democratic systems, have adopted platforms built primarily on the redistribution of resources, especially those key to capital accumulation such as private property. This thesis will examine this strand of populism in particular.

The rhetoric of populist parties and politicians is becoming increasingly commonplace and influential, but this raises a myriad of questions about the sustainability, benefits and consequences of their policies as they gain support. According to Diamond (2017), this is the first time since Samuel Huntington’s so-called ‘Third Wave of Democracy’ swept across the world that serious doubts have emerged about the future prospects of democracy as a system. A concomitant development has been the rise in illiberal, left-wing populism prioritising redistributive policies. This raises the question of whether this populist approach to resource redistribution could be beneficial to an economy and democracy, or whether it hampers economic growth and leads to an erosion of liberal democratic institutions and democratic deconsolidation?

This thesis seeks to determine whether the populist approach to resource redistribution offers a viable, sustainable path to economic growth, reduction of poverty and inequality, and democratic consolidation. Deeper insight into the influence of redistributive populism in terms of these variables could lead to formulating solutions to runaway populism and ‘promise-wars’ between politicians. In this scenario, theatrics and charisma determine the outcome, rather than reason and consequences. This could pose a threat to the prospects of democratic consolidation the world over. This thesis will also explore a potential alternative to the redistributive populist policy approach, namely protecting and enforcing property rights.

A study by Huang and Singh (2015:136-142) indicated that secure property rights significantly enhanced the correlation between financial development and poverty reduction. Huang and Singh (2015:142) identified a gap in the literature that prompts further investigation, namely looking on a

case-by-case basis at countries where property rights have been strengthened and secured, with a focus on the effects of this on poverty. Boone (2009:184) identifies a gap in the literature on the vital role property rights play in democracies, since they commonly shapes the nature of multiparty systems and are a restraint on majoritarianism. Leblang (1996:6, 9) argued that deeper analysis is needed of the role that the protection and enforcement of property rights plays as a determinant of economic growth. Leblang proposed comparing the economic growth rates of countries which protect property rights with countries that do not.

This thesis will seek to contribute to filling these gaps by examining two case studies where property rights have been notably protected and enforced, namely, Uruguay and Botswana. It will then compare this case pair with a case study pair that instead opted for a redistributive populist path, where property rights were substantially eroded, namely Venezuela and Zimbabwe.

By studying cases where redistributive populist policies were implemented, scholars can better grasp what motivates politicians to repeatedly adopt such policies, and what motivates electorates to keep voting for them. Furthermore, comparing such cases will allow more accurate predictions regarding the general outcome thereof. Such research will indicate whether the people or the populist politicians are better served over the long term by these policies. Furthermore, examining cases where an alternative contrasting path was pursued with similar objectives in mind could potentially shed light on whether a redistributive populist path is an effective, sustainable solution to problems such as poverty and persistent inequality, or whether there are more effective policy trajectories that hold more promising long-term results.

Problem statement, research question and claims

This thesis will compare and contrast the influence on economic growth, poverty and inequality reduction, as well as democratic consolidation, of two contrasting policy paths, namely (1) redistributive populism, and (2) protecting and enforcing property rights. It will seek to answer the question: Is redistributive populism a sustainable, long-term policy path for economic growth, poverty and inequality reduction, as well as democratic consolidation, or is protecting and enforcing property rights a better alternative to achieve these aims?

This collection of variables, namely economic growth, poverty, inequality and democratic consolidation, was selected because of their intertwined relationship. Economic growth is significant because of its effect on poverty and inequality, and these two variables are significant because of the way that they influence support for and satisfaction with democracy as a system, and thus democratic consolidation. The failure to address issues such as poverty and inequality could lead to citizens

blaming democracy, hampering democratic consolidation; this point will be expanded upon in Chapter 2, the literature review.

This thesis will utilise the Toulmin model to guide its argumentation (see Wentzel, 2016). The Toulmin model unpacks the structure of a good argument as starting with a claim. A claim is a statement that allows for differences in response to opposing views or interpretations of the statement. Secondly, the model requires claims to be supported by evidence or facts, which can entail drawing upon statistics from credible sources, accepted theories, references to peer-reviewed studies, etc. Thirdly, a warrant needs to be provided, which entails explaining why the evidence and data presented support the claim as well as why they are relevant to the claim. Fourth, qualifications need to be provided for the claim presented. This entails deliberately weakening the claim to a point where it appears 'confidently uncertain'. Weakening the claim makes it less vulnerable to criticism as well as improving its accuracy. Finally, counter-arguments need to be presented, which address conditions under which the argument might not be valid. The counter-argument can focus on challenging the claim, the evidence or the warrant (Wentzel, 2016).

The key claim that will be explored in this thesis is that more effective policies are available to combat inequality and poverty, and to facilitate economic growth and democratic consolidation, than the policies commonly implemented by redistributive populists. Expropriation without compensation as implemented in Zimbabwe, and officially tabled in South Africa since 2018, is an example of such a populist policy. The redistributive populist approach towards the reduction of inequality serves as a powerful electioneering tool, but is a radical policy path in the sense that it strongly diverges from the values and institutions that underpin liberal democracy.

First, two cases will be analysed where redistributive populist policies were implemented, especially with reference to property rights, focusing on the influence of these policies in terms of a reduction of poverty and inequality, economic growth and democratic consolidation. The two cases selected are Venezuela and Zimbabwe. Both implemented redistributive populist policies with the aim of reducing poverty and inequality, and specifically included policies targeting property rights.

Secondly, an alternative policy path, namely the protection and enforcement of property rights, will be explored. The two cases that will be examined in this regard are Uruguay and Botswana, since both have notable records of protecting and enforcing property rights.

This thesis is based on the claim that more effective alternatives to redistributive populism are available that impact positively on economic growth, reduction of levels of poverty and inequality, as well as consolidating democracy. This thesis will therefore examine the validity of the claim that

protecting property rights is a more viable alternative than redistributive populism to achieve these aims. Furthermore, this thesis argues that sustainable, long-term democratic consolidation takes place as a democratic dispensation progresses towards becoming a mature liberal democracy. This process entails a moving away from a primarily instrumental understanding of democracy towards a more intrinsic understanding, two concepts that will be unpacked in more detail in Chapter 2.

1.2.1 Key concepts

Taking into account that ‘populism’ is a contested concept, this thesis will utilise the conceptualisation of populism as a political style. This explains its propensity to appear across ideological lines and across the political spectrum, as well as assists to distinguish populism from mainstream politics and helps avoid conceptual confusion between populism and democracy. Conceptualising populism as a political style helps to render redundant the debates on populism’s structural location within democracy and thus enables a more focused study of its nature. Chapter 2 will explore in greater depth the literature on conceptualising populism in this way.

Left-wing populism is a broad strand of populism which is built on a platform of removing corrupt politicians from power, increasing democratic participation in a striving to establish a more participatory, majoritarian democracy and thus empowering ‘the people’; it aims to strengthen the role of the state in the economy, to oppose neoliberal policies, and to redistribute wealth in order to bring down levels of poverty and inequality (De La Torre, 2017:61-65,71-73).

Redistributive populism, which falls under the broad umbrella of populism of the left, specifically focuses on uniting ‘the people’ around the central goal of resource redistribution. Redistributive populism builds solidarity amongst its supporters based on what they have in common, particularly their low economic status (Kennedy, Tilly and Gaston, 1990:302;306). Populism built on a platform of redistribution flourishes in societies with high levels of inequality and poverty. Populist policies are focused on short-term solutions, with immediate redistribution being prioritised over long-term wealth creation (Shain, 2017:8). Lagging economic growth, exacerbated by the 2020 global COVID-19 pandemic, combined with increasing automation, unemployment and persistent inequality, has created conditions globally that are ripe for populism built on redistributionist foundations.

Democracy has been broadly defined in two ways in contemporary political theory, namely the minimalist and maximalist interpretations. The minimalist interpretation identifies democratic indicators such as elections and multiple parties as the foundation of political organisation and constitutionality as a means of government succession based on the presence of the rule of law. The value of liberty forms the basis of this interpretation. The maximalist interpretation identifies

indicators such as the socio-economic context necessary for broadened political participation, social justice and human rights. The notion of equality forms the basis of this interpretation (Steyn Kotze, 2015:3). This thesis used the minimalist interpretation of democracy to select cases, and a maximalist understanding of democracy to determine the deepening (or not) of their democracies and to gauge the influence of the policies examined on democratic consolidation.

Liberal democracies are characterised by free and fair elections, the rule of law, a separation of powers, checks and balances on power, and the protection of minority rights and fundamental rights to speech, assembly, association, protest, and property (Zakaria, 1997:22; 25-26; 28; Mudde and Rovira Kaltwasser, 2012:13; Rhoden, 2015:565). It can therefore be argued that liberal democracy is a strongly consolidated stage of democracy, as will be elaborated on in Chapter 2. Democratic consolidation means granting this political system legitimacy, or as Linz and Stepan (1996:5) phrase it, regarding democracy as the ‘only game in town’. Therefore, democratic consolidation means the citizenry and leaders in a country grant democracy and its accompanying institutions the legitimacy of being preferable to any alternative system of governance.

Research design and methodology

This thesis will adopt a qualitative approach. Similarly to quantitative studies, qualitative studies seek an understanding of certain phenomena and in the process provide further insights into the subject examined. Qualitative studies are relatively more open, intuitive and broader in the way in which they approach research questions than quantitative studies. The qualitative approach can contribute to developing potential hypotheses for future quantitative research. In qualitative research, context is of fundamental importance (Mouton and Marais, 1996:153-163). Consequently, Chapter 3 establishes the relevant contextual aspects of the case studies selected for comparison.

This thesis will use a small number of cases, and therefore the qualitative design suits it best, because qualitative methods focus on the nuance and complexity of cases. This approach does however run the risk of encountering the limitation of having too many variables and too few cases (Barakso, Sabet, and Schaffner, 2014:178). To overcome this potential limitation, this thesis will employ a research design that is combination of most-similar and a most-different cases, which will be explained below.

Rather than being an explanatory study, this thesis will be an exploratory study, seeing as too many independent variables of varying degrees exist in the cases selected to indicate a direct causality between the variables examined. This exploratory thesis will explore gaps in the literature and contribute to future hypotheses, quantitative research and the literature on the phenomena examined.

Exploratory studies seek to contribute deeper insight into and comprehension of certain phenomena, commonly through examining case studies rather than the collection of experimentally replicable data. Hypotheses can be developed from exploratory studies, rather than the research being guided by them (Mouton and Marais, 1996:43; 45). The goal of this thesis is to gain further insight into the influences of two contrasting policy paths, namely redistributive populism or enforcing and protecting property rights, on the variables of economic growth, reducing poverty and inequality, and democratic consolidation.

The limitation to avoid in exploratory studies is allowing preconceived ideas or hypotheses to exercise a determining influence on the direction or nature of the study (Mouton and Marais, 1996:43). A researcher's prejudice or preconceived hypothesis could influence what data are included in the thesis. In order to avoid this pitfall, this thesis will utilise a wide variety of sources and will specifically detail different perspectives to be found in the literature on the phenomena examined. The specific use of the Toulmin Model will contribute greatly towards avoiding this limitation.

This thesis uses a comparative case study design, which examines and compares four cases in order to answer the research question. The comparative method is centred on observing and comparing selected cases, drawing conclusions from comparisons, not experiments. This comparative study therefore seeks to formulate general conclusions and a theory. The main advantages of a comparative research design are that it allows us to contextualise knowledge, improve classifications and make predictions. Studying a single country will not be sufficient to draw general conclusions; therefore an examination of multiple cross-national cases was undertaken (Burnham, Lutz, Grant and Layton-Henry, 2008).

According to Burnham, Lutz, Grant and Layton-Henry (2008), the comparative research design is integral to studies in political science. If we, for example, wish to determine which political system produces the best economic outcomes, there is no method more suitable than comparing cases. The more cases that are examined, the higher the likelihood that common causes and correlations are identified, as well as improving the validity of generalisations. Political phenomena are commonly clarified and better understood through comparisons with similar events and phenomena under different circumstances or contexts. This thesis utilises the comparative method because it makes possible rich, contextual descriptions which identify clearly the observed similarities and differences between cases (Pierce, 2008).

This thesis utilises a comparative research design, which examines both most-similar and most-different cases. Most-similar cases are selected on the basis of their differing only in the dependent variable to facilitate the identification of the independent variables which explain the presence of the

dependent variable. Most-different cases are selected on the basis of their differing in many aspects, but share a dependent variable, which makes it possible to identify the similar circumstances among the cases as the independent variable (Anckar, 2008:389-390; Burnham, Lutz, Grant and Layton-Henry, 2008). In this way, opting to utilise a research design of a combination of most-similar and most-different cases, which mimics aspects of an experimental design, enables this thesis to avoid the potential obstacle of having too many variables and too few cases.

Four cases have been selected. The first two cases have similar regimes and policy paths, and the other two are similar in regards to a different policy path, but most dissimilar with the first two cases. The influence of the two different policy paths on the same variables is then examined and contrasted between the two cases within each pairing, as well as between the two pairings.

According to data presented by Chong and Calderón (2000:763-766), the Latin American region has the highest levels of income distribution inequality, while Africa has the highest dispersion of income. They also show how both Latin America and Africa are characterised by the lowest institutional quality indexes. Therefore, the thesis will examine one African and one Latin American democratic developing country where redistributive populist policies were implemented and property rights eroded, namely Venezuela and Zimbabwe. Secondly, one democratic developing country from Africa and one from Latin America where property rights were protected and enforced will be examined, namely Botswana and Uruguay. Botswana and Uruguay were selected as cases primarily based on their high International Property Rights Index scores in both a regional and global context.

In the case of Zimbabwe and Venezuela the thesis will examine the policies and consequences of the left-wing redistributive populist regimes, namely the Mugabe regime in Zimbabwe (1980-2017) and the Hugo Chávez regime in Venezuela (1999-2013), followed chronologically and ideologically by the Maduro regime (2013-present). In the case of Botswana and Uruguay, the thesis will examine the protection and enforcement of property rights and the consequences of doing so. Because these policies are not tied to a specific regime and their influence becomes clear only over the long term, instead of studying specific regimes, the consequences of the policies in the two latter cases will be examined over a longer timeline. In the first two cases examined, the Chávez regime came into power in 1999, and the Mugabe regime's radical fast-track land reform programme was initiated in 2000, therefore, in the following cases of Uruguay and Botswana, the focus will be the 21st-century period in order to facilitate more direct comparison with the Mugabe, Chávez and Maduro regimes. Cases were specifically selected that allow comparison over a spatial and a longitudinal dimension in order to strengthen the research design (Barakso, Sabet, and Schaffner, 2014:186).

With regards to data collection, this thesis adopted a desktop method, answering the research question using published literature, online databases and reports, such as those of the World Bank, and online indexes, such as the Bertelsmann Transformation Index. All these sources will be utilised in this thesis in order to contribute towards the literature on redistributive populism as well as on property rights.

Preliminary literature review

There is a body of literature (Acemoglu and Robinson, 2013; Asoni, 2008; Boix, 2003; Boone, 2009; Leblang, 1996; Olson, 1993; Przeworski, 2004) which acknowledges the protection of property as a civil right embodied in liberal democratic values and which concludes that if these rights are infringed upon, there are consequences for the health of the democratic dispensation as well as the economy.

In societies where property rights are weak, promises of land redistribution are particularly common – most notably in sub-Saharan Africa where land has been frequently utilised as a patronage resource and electioneering tool. For example, in Côte d’Ivoire rulers whose power were threatened by electoral competition resorted to promises of redistributing rural property, with the aim of garnering support in key electoral constituencies. Redistributive, populist promises of land, under the guise of promoting economic growth and opportunities, and to fight inequality and redress the wrongs of the past are utilised as a mechanism to gain an electoral advantage by pledging to reward voter base constituencies while depriving opposing constituencies of similar opportunities (Boone, 2009:183).

A review of the literature revealed a gap in terms of investigating the indispensable role that securing property rights plays as the most desirable path to strengthen democratic values in an age of rising illiberal populism and persistent inequality. As Boone (2009) argues, the dilemma in societies with high levels of inequality is that impoverished and landless people constitute the majority of the electorate, which makes populist calls for strengthening the hegemony of the majority very enticing. When the outcome of the redistribution debate is to be decided purely by the electoral majority, conditions are ripe for the expropriation of property from minorities. Secure property rights help to curb such redistributive pressures.

This demand for property redistribution puts significant pressure on liberal democratic institutions. The social choice theory states that electoral democracy achieves stability when property rights are incorporated into the rights of the individual, thus protecting them from nullification through the will of the majority. Entrenched property rights help to strengthen democracy in highly unequal societies through the layer of protection they provide for minorities and individuals as property owners against populist majoritarianism. In a liberal democracy property rights are insulated and protected in the

private sphere, shielding the economic sphere from unjust expropriation by the democratically controlled, majority-centred political realm (Boone, 2009:185).

According to Boone (2009:186-188), the prevalence of populist politicians utilising land as an electioneering tool in sub-Saharan Africa is explained by the region's reliance on agriculture, with only an estimated average of 5-10% of its agrarian land privately owned. She refers to this phenomenon as "land-centred electoral populism". This strong state control over land rights and land allocation is also used by governments to project their authority and to subjugate local authorities to the central state. This phenomenon appeared in Kenya and Côte d'Ivoire in the 1990s and Zimbabwe since 2000, and it started appearing in South Africa in 2018.

Przeworski (1991:54-94) argues that in democracies where property rights are protected from majoritarianism, democratic values and institutions are protected as well, because property owners do not view democratic rule as a threat. Boix (2003:204-227) makes a similar argument, stating that the structural safeguards provided by property rights curb the temptation to resort to populist calls for redistribution, which in turn contributes to the sustainability of democracy and its institutions over time. In societies where property rights are weak, property holders will not be able to legally resist the calls from the 'have-nots' for redistribution in the case of a redistributive populist party gaining power.

In societies with high levels of inequality an enfranchised majority may, through populist movements, resort to forced redistribution of wealth and land through the ballot box and land expropriation – putting a strain on the democratic system. The reassurances and reasons which convinced the 'haves' to embrace democracy will then be nullified by their need to protect their fundamental rights, prompting a defection from constitutional constraints and promoting a disregard for democratic institutions or values (Boix (2003:204-227). It is evident that a fundamental source of strain on democratic systems in the developing world is nature of the distribution of wealth and the legitimacy of property rights, creating a cause populists axiomatically latch onto. Therefore, an opportunity is presented for further research into this field.

A study by Leblang (1996) concluded that secure property rights play a substantially larger role in economic growth than the political regime type. Commenting on poverty reduction, Huang and Singh (2015:136-142) found that more secure property rights significantly enhanced the correlation between financial development and poverty reduction.

Olson (1993) identifies a virtuous cycle manifesting between protection of property rights and democracies that last. Olson notes that the institutional conditions required to ensure the individual

rights needed for economic growth correspond with the institutional conditions required for a democracy to remain stable over the long term. Asoni (2008) observes a similar virtuous cycle between good institutions and economic growth. Good institutions facilitate sustained economic growth, and economic growth strengthens institutions, as the electorate demands more growth-supportive institutions which sustain and expand economic prosperity. Acemoglu and Robinson (2013:75-79) identify secure property rights as one of the key “good institutions” required for sustainable economic growth. They argue that “good” institutions are those which limit government’s ability to expropriate private property.

The importance of property rights and the role and value of land with the power vested in it as a resource, are gaining increasing attention in the literature on populism and democracy, especially when taking into account that top-down and bottom-up pressures have contributed to land’s increasing role as a patronage resource. Without checks and balances in a democratic system, majorities have an incentive to push demands related to resource redistribution at the ballot box. This provides populist politicians with an attractive opportunity to respond to these popular demands and to strongly support simple majoritarianism to satisfy their political ambitions (Boone, 2009:186,197; Boix, 2003).

Ethical considerations

This thesis did not gather information directly from human subjects. This thesis therefore falls under the Minimal Risk category according to the criterion: The probability or magnitude of harm or discomfort anticipated in the research is not greater in itself than that ordinarily encountered in daily life. The Stellenbosch Research Ethics Committee: Humanities confirmed that this thesis is exempt from requiring an ethics review and clearance.

Thesis Outline

Chapter 2: Literature Review and Analytical Framework

This chapter provides a summary and analysis of the current literature and definitions of key concepts such as populism, redistributive populism, democracy and liberal democracy. It provides a summary of current research and knowledge on the influence of redistributive populism as contrasted with the protection of property rights, on the variables of economic growth, poverty, inequality and democratic consolidation. This chapter also highlights the gaps in the relevant literature. Finally, Chapter 2 outlines the analytical framework of the thesis in terms of the variables being examined, the measurements and indexes used, and its analytical structure.

Chapter 3: Overview of Case Studies

This chapter provides an in-depth contextual background for each of the selected cases – Venezuela, Zimbabwe, Uruguay and Botswana – and justifies their selection in the process. This context includes a brief historical overview, economic and political profile, as well as the relevant policy history for each case. Each case's policies on property rights is examined, as well as their current ranking in the world regarding property rights based on global indexes. The redistributive populist policies of the Chávez, Maduro and Mugabe regimes are examined, as well as the protection and enforcement of property rights in Uruguay and Botswana.

Chapter 4: Case Comparison and Analysis

Firstly, the two redistributive populist cases, Venezuela and Zimbabwe, are examined, with a specific focus on the consequences of their policies, as outlined in Chapter 3, as they relate to the research question. Secondly, the two cases where property rights were protected and enforced, Uruguay and Botswana, are analysed, with a specific focus on the policy consequences in terms of the variables of economic growth, reduction of poverty and inequality, and democratic consolidation. Through use of the Toulmin model, this chapter uses the case comparisons to provide a general analysis, with reference to the theoretical arguments from the literature to answer the research question.

Chapter 5: Conclusion

The final chapter provides a summary of the findings of the thesis, as well as an outline of the conclusions in response to the research question. Furthermore, the problems encountered while conducting the research for this thesis are identified, and the theoretical and practical contributions of the research are established. Finally, remaining gaps in the associated literature, as well as new hypotheses stemming from the conclusions of this thesis, are identified for future research.

Chapter 2: Literature Review and Analytical Framework

2.1 Introduction

During the 21st century a new wave of populist politicians and parties started gaining power and support across the globe. In many countries where democracies had been established and appeared to be consolidating during the previous century, democratic institutions are facing a fresh wave of scrutiny and erosion. Issues such as wealth inequality, as well as persistently high rates of poverty, have taken centre stage in many developing, democratic countries, with a growing perception that ‘democracy has failed to address these issues’.

A specific strand of populism, namely populism of the left, rooted in resource redistribution, especially those key to capital accumulation such as land, has begun to achieve increasing levels of political success. This warrants closer examination of the economic and democratic impact of this policy path. If this policy approach fails to achieve its goals, or even exacerbates some of the issues it aims to address, alternative paths effectively addressing persistent issues of stagnating economic growth, and high levels of poverty and inequality, which simultaneously contribute towards maintaining or increasing democratic consolidation, need to be explored.

These considerations will guide this chapter as it reviews the literature on, *inter alia*, the relationship between redistributive populism and democratic consolidation, as well as its influence on economic growth, and a reduction of poverty and inequality. The protection and enforcing of property rights as an alternative policy path to achieve these aims will also be explored.

The first section of this chapter, “Conceptualising populism and democracy”, broadly conceptualises two of the fundamental concepts of this thesis, namely populism and democracy, as well as key concepts such as democratic consolidation and liberal democracy.

The second section, “The promises and failings of redistributive populism”, particularly delves into the more detailed conceptualisation of the phenomenon of redistributive populism, as well as how it interacts with and impacts on democracy. Furthermore, the economics of redistributive populist policies are unpacked, as well as the threat of expropriation of property that they commonly entail.

The third section, “An alternative approach: Protecting and enforcing property rights”, conceptualises and unpacks the alternative policy approach to redistributive populism, namely the protection and enforcing of property rights. This section discusses the institutional approach to growth and development, as well as what property rights and their protection entail. Furthermore, the influence of protecting property rights on the variables of economic growth, the reduction of poverty and

inequality, democratic consolidation, and redistributive populism is unpacked. This section addresses in detail one of the primary gaps in the literature, as indicated in Chapter 1, namely whether the protection of property rights is a viable alternative policy path to redistributive populism to achieve the identified aims.

2.2 Conceptualising Populism and Democracy

According to Dikeni (2017:14), it is important to note that concepts do have an influence on policy and society, and that theoretical and pragmatic issues and activities are in a constant interplay of mutual influence, which makes clear definition and an understanding of essential concepts crucial at the outset of any study.

2.2.1 Populism

Populism, as a central concept of this thesis, requires comprehensive conceptualization. As with a plethora of terms in the political science lexicon, the definition of populism is highly contested and acknowledging this has become somewhat axiomatic in the literature on the topic. Panizza (2005:1) has remarked in jest that literature on populism has reached new levels of meta-reflexivity, where acknowledging this acknowledgement has become commonplace. Moffit and Tormey (2014:382) partly attribute this contestation of the definition to the fact that the term ‘populism’ has become so widely used, most commonly in a derogatory sense, to describe leaders and movements people dislike, that it has lost a great deal of its analytical value. However, many scholars argue that the frequency of debate around a concept indicates that there is something important and promising about the notion.

The majority of definitions of populism reference the centrality of the notion that ‘the people versus the elite’ is embedded in such movements. The distinction between ‘the elite’ and ‘the people’, which is essential to populist discourse and its framing of society, is normative rather than being empirically based on behavioural or attitudinal differences. In populist rhetoric society is split between friends and foes – with foes being more than merely those with incorrect views, but rather those who are considered evil – thereby rendering the notion of any compromise impossible (Mudde, 2004:544; Diamond, 2017).

Populists predominantly operate under the banner of speaking on behalf of ‘oppressed’ groups within society, and claim their mission to be one of emancipation from all forms of oppression. What exactly populists stand *for* is commonly overshadowed by what they stand *against*. Populists do not specifically oppose the idea of political parties; they rather merely oppose the established, traditional parties in their political arena (Mudde, 2004:546). Despite these common traits of populism, debate

persists around its definition, and therefore this chapter will outline and compare the most popular definitions.

2.2.1.1 Populism as a political logic

Laclau's (2005:47) conceptualisation of populism as a political logic has gained the most traction in academic literature on the topic. According to Laclau, populism is not simply a form of political logic contained in a collection of alternatives, but rather is *the* logic of everything political. He argues that since the subject of the political is evidently 'the people', it logically follows that populism must be the logic of everything political, which boldly implies that *all* politics essentially boils down to populism.

Moffit and Tormey (2014) note two flaws in this conceptualisation. Firstly, a number of movements, such as Occupy Wall Street in America and the Zapatistas of Mexico, have actively distanced themselves from the textbook populist modes of discourse and organisation – effectively disavowing the 'universal populist logic' envisioned in Laclau's definition. Secondly, Laclau's conceptualisation is methodologically too broad and lacking in sufficient clarity to be meaningfully applicable in studies on the subject. His equation of populism with all things political makes it difficult, if not near impossible, to apply his conceptualisation with the aim of understanding similarity or difference (Moffit and Tormey, 2014:384-385). If populism is synonymous with 'politics as usual', why do we refer to it using a distinct term? Populism cannot be 'normal' politics, because it is the label we apply to a politics that deviates from 'business as usual', because it originates from a sense of public crisis and disillusionment. Populism is a phenomenon which arises within a democratic political system, yet it also acts upon it (Tormey, 2018:267).

2.2.1.2 Populism as ideology

Mudde (2004:543) and Moffit and Tormey (2014:383) provide a minimal definition of populism as an ideology, which views society in terms of a dichotomy of two homogenous but opposing groups: the 'pure' people or masses and the 'corrupt' elite. For Mudde, this minimal definition of populism allows it to be applicable in comparative empirical research, transcending regional bias. Some go as far as to argue that populism can be conceptualised as *the* ideology of democracy.

Moffit and Tormey (2014:383) indicate that a problem with this definition is the fact that the term 'ideology' appears to function as a catch-all, thereby hindering conceptual clarity. They argue that a thin ideology runs the risk of becoming such a thin conceptualization that it loses its validity and utility as a concept. Freedman (1996:486) notes that, unlike populism, other thin ideologies, such as feminism and ecologism, have made significant progress in expanding and developing their ideological complexity, thereby broadening their appeal and viability. Very few political actors self-

identify as ‘populists’ and there is no indication of a global, unifying populist movement. Populism does not have its own collection of dedicated philosophers or theoreticians, or any works that aim to ‘thicken’ its ‘ideational density’, as we observe in other formerly thin ideologies. Furthermore, in the realm of populism there is an absence of a clear common historical or genealogical referent. This is not to say populism does not share a number of traits with certain other ideologies.

Moffit and Tormey (2014:383-384) argue that these similarities can be explained by populism being a political style rather than an ideology, since populist politicians and parties are observed on both the right and left of the political spectrum. Europe has seen a rise in right-wing populist movements and parties such as the Brexit Party in the United Kingdom and Matteo Salvini’s Northern League in Italy, while South Africa and Venezuela have experienced a rise in left-wing populism in the form of the Economic Freedom Fighters in the former, and the parties of Hugo Chávez and Nicolas Maduro in the latter.

2.2.1.3 Populism as political style

The first author to explore the idea of populism as political style was Knight (1998:223), who described it as a loose style, which characteristically involved a dedication to ‘the people’, with a ‘them versus us’ mentality and which was often connected to a period of crisis. Moffit and Tormey (2014:387-389) note the increasing stylisation of politics and define “political style” as “the repertoires of performance that are used to create political relations.” The distinction between “content” and “style” becomes evident by observing how the two interfere and interact with and influence each other. The modern political arena has become increasingly stylised, lending more weight to the study of its theatrical and performative features. Contemporary political representation increasingly relies on the theatrical claims of leaders and the collective response of the audience. The contemporary 24-hour news cycle and social media have given the projected image of politicians increased significance. Ideology and political style are not reliant on one another, nor are they synonymous – hence, populism does not need to be understood as an ideology in order to be examined.

The literature on populism from the 1990s onwards identifies three main elements of populism as political style (Tormey, 1995:73). Firstly, populism appeals to the ordinary people. ‘The people’ embodies both the audience, as well as the subject which populists attempt to “render present” throughout their theatrics and style. ‘The people’ are framed as the true holders of sovereignty, which separates them from the elite or the ‘other’. The ‘elite’ and the ‘establishment’ are identified as the source of the impending or current crisis, danger or dysfunctionality, in contrast to ‘the people’ who have been exploited and betrayed. This framing, alongside a championing of ‘common sense’,

establishes the populist as being outside normal politics (Moffit and Tormey, 2014:391; Tormey, 1995). An example of this style is apparent in the rhetoric of Preston Manning in Canada's Reform Party, who claimed in their charter that "we believe in the common sense of the common people" (Reform Party of Canada, 1993).

Secondly, populism is associated with a crisis or threat. The general perception of an impending or ongoing crisis or threat drives populism and fuels calls for decisive, immediate action or radical change. This perception also encourages the simplification of political debate and solution forming, leading to populists preferring direct language. Chávez employed this populist style against the background of a perceived crisis of a Western imperialist conspiracy driven by the United States against Venezuela, while in the Netherlands, Geert Wilders talks of the impending crisis of the Netherlands being overrun by Islamic migrants, threatening the social and economic wellbeing of 'the people'. Inequality or poverty, framed as being at 'crisis' levels, suits populists. Populists prefer short-term solutions and swift action over the establishment's 'slow', 'inefficient' bureaucracy. Whatever obstructs the immediate resolution of the crisis needs to be removed or subdued. However, this characteristic by no means confirms populism as being simple or revolving around a single issue (Moffit and Tormey, 2014:392; Tormey, 1995).

Finally, populism has a reputation for bad manners. Populists generate a large proportion of their appeal through their apparent disregard for the 'proper' and respectful ways of behaving in the traditional political realm. Canovan (1999:5) refers to this behaviour as the "tabloid style", which involves rhetoric incorporating slang, swearing, political incorrectness, and being excessively animated and theatrical, as opposed to the behaviour of 'establishment politicians', who use technocratic or academic language and who value composure and elegance (Moffit and Tormey, 2014:392; Tormey, 1995). Populists often disrupt the neutral, restrained and methodical style of technocratic politicians through their theatrics, charisma, aggression towards their opponents, and simplified, direct rhetoric (Arditi, 2007:78). This tendency of populism to challenge 'politics as usual' in a popular way demonstrates that it is a force to be reckoned with, and that its stylistic and optics-oriented nature has serious consequences for information-based democracies.

A contemporary example demonstrating these criteria is the populist Economic Freedom Fighters (EFF) party in South Africa. In terms of appealing to the people, the EFF utilise popular, informal language and claim to represent the poor, marginalised masses, who are supposedly being exploited by the 'elite class'. In terms of a crisis, the EFF's popularity has been propelled by factors such as the

Marikana¹ massacre, taking part in service-delivery protests, South Africa's high levels of wealth inequality, their promise to redistribute land and to expose government corruption and state capture.² In terms of bad manners, the EFF have gained a reputation for their disruptive behaviour in Parliament and adoption of common use of controversial rhetoric, often testing the limits of constitutionally protected speech and accepted political discourse (Mbeti, 2015:38).

Viewing populism as a political style explains its propensity to appear across ideological lines and across the political spectrum. It allows political scientists to explain how politicians slip in and out of this style. In addition to assisting to distinguish populism from mainstream politics, this explanation helps avoid conceptual confusion between populism and democracy as well. Conceptualising populism in this way makes debates on populism's structural location within democracy redundant and thus enables the exploration of their relationship in a more focused manner. It further enables us to examine how populism is used as a tool to deal with the complexities of modern politics, as well as how this style of politics serves to critique specific elements within democratic systems. Furthermore, by viewing it as a political style, populism is distinguished as falling outside of 'normal politics' (Moffit and Tormey, 2014:393). For the purposes of this thesis, the conception of populism as political style will therefore be utilised.

2.2.2 Democracy

Similar to populism, democracy without qualifying adjectives is a commonly used term with a contested definition. As Heywood (2013:89) points out, "a term that can mean anything to anyone is in danger of meaning nothing at all." Therefore, as outlined in Chapter 1, this thesis uses specific conceptualisations of democracy: the minimalist definition to select its cases, and the maximalist definition to measure democratic consolidation. Churchill famously remarked that, "democracy is the worst form of government except for all those other forms that have been tried from time to time" (International Churchill Society, 2018). In essence, the drawbacks and failings of alternative political systems provide democracy with its appeal (Plattner, 2010:83). The term 'democracy' is derived from the Greek roots *demos* (people) and *kratos* (rule), therefore democracy entails a form of government in which the people rule, in contrast to monarchies and aristocracies. In this system the citizenry share a level of political equality, meaning political power is distributed as widely and as evenly as possible

¹ The Marikana massacre of 16 August 2012, was the most lethal use of force by South African security forces against civilians since 1960, resulting in a total of 47 deaths (Tolsi, 2013).

² State capture: "the actions of individuals or groups both in the public and private sectors, influencing the formation of laws, regulations, decrees and other government policies to their own personal advantage" (Martin and Hussein, 2016:22).

(Held, 2006:1,271). However, Plattner (2010:83-84) contends that currently the concept has commonly come to be understood as rule by the majority through free and fair elections.

A commonly recognised definition of democracy in the literature on democratization is the following one formulated by Schumpeter (2005:250): “an institutional arrangement for arriving at political decisions which realises the common good by making the people itself decide issues through the election of individuals who are to assemble in order to carry out its will.” Therefore, democracy entails a method of selecting rulers through means of free and fair elections.

The most common form of democracy is the system of ‘one man one vote’, which is the central feature of any representative democratic system. Contemporary democracies owe their existence to the invention of representative democracy. In a representative democracy the electorate do not make direct policy decisions, but rather elect representatives who will make those decisions on behalf of their constituents. The act of voting is democratic because it gives the electorate the power to hold politicians accountable by removing them when they deem them to have not done their job adequately. By accepting a democratic electoral process, the citizenry give their consent to be governed by the representatives elected (Heywood, 2013:90-96; Dalton, 2014:235). Therefore, free and fair elections are the most essential characteristic of democracy. Understood in this manner, regimes brought into power through elections that are plagued by corruption, inefficiency and short-sightedness are undesirable but not strictly speaking undemocratic (Zakaria, 1997:24; Mudde and Kaltwasser, 2012:11).

2.2.3 Liberal Democracy

Liberal democracy is an integral concept in this thesis, seeing as it understands liberal democracy as an advanced stage of democratic consolidation and stability. The status of key liberal democratic institutions and indicators in each case study, as outlined in this section, will be examined in Chapter 4 in order to measure democratic consolidation. These include freedom of speech and expression, civil liberties and civil society, separation of powers, particularly in regards to the judiciary, and the electoral system. As Asoni (2008:960) argues, the institutions that place a check on any government’s ability to violate the inalienable personal rights such as property, freedom and life of its citizenry, form the foundation of stable modern democracies.

Liberal democracies are characterised by free and fair elections, rule of law, separation of powers, checks and balances on power, the protection of minority rights and fundamental rights to freedom of speech, association, assembly, protest and property. Liberal democracy does not merely pertain to the process of electing a government, but also to the objectives and policies of such a government, and its willingness to respect and protect liberal democratic institutions. At its core, liberal democracy

pursues the protection of individuals from compulsion and the erosion of their fundamental rights through a collection of checks and balances on state power. Liberal democracies rely on their ability to provide public contestation, political participation and a political system within which individuals are free from coercion from institutions of authority (Zakaria, 1997:22, 25-26, 28; Mudde and Rovira Kaltwasser, 2012:13; Rhoden, 2015:565). It can therefore be argued that liberal democracy is a strongly consolidated stage of democracy.

In order to comprehensively understand the concept of liberal democracy, one needs to examine its dualistic nature, namely, the dichotomy of simultaneously preserving individual rights and majority rule. Preservation of individual rights and democracy often appear together in a complementary way, seeing that in nations with regular free and fair elections the protection of individual rights tends to thrive, and vice versa. Therefore, referring to democracy in contemporary times generally implies a liberal or constitutional democracy, rather than democratic rule by the majority in a one-party state. Liberal democracy balances the preservation of the sovereignty of the people with restrictions on the authority of the majority in order to protect the rights of individuals and minorities (Plattner, 2010:84).

This compromising balancing act on which the liberal democratic system hinges guarantees a degree of inherent dissatisfaction on the part of the majority, minorities and individuals. The majority may perceive that the full sovereignty and authority that their majority status dictates is being undermined, while minorities and individuals may feel marginalised and believe that their rights are being eroded or disregarded, accompanied by a perception that political leaders only serve the needs of the majority who keep them in power (Plattner, 2010:86).

The resilience of liberal democracies can be attributed to the way that its internal dichotomy, majoritarianism and radical pluralism, interact and influence each other by effectively keeping each other in check. While democracy is centred on the accumulation of power, liberal democracy is based on restraints on power (Zakaria, 1997:30). This balance of power(s) can be disrupted in two ways. The first involves the strengthening of the democratic element to such an extent that the protection of individual and minority rights is compromised and encroached upon by the majority, resulting in the emergence of populism. The other side of the coin involves hyper-individualisation, significant erosion of majority influence and an undermining of social cohesion, resulting in radical pluralism (Plattner, 2010:87).

2.2.4 Support for democracy and democratic consolidation

To build on the definition of democratic consolidation presented in Chapter 1, Bratton and Mattes (2001:448, 451) outline two types of support for democracy, namely intrinsic and instrumental

support. Instrumental support is based on the view that democracy derives its value from what it can provide, such as improving living standards or combatting inequality. Intrinsic support is based on valuing the political freedoms and rights that a democratic system provides and ensures. Intrinsic support is a commitment to democracy as the most preferable system for ensuring political freedoms, even in the face of economic downturn or social upheaval, while instrumental support is conditional at its core. Instrumental support for democracy can be eroded by populists who argue that sacrificing some political liberties is a necessary step towards solving society's most pressing issues. Democracy will only be sustainable and durable in a society exhibiting instrumental support as long as the government is effective at delivering economic goods and addressing societal issues such as poverty, otherwise the system will quickly lose legitimacy (Elster, 1993:268). Liberal democracy therefore entails intrinsic support for democracy, where democracy has become so deeply entrenched that it is granted widespread legitimacy as the most preferable system to ensure that political liberties and rights are protected and enforced.

These two types of support for democracy play a decisive role in the process of democratic consolidation. As long as support for democracy remains predominantly instrumental, especially in the global South, weak or corrupt governments will continue to undermine its consolidation. Without intrinsic support, popular dissatisfaction with the government – and by extension democracy – will continue to impede democratic consolidation (Bratton and Mattes, 2001: 473). Without sufficient intrinsic support for democracy, redistributive populists can easily exploit instrumental support in order to erode liberal democratic institutions.

According to Przeworski, Alvarez, Cheibub, and Limongi (1996:42), economic growth paired with a moderate rate of inflation has a notable positive effect on the survival odds of a democracy and therefore on democratic consolidation. Przeworski *et al.* contend that democracies with economies that maintain an annual growth rate above 5% show a stronger tendency to endure than those with weaker economic performance trends.

A study by Mainwaring and Pérez-Liñan (2013:125-135) concluded that the two main factors negatively impacting on a democracy's chances of long-term survival were politicians promoting radical policies, and political leaders lacking a normative preference³ for democracy. Radical policy preferences normally originate from extreme ends of the political spectrum and involve an element of urgency, with leaders unwilling to bargain when it comes to their policy preferences or timeframe for implementation. Mainwaring and Pérez-Liñan further conclude that policy radicalism

³ A normative preference for democracy entails valuing democracy intrinsically – regardless of specific policy outcomes. Such societies or politicians are committed to democracy as the most preferable type of political regime (Mainwaring and Pérez-Liñan, 2013:126).

considerably increases the risk of democratic breakdown. When policy radicalism escalates in the pursuit of attaining or retaining political power, the cost of tolerating democratic values increases for many political actors, which then tempts them to disregard it. Liberal democracies are severely threatened when the leaders of political parties cease to intrinsically value liberal democratic institutions, such as property rights. If an established normative preference for democracy exists, societal issues such as high levels of inequality would not be enough to justify abandoning democracy or eroding it for the sake of urgently rectifying the issue.

2.3 The promises and failings of redistributive populism

2.3.1 Conceptualising redistributive populism

Conceptualizing redistributive populism, as the concept is applied in this thesis, calls for the conceptualization of left-wing populism as the broad strand of populism it falls under. Left-wing populism is built on a platform of establishing a majoritarian democracy which empowers the poor, the marginalised and ‘the people’ to expand the state’s role in the economy, remove corrupt politicians and radically redistribute wealth in order to combat inequality. Seen through the left-wing populist lens, traditional political parties and institutions are controlled by domestic or foreign elites that compel them to implement neoliberal economic policies, which perpetuates or exacerbates inequality and poverty. Left-wing populism emerged on the global stage as a result of widespread, growing criticism of and resistance to neoliberalism. Left-wing populists understand democracy as entailing the redistributing of wealth by means of a strong state. Since left-wing populists champion the revolutionary role of constituent power, its legitimacy is grounded in winning elections through popular support (De La Torre, 2017:61-65, 71-73).

Redistributive populism is a form of left-wing populism, which unites ‘the people’ around the central goal of resource redistribution. This populist approach builds unity among its supporters and overcomes dividing elements such as culture or race by emphasising what they have in common, their economic status in particular (Kennedy, Tilly and Gaston, 1990:302;306). This approach to populism, which transcends orthodox dividers and unifiers, facilitates the forming of an electoral majority around popular issues such as resource redistribution, poverty and inequality.

In contrast to the rise of right-wing populist movements primarily centred on cultural issues in Western democracies, sub-Saharan Africa has experienced a rise in left-wing populist movements, most of which proclaim a commitment to address political, social and economic inequalities. Populist movements have therefore flourished in African countries with high levels of inequality, such as Kenya and South Africa, where large parts of the population feel excluded from the benefits of

economic growth, fuelling resentment towards the elite and the status quo. The parties who led the liberation movements of the 20th century framed themselves as committed to reversing the prevailing inequalities and to help uplift the impoverished masses. In the decades following their rise to power, their reputations have been marred by corruption scandals, economic stagnation or regression, rising unemployment and unfulfilled promises – leading to allegations that they are only serving the elite by maintaining existing inequalities. These failings of the liberation parties have largely contributed to the emergence of more radical redistributive populist movements in the global South (Oxford Analytica, 2017:1-2). Democracy's inability to radically address poverty and inequality in some cases, combined with a misplaced expectation that it should be based on a primarily instrumental understanding of it, has facilitated the rise of new populist movements, which seek to radically replace and reform the status quo.

Inglehart and Norris (2016:2; 11) analysed two prominent theories regarding the origins of mass support for populist movements, namely the economic inequality perspective and the cultural backlash thesis. The former relates prominently with populism of the left, and will therefore be explored for the purposes of this thesis. The economic inequality theory examines how electoral behaviour is influenced by growing income and wealth inequality. The development of knowledge-based economies, the rise in automation, international outsourcing, the collapse of manufacturing industries, mass migration and globalisation, have led to increased inequality and has inflamed political resentment, which has provided a stimulus for the growth of anti-establishment, redistributive populist parties. The promises of redistributive populists are naturally appealing to the economically insecure. The failure of more moderate parties to reduce unemployment and inequality, as well as their failure to respond to the economic concerns of their constituents, has led many of their supporters to vote for more radical, populist parties. Inglehart and Norris (2016:27) found that unemployment and economic insecurity correlated positively with voting for populist parties.

Countries with high levels of inequality accompanied by weak or absent institutions, such as weak property rights, create room for redistributive populist movements to gain support. It is common for these populists to use redistributive rhetoric in order to get elected, but once in power, to implement policies predominantly in the interests of the politically connected (Acemoglu, Egorov, and Sonin, 2011:773,802). A patron-client relationship commonly develops through redistributive populism, which involves the exchange of political services from the client (votes and support), in exchange for benefits from the patron (resources, capital, assets, etc.) – this provides prime conditions for corruption to flourish (Baland and Robinson, 2012:601).

High levels of inequality encourage voters to demand more drastic policies for wealth redistribution (Asoni, 2008:970). Countries with high levels of inequality that are in the process of democratizing,

tend to be fertile ground for policy platforms aimed at the redistribution of wealth. Populist politicians use such policy proposals to signal to voters that they are not captured by the elites or serving the interests of the rich. Such redistributive policies commonly entail significant, but fiscally unsustainable, public spending increases, artificial wage increases, as well as the expropriation and redistribution of property. The most commonly observed consequence of such policies is higher or even hyperinflation, which primarily harms the poor, the group such policies were supposed to uplift (Bittencourt, 2012:311-312; Beetsma and Van Der Ploeg, 1996:144; Boix, 2003:221).

2.3.2 Redistributive populism's influence on democracy and property rights

2.3.2.1 Democracy

This thesis sets out to determine whether redistributive populism's influence on democracy is a threat to democratic consolidation, or its *Pharmakon*.⁴ Tormey (2018:271) notes how in the 21st century populism has increasingly emerged in the context of democracy in crisis and in tandem with increasing inequality. A populist movement's core message is usually a promise of hope for a better life and social reform, while its proposed political means to achieve this are often illiberal and at times authoritarian. Populists advocate simple solutions for complex problems, create scapegoats, and often delegitimise liberal democratic institutions, if not restrained by checks on their power.

The fast rise in popularity of populist opposition parties, which focus on tackling poverty, inequality and the redistribution of resources, may encourage incumbent governments under pressure to adopt similar populist policies in response. This could lead to unaffordable increases in government spending, with less focus on orthodox economic principles, potentially creating budget deficits and increased national debt (Oxford Analytica, 2017:1). However, Kapstein and Converse (2008:61-62) argue that economic growth alone proves insufficient for improving the quality of democracy when the benefits of growth are not more equitably distributed across society.

2.3.2.2 Property Rights

David Ricardo once argued that suffrage should only be granted "to that part of them [the people] which cannot be supposed to have an interest in overturning the right to property" (Sraffa, 1952: 369-70). Thomas Macaulay (1900:263) echoed this sentiment, framing universal suffrage as "the end of property and thus of all civilisation." Karl Marx (1952:62) expressed a similar line of thought, arguing for the incompatibility of private property and universal suffrage. Marx (1934:18) argued that the poor use democracy to expropriate from the rich; therefore, when the rich are threatened by

⁴ Plato's concept of the *Pharmakon* refers to a powerful substance which could either cure or kill a patient.

expropriation, they seek to subvert democracy. As a result, either capitalism or the democratic system fails and is destroyed.

Przeworski and Limongi (1993:52) argue that in retrospect the above claims about property rights and democracy were too drastic. They cite 14 countries which by 1993 had been continuously free market economies and democratic for half a century. They conclude, however, that the classic views raise a crucial question regarding the contemporary, dominant stance in political science literature: that liberal democracy necessarily promotes development by safeguarding property rights, a claim this thesis explores.

Most of the literature on property rights frames the state as the sole source of any potential threat to their erosion or abolition. However, property rights can be threatened by private actors as well, such as labour unions, political movements, non-governmental organisations (NGOs), and through land invasions. The dilemma presented is that state interference is needed to protect and enforce property rights, while a strong state also poses a potential threat to property rights (Przeworski and Limongi, 1993:53).

There are two mechanisms whereby resources can be allocated and redistributed across society: the market and the state. The market allocates resources owned by individuals according to the forces of supply and demand, albeit unequally. The state allocates resources it does not own, in line with its ideology, a distribution which differs from the market (Przeworski and Limongi, 1993:53). The populist promise when it comes to land redistribution is to utilise state power, instead of market forces, to implement redistributive policies, with the central aim of uplifting their mainly poor constituencies, or to right the wrongs of the past affecting inequality in the present (Boone, 2009:188).

Expropriation of private property takes place through physical dispossession, or through forced loans to the government, which later default. Under such threats to property rights, the incentive to invest in capital, to innovate and to accumulate skills related to your capital or land are reduced or eliminated. Policies of this nature distort the allocation of resources, since individuals are forced to channel their talents, time and funds into alternative uses other than their property, which results in lower productivity and output (Asoni, 2008:961-962).

Through the democratic state-led system that redistributive populists champion, in contrast to the market system, the ability to influence the allocation and redistribution of resources through the mechanisms of the state is equalized among 'the people'. In theory, the democratic system grants the poor an opportunity to influence resource redistribution by the state through politics. In significantly unequal societies, when obtaining sufficient political power through democracy, those who lack private property and the associated capital will attempt to use democracy to expropriate and

redistribute property from the land-owning minority. The common stance in the literature on property rights, namely that democracy inherently guarantees the protection of property rights, is therefore flawed (Przeworski and Limongi, 1993:53-54). The threat of expropriation of property creates increased political instability because property owners start to fear the risk of violation of their rights, even through democratic mechanisms.

A further threat to secure property rights is inefficient or corrupt civil servants, which creates uncertainty, weak enforcement of rights and misallocation of resources. The resulting weak enforcement of property rights leads to the creation of a rent-seeking sector of government officials (Olson, 1965). The goal of such rent-seekers within government is not to facilitate growth, but merely to redistribute wealth, often exclusively to the politically connected.

2.3.3 The economics of redistributive populism

To support Chapter 3, where the policies of the two redistributive populist case studies are extensively explored, this section will outline the common and characteristic policy trends among redistributive populist regimes.

Redistributive populist policies ideally aim to promote broad development and growth, without exacerbating class conflict, through making use of idle capacity and resources. In reality such policies involve radical redistributive measures and an expansion of aggregate demand. In order to achieve a more equal transfer of income from the rich to the poor, an appreciation of the real exchange rate and a reduction in export-promoting measures is utilised. Redistributive populists display a tendency to nationalise economically viable foreign-owned enterprises. The result is that owners of primary resources find it harder to sell their product abroad, while poor urban workers experience real wage increases. In order to avoid inflationary pressure and to preserve the living standards of the poor as well as the real value of their wages, populist governments implement price controls and peg the nominal exchange rate. Extra demand is met through running down inventories and imports, and the exchange rate is artificially kept stable through the sale of foreign reserves (Beetsma and Van Der Ploeg, 1996:150-151; Dornbusch and Edwards, 1990; Brien, 2017:30).

As inventories and foreign reserves run out, product shortages, hyperinflation and capital flight occurs, while the economy is put under increasing strain as it runs into production bottlenecks. Significant depreciation of the exchange rate ensues, both in nominal and in real terms, causing increased fuel inflation, which then further drives up prices. The large-scale implementation of redistributive populist policies is thus doomed to cripple an economy in the long run (Beetsma and Van Der Ploeg, 1996:150-151; Dornbusch and Edwards, 1990).

Redistributive populism over-emphasises social spending and redistribution, while downplaying the risks of inflation, budget deficits, capital flight and the reaction of domestic and foreign investors to aggressive anti-market policies, like nationalization and expropriation. Redistributive populist movements nevertheless derive substantial popular support, mainly in developing countries with high levels of inequality where populations are desperate for any alternative policy approach. In the redistributionist populist's view, idle production capacity provides the leeway for such expansive policies (Dornbusch and Edwards, 1990:247-250; Acemoglu, Egorov, and Sonin, 2011).

According to the analysis of Desai, Olofsgard and Yousef (2003:394-395), inflation can sometimes play a role as a mechanism of redistribution, with revenues generated by inflation taxes being used for per-capita transfers. The redistributive effect of inflation taxes increases with greater income inequality. In economies with high inequality, the poor commonly demand that the state levy an inflation tax such as capital gains tax and estate duty to redistribute income.

By studying Chile and Peru, Dornbusch and Edwards (1990:250-251) identified the four stages of countries that come under the control of redistributive populist regimes.

During stage one, which encompasses approximately the first year or two after a redistributive populist party comes into power, the structure of the economy is radically transformed through extensive nationalisation programmes. For example, in Chile in 1970 one of the first redistributive policies of the incoming populist regime was to greatly intensify agrarian reform by expropriating a large number of farms. Initially, in stage one production levels increase, unemployment decreases and real wages are high – the redistributive macroeconomic policies implemented appear to be achieving impressive levels of success. Consumption levels of goods and services rise, especially amongst the poor. Inflation is artificially kept in check by price controls and any input or product shortage is supplemented by imports, while the economy is steadily restructured to make it less dependent on imports. Reserve depletion finances the imports and replaces internal replenishing of inventories (Dornbusch and Edwards, 1990:250-258). A study by Woolard, Metz, Inchauste, Lustig, Maboshe, and Purfield, (2015) found that increased pro-poor social spending correlates positively with reduced inequality, specifically with regard to healthcare, education and basic services such as water and electricity.

Stage two brings about the first economic bottlenecks, as a consequence of the combined effects of a significant increase in demand for goods, as well as the scarcity of foreign exchange reserves. The inventory depletion seen in stage one starts to cause problems for the economy. Expansive price and exchange rate controls become necessary to maintain the growth and value of real wages from stage one. Government expenditure continues to increase and inflation can no longer be kept in check;

however, real wages remain relatively stable. A large and continually expanding underground informal economy emerges. Increased subsidies on wages, and goods and foreign exchange shortages, drastically worsen the government's growing budget deficit (Dornbusch and Edwards, 1990: 250). Redistributive populist regimes finding themselves in this position commonly disregard the orthodox economic advice given by institutions such as the International Monetary Fund (IMF) and the World Bank (Oxford Analytica, 2017:1-2).

Stage three is characterised by extensive shortages, high or hyperinflation, mass capital flight, demonetisation of the economy, as well as critical foreign exchange shortages. Tax revenues decline steeply, while the government is unable to sufficiently reduce its expenditure, resulting in an exponential deterioration of the budget deficit. In desperation, the government cuts subsidies where possible, which results in real wages falling drastically. All of the above lead to increased poverty and political instability (Dornbusch and Edwards, 1990:250).

In stage four a new regime commonly takes over and the IMF steps in with orthodox economic stabilisation policies. In this stage real wages decline to levels lower than before stage one. Investment completely dries up, the manufacturing sector decapitalises, with further capital flight. The decline in real wages is explained by the notion that capital can be moved out of countries with poor, anti-market policies, while labour is predominantly trapped in those countries (Dornbusch and Edwards, 1990:250).

2.4. An alternative approach: protecting and enforcing property rights

The notion, expanded on in this thesis, of a correlation between the protection of property rights and economic growth is not new. Major political philosophers such as John Locke, David Hume and Adam Smith emphasised the beneficial role private property ownership plays in achieving economic growth (Asoni, 2008:959). This section will unpack the arguments in the literature supporting the importance of quality institutions, conceptualise property rights as it will be used in this thesis, and examine the literature on the relation between property rights and economic growth, and poverty and inequality reduction. Furthermore, the virtuous cycle between good institutions such as property rights and democracy will be explored. Finally, a constructive critical take on property rights will be considered with reference to the way that property rights can be made more pro-poor, while also evaluating the importance of taking the cultural, religious and social context of a community into account.

2.4.1 Institutional quality and the protection of property rights

2.4.1.1 Institutional quality

Institutions are defined as the implicit and explicit rules by which members of a society interact (Chong and Calderón, 2000:761). The institutions hypothesis stipulates that societies with institutions which incentivise investment will prosper (Locke, 1823; Smith, 1982; Hayek, 1960). Douglass North (1990:3) affirms the institutions hypothesis when he points out that securing property rights is essential for effectively organising a society.

When institutions are in constant flux or not respected, corruption is normally high and the rule of law is weak. Weak institutions lead to inadequate service delivery and poor resource allocation. The more secure a country's institutions are, the higher its economic performance will be. Institutional fortitude is linked with wealth and resource distribution across society (Chong and Calderón, 2000:761). Acemoglu and Robinson (2013:75-79) identify secure property rights as being among the key “good institutions” necessary for economic growth. “Good” institutions are those which restrain government's ability to expropriate private property.

Chong and Calderón (2000:763-766) found a negative correlation between a country's International Country Risk Guide (ICRG) index score and its Gini coefficient, substantiating their argument that the level of institutional security correlates positively with lower levels of income inequality (see Figure 1).

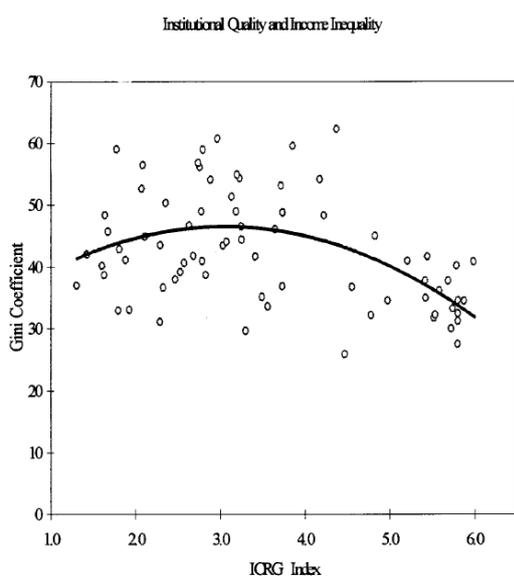


Figure 1

Reproduced from Chong, A. and Calderón, C. 2000. *Institutional Quality and Income Distribution*. *Economic Development and Cultural Change*, 48(4): 761–786.

Chong and Calderón (2000:772) deduce from the data examined in their research that the possibility exists that an increase in institutional quality may in the onset phases lead to an increased level of income share for the top quintiles of a society, producing higher levels of income inequality. However, in the long term this trend diminishes, leading to a more equal distribution of income. Chong and Calderón (2000:777) importantly conclude that Latin America and Africa can meaningfully reduce income inequality only through substantial institutional strengthening, since the vast majority of developing countries in Chong and Calderón's sample, demonstrate a positive correlation between poor institutional quality and increased income inequality.

Institutions which protect and enforce property rights ensure that those with productive abilities are assured that they will get returns on their investments, which incentivises investment. These institutions also need to serve a broad cross-section of society, however, because if only a small elite group are granted secure property rights, and by extension access to wealth and political power, an unequal environment is created, which is not ideal for investment. The potential for conflict increases if many citizens with the entrepreneurial potential and human capital to contribute to economic growth are excluded from secure property rights to incentivize them to invest. The number of people with access to secure property rights protected and enforced by institutions therefore needs to be as broad as possible (Acemoglu, Johnson, and Robinson, 2002:1262-1263).

2.4.1.2 Property rights

Barzel (1997:3-4) distinguishes between economic property rights which constitute an end, and legal property rights which are the means through which to achieve that end. Economic property rights regarding a commodity or asset entail an individual's ability to directly or indirectly through exchange consume the goods and/or the services it produces. For example, the economic owner of a building can gain from an increase in its value, rental income or by living in it for free, or lose due to a reduction in value or expropriation. Legal property rights are the economic property rights of individuals which are recognised, protected and enforced, in part by the government, but primarily through the deeds office or the courts.

Consequently individual economic property rights are not constant, but rather a function of the mechanisms that enforce and protect them. Property rights may exist in the absence of legal protection, but are then significantly less secure. According to Barzel's (1997:4) double-faceted definition, property rights are not absolute, since they can be affected by individual actions, making the definition useful definition in the analysis of resource allocation.

Protection of property rights entails the existence of legislation and/or social or cultural customs that stipulate how property can be legally acquired, owned and transferred. Furthermore, it prescribes the

administrative and political mechanisms to enforce and protect such rights from violation and expropriation. Property rights and the political institutions that protect and enforce them are a contemporary phenomenon and a fragile form of human collective organization, which can be threatened when protective legislation, customs and institutions are weak or absent (Asoni, 2008:256,257). Intellectual property rights will not be discussed in this thesis, because the primary focus is on property that can be expropriated.

2.4.2 The influence of secure property rights on poverty reduction and economic growth

At the core of analysing the effect of secure property rights on economic growth and poverty reduction lies the question of how dependent economic development is on political institutions. As Przeworski and Limongi (1993:51) point out, political scientists know that “political institutions do matter for growth, but thinking in terms of regime types does not seem to capture the relevant differences.” The focus in the literature has thus shifted away from the mechanics of growth, towards its fundamental root sources, namely institutions. The institutional causes of economic growth can be identified by studying the incentives that stimulate individuals to accumulate capital, invest, work harder, get an education and organise resources more efficiently. An institution which clearly stands out in this regard is property rights (Asoni, 2008:953-954).

Leblang (1996:6,9) notes that many political scientists have been focusing exclusively on democracy versus authoritarianism in relation to economic growth, while ignoring the analysis of the protection and enforcement of property rights as a determining factor of economic growth, leaving a gap in the literature.

Firstly, the protection of property rights prevents expropriation of property through the mechanisms of democracy (Boix, 2003:211). Expropriation would likely incentivise property owners to stop supporting democracy and its institutions. Secondly, Asoni (2008:960) postulates that a democratic regime with a well-functioning system of secure and accessible property rights ensures that the poor will have opportunities to become property owners and potentially prosperous themselves, without having to resort to expropriation of property.

The Coase Theorem states that when rights are well defined and the cost of transacting is zero, resource allocation is efficient and independent of the historic pattern of ownership (Coase, 1960). Secure property rights in the long term incentivise investment in improved production and innovative sustainable technology. Long-term investments will only occur when the owner of land has secure property rights, because this enables the land owner to benefit from such investments. Alternatively

stated, a lack of secure property rights results in decreased investment in physical and human capital. Secure property rights enable individuals to appropriate returns from their time and effort, encourages investment in capital, incentivises efficient resource allocation and management, and promotes the accumulation of knowledge (Asoni, 2008:956, 959, 961; Meinzen-Dick, Kameri-Mbote, and Markelova, 2007:2; Acemoglu and Robinson, 2013:75-79).

The research by La Porta, Lopez-de-Silanes, Shleifer, and Vishny (2001; 2002) found that if the rights of foreign investors are protected by law, such investors and creditors are willing to invest more funds or pay higher prices for financial assets, because this raises the likelihood of higher rates of returns on their investments.

A businessperson who expects their property to be expropriated will have little incentive to invest or innovate. Case studies in Central Europe and Asia highlight the importance of individual rights, especially property rights. Whether a government be authoritarian, as in East Asia, or liberal democratic, as in Poland, the Czech Republic and Hungary, legal and administrative protection of individual property rights creates favourable conditions for growth and development (Zakaria, 1997:33-34).

Scully (1988:654) notes that the role property rights play in a firm's allocation of resources is well recognised, which applies to an economy as well. A government providing a sound framework of rights and an appropriate institutional environment for the economy will positively influence the allocation of resources and efficiency levels within its economy. Scully (1988:658) also found that the real per capita GDP of nations that protect and enforce property rights, while facilitating free market distribution of resources, grew at a rate of 2.76%, compared to the rate of 1.1% in countries without secure property rights, and where the state intervenes in resource allocation. It is evident that a country's institutional arrangements provide a statistically significant explanation for inter-country variations in real per capita GDP growth rates. Scully (1988:661-662) therefore argues that the configuration of an appropriate structure for property rights which facilitates economic growth and resource distribution needs to be brought to the forefront in political science literature.

Secure property rights tend to precede meaningful economic growth, since they reduce future risk and uncertainty, which provides the incentive for individuals to produce and exchange goods through a stable market environment, which ensures that they will benefit through their productivity. It creates a level of certainty and predictability in an individual's expectations about how others will behave. Explicitly defined and enforced property rights decrease transaction costs in an economy and act as a restraining mechanism on unacceptable individual and state actions. The institutional constraints and parameters of exchange provided by secure property rights assist in mitigating the risks associated

with failures in a market, such as the measurement of assets, the monitoring of activity and the enforcement of contracts. The extent to which failures in this regard can be mitigated determines how efficiently inputs are converted into outputs. Secure property rights are essential in providing the framework for the market environment in which exchanges occur and incentives are identified (Leblang, 1996:7-8).

A further damper on economic growth resulting from a lack of the enforcement of secure property rights is the additional burden of cost for private protection of property. In a society where only the wealthy can afford sufficient protection of their property, it incentivises them to oppose the right of public protection of property rights. The wealthy in such an environment protect their own property, while preying on the property of the poor through rent seeking. This situation incentivises the wealthy to manipulate institutions in order to further weaken the public protection of property rights. This in turn prevents the formation of market-friendly, growth-facilitating institutions, which would distribute wealth more evenly across society (Asoni, 2008:969).

According to Weingast (2015:257), no major country has been able to maintain a prospering market economy in the long term without being democratically run. He responds to the critics of this assertion who mention China by arguing that China will be forced to increasingly democratise in order to maintain its high economic growth rates. Even though China has achieved impressive growth rates over the past thirty years, it has yet to achieve a GDP per capita level of a middle-income country, let alone the levels of Taiwan and Korea after they democratised. Weingast argues that democratic regimes perform better with regard to economic growth than non-democratic states, but they require institutional constraints in order for their market economies to continuously thrive (Weingast, 2015:257). This idea is unpacked further under section 2.4.4 below.

Democratic theorists who argue against putting institutional constraints on democracy fail to adequately explain how a majoritarian democracy creates suitable conditions, such as stability and predictability, for a market economy to prosper (Weingast, 2015:271). Weingast (2015:257) argues that the evidence from the majority of new democracies demonstrates that elections by themselves are unable to guarantee a prospering market economy in the long term.

Weingast (2015:272,275) theorises that the most reliable path to prosperity for a country is through a thriving market economy, which requires certain counter-majoritarian, institutional constraints on democracy and government power. One of the most effective and reliable of these institutions is the protection and enforcement of property rights. In summary, democracies which provide the required conditions and constraints for markets to flourish, in particular institutions for the protection of property rights, are more likely to be both rich and stable in the long-term.

2.4.3 The matter of rural property

In most societies, but especially rural ones, land ownership influences social standing. Owning land provides access to certain government services, influences local decision making, social networking and access to credit. Entire communities are often deprived of government services as they are not recognised as land owners. For example, often membership and therefore access to water in certain water user associations requires land ownership, depriving those without secure property rights from having a voice in the management of a vital resource such as water. Securing property rights in impoverished communities can contribute to their participation in community life and their influence on local politics, which in turn positively influences their wellbeing and opportunities for capital accumulation (Meinzen-Dick, Kameri-Mbote and Markelova, 2007:2; Meinzen-Dick, 2009:186).

Ownership of land provides the rural poor with a means of livelihood through the consumption and sale of whatever they produce on that land, which can serve as collateral for credit loans which can increase productivity. Strengthening property rights incentivises increased production and investment in property. Secure property rights, especially in rural areas, ensures both food security and a sustainable flow of products to local markets. Secure land tenure increases investment in the human capital of children, which helps to prevent the intergenerational transmission of poverty (Meinzen-Dick, Kameri-Mbote, and Markelova, 2007:1).

Finally, secure property rights, unlike mere access to land, assist individuals in mitigating the effects of external shocks that influence their livelihoods. For example, in the case of a severe drought, landowners can sell or mortgage their land to meet their basic consumption needs. Mere access to land is not sufficient to enable dealing with such shocks. Furthermore, the value of secure property rights increases over time, allowing owners to sell the property at a higher price or to put the land to more profitable uses (Meinzen-Dick, Kameri-Mbote, and Markelova, 2007:1; Meinzen-Dick, 2009:185-186).

2.4.4 Property rights, democracy and redistributive populism

2.4.4.1 The interplay between property rights, democracy, and redistributive populism

As mentioned above, some democratic theorists argue that institutional constraints on elected governments fetter democracy, while Weingast (2015:255-256) sees them as a precondition for market economy democracies to produce sustained economic growth rates. Restrictions on unlimited political choice such as the rule of law, enforcement of contracts, and secure property rights are required.

Weingast (2015:257-258) notes that approximately 80 of the world's 170 countries at the time of his writing were regarded as democracies, however, only about two dozen have remained democratic since 1950. Democratic sustainability can therefore not be seen as constant, or taken for granted. Countries that have maintained democratic regimes for multiple generations possess certain characteristics, apart from regular elections. Young democracies unconstrained by institutions and ruled by unfettered majoritarianism have proved to be highly unstable, with a high risk of regressing to authoritarianism. According to Boix (2003:210), the institutional differences between countries correlate with the extent to which unchecked power is centralised in the hands of the state or political elite.

Democratic regimes, governed with secure and well-defined property rights and with strong checks on government power, are less likely to expropriate property and have a higher propensity to provide a stable economic and institutional environment (Leblang, 1996:18). Asoni (2008:956) and Bittencourt (2012:314) support the argument that institutions such as secure property rights in particular provide a check on a government's ability to exercise brute force. According to Olson (1993:572), in secure democracies citizens can have confidence that their property in which they invest their time, effort and money will not be arbitrarily expropriated by the government, which requires a state committed to respecting property rights.

Although dictatorial regimes can in theory commit themselves to securing property rights, they cannot demonstrate the credibility required for long-term and contract-intensive economic activity. Olson (1993:572) argues that the reason for this is that authoritarian regimes are prone to be led by leaders with short time horizons. This ever-present possibility of sudden, radical change reduces investment confidence and the likelihood of successfully enforcing property rights or long-term contracts. Leblang (1996:19) found that democratic regimes, in contrast to dictatorships, indirectly generate desirable levels of economic growth through their distinguishing propensity to be better protectors of property rights.

Leblang's (1996:19-21) empirical research demonstrates that democratic nations allocate a larger percentage of their GDP to the private sector than autocratic regimes do. His study proves that if there is a high degree of uncertainty regarding property rights, the incentive for immediate consumption exceeds the incentive to save and invest. However, Leblang makes a key observation, in line with the work of Przeworski and Limongi (1993), that democracy does not guarantee secure property rights. He empirically finds that while democracy generally correlates with the protection of property rights, the nature of any political system fails to sufficiently explain the majority of variances observed in how property rights are enforced. Leblang concludes that in accounting for economic growth, the

question of whether property rights are secure plays a significantly larger role than the question of the type of political system.

Leblang (1996:21) found that in analysing why economic growth rates differ between countries, researchers must take into account the institutions that regulate and determine economic and political behaviour. Leblang's study empirically demonstrated that secure and well-defined property rights lead directly to faster economic growth than cases where property rights are weak or non-existent.

A populist demand for radical property redistribution puts immense pressure on democratic institutions. According to the social choice theory, an electoral democracy achieves stability when property rights are incorporated into a bill of individual rights, thus protecting them from nullification through the tyranny of the majority. Entrenched property rights strengthen democracy in unequal societies through the layer of protection it provides for minorities as property owners against populist majoritarianism (Boone, 2009:185).

Boix (2003:204-227) argues that structural safeguards such as property rights curb the temptation among populists to call for resource redistribution. This contributes to the sustainability of democracy and its institutions. In societies where property rights are weak, property owners will not be able to legally resist the calls for redistribution from the 'have-nots', should a redistributive populist party gain power. Boix (2003:204-227) states that in agrarian societies an enfranchised poor majority will reliably resort to forced redistribution of wealth and land through the ballot box – placing mounting strain on the democratic system. The guarantees which convinced the 'haves' or other minority groups to support democracy will now be nullified by their need to protect their fundamental rights, which could prompt a disregard for democratic institutions or values. Therefore, leaving property rights solely to the will of majoritarian democracy renders minorities vulnerable to dispossession by the majority (Boone, 2009:195).

2.4.4.2 Virtuous Cycle

With reference to the virtuous cycle found between the protection of property rights and lasting democracy, Olson (1993) points out that the same institutional conditions required to safeguard the individual rights needed for economic development and growth mirror the institutional conditions required for a democracy to last and retain long-term stability. The institutions that place a check on government's ability to violate inalienable rights such as preserving the property, freedom and life of its citizenry form the foundation of stable modern democracies (Asoni, 2008:960).

Good institutions and economic growth create a virtuous cycle, where better institutions promote sustained economic growth, which in turn strengthens institutions. It could therefore reasonably be expected that as per capita income increases, citizens will demand more efficiency- and growth-

supportive institutions, which would include more secure property rights (Asoni, 2008:953, 955, 972). “Institutions and development are endogenous and the most we can do is to identify their reciprocal impact” (Przeworski, 2004:183).

Without institutional constraints, the majority may seek to significantly alter the constitution or laws in order to benefit themselves at the expense of minorities. Since investors are less likely to make fixed investments if a government considers expropriation of property, those governments granted the power to extract value by redistributing property investments later struggle to maintain economic growth. Institutions which restrain the government’s power to expropriate thereby ensure that property investments are secure, contracts are honoured, and democracy remains stable and sustainable (Weingast, 2015:271).

Scholars who ignore or miss the pivotal role that property rights play in preserving democracy and its institutions, as well as the role they play in fostering a fertile environment for economic growth, are oblivious to property rights-related patterns emerging in most newly democratised developing countries. This oversight hampers their ability to provide useful academic insights that can be utilised to formulate effective, sustainable solutions and policy recommendations for some of the most pressing issues of our time.

2.4.5 Context, institutional adaptability, and making institutional reform pro-poor

Poverty and a lack of secure property rights are pervasively correlated, seeing as the poor lack not only a steady income, but also have few or no assets that can be utilised to generate income. Poor populations living in informal settlements lack access to land, and where they have access, their property rights are often not formally or legally recognised. Securing property rights for the poor could therefore serve as an effective means of breaking cycles of intergenerational poverty. However, property rights are only as strong as the institutions that secure and enforce them. If the state lacks the institutional capacity for the protection and enforcement of property rights, and local community institutions such as cultural or religious authorities are robust, the latter could have more influence and legitimacy. In many rural societies secondary property rights – for example, access to fishing, firewood, water, and cattle grazing rights – are held in high regard and property is often communally owned, which could impede the formalisation of private property rights, if ignored by institutions. Although these secondary property rights provide subsistence to the poor, their value is often not factored into property values that can be transferred. A better understanding of how these different context-dependent secondary property right systems interact and operate can facilitate pro-poor

reforms towards establishing formal property rights (Meinzen-Dick, 2009:185-192; Meinzen-Dick, Kameri-Mbote, and Markelova, 2007).

2.4.5.1 Taking the cultural, religious and social context into account

The Commission on Legal Empowerment of the Poor, hosted by the UN Development Programme, lists secure property rights as one of the two pillars of legal empowerment, along with access to justice and the rule of law. Access to justice reduces the risk that the state can abuse its power to expropriate property or violate property rights. If access to justice is not accompanied by secure property rights, formalisation could create opportunities for elites to increase their control over resources utilised by the poor. There is no universal prescription for securing property rights in order to benefit the poor, therefore such institutions need to be adapted to the context within which they will operate. For example, systems relating to property ownership and management that are appropriate in communities reliant on grazing resources may not work as effectively for communities reliant on fishing. Systems of property ownership that are suitable in a highly individualistic society may not be appropriate for societies where a culture of common resource ownership and access is strong. In addition to serving as a source of income, land has political and cultural value as well. Therefore, formalised policies on property rights solely focused on the economic aspect of land could face strong opposition (Meinzen-Dick, 2009:192; Meinzen-Dick, Kameri-Mbote, and Markelova, 2007).

External legislation protecting property rights has the potential to strengthen secondary property rights, as well as to provide the impoverished with additional grounds for claiming rights to property. For this to take place effectively, these institutions need to be tailored for the specific context, which would increase the bargaining power of impoverished land owners during negotiations (Meinzen-Dick, 2009:193). Policies that fail to take the cultural, religious or social context of a society into account when formalising property rights have the potential to undermine access to and use of land on which certain communities rely. While state-based legal systems are more accessible to those with education, capital or central location, poor rural communities may resort to cultural bases for securing rights to land and resources. It should be emphasised, however, that such customary practices regarding property ownership also have the potential to disadvantage the poor. In such cases formalised property rights can assist the poor in getting the most out of their property and having a secure claim to it (Meinzen-Dick, Kameri-Mbote, and Markelova, 2007).

2.4.5.2 How secure property rights to benefit the poor

Levine (2008) identifies a lack of access to financial capital as a leading factor behind persistent poverty. Due to the high unit costs of small-scale loans, the poor are unable to borrow money against future earnings to invest (Huang and Singh, 2015:131). Jacoby (1994) identified a correlation between

a lack of access to credit and persistent poverty in Peru, because poor households could not afford adequate education for their children. Jacoby and Skoufias's (1997) research demonstrated how households in rural Indian villages without access to credit tended to neglect their children's schooling in the event of shocks which reduced their income.

A study by Huang and Singh (2015:136-142) indicated that more secure property rights significantly enhanced the correlation between financial development and poverty reduction. Their study found that the poor benefited more from financial deepening in countries with secure property rights, which opens up the option for using property as collateral in applying for credit. They concluded that in the absence of clearly defined and enforced property rights, wider access to unsecured credit leads to a reduction in income for the lowest quintile, and this in turn consequently exacerbates poverty rates.

2.4.5.3 Arguments against exclusive individual authority over property

Meinzen-Dick, Kameri-Mbote and Markelova (2007) and Meinzen-Dick (2009:192) argue that simplifying property rights to a point where an individual owner has complete authority over his land for purely economic considerations and efficiency creates the risk that the poor could be excluded from secondary rights such as access to grazing areas, rivers or forests that used to be accessible on communal land. Any policy to formalise property rights therefore needs to be harmonised with the cultural, social as well as religious context of the society in which it will be implemented, in order to ensure maximum benefits to the poor, as well as to minimise opposition to such reforms. A universal one-size-fits-all approach to the formalization of property rights could potentially exacerbate poverty and inequality.

Cousins *et al.* (2005) argue that where formalisation of property rights entails absolute ownership, the risk arises that some excluded members of the community may experience a decrease in their security of tenure. Most such policies entail the registering of ownership of a property in the name of only one individual per household, hence reducing security of tenure for women and members of extended families. These individual owners may sell their property to the highest bidder, leaving families destitute.

Ekuthuleni, a rural community in the South African province of KwaZulu-Natal, for example, indicated that they would prefer to maintain common ownership over the land because they want to control who settles there, thereby preventing outsiders from 'disrupting' the community. They also claimed that they cannot afford the costs associated with holding individual titles. Most viewed their homes on communal land as family assets (Cousins, *et al.*, 2005). Therefore, when studying the literature on institutional reform relating to property rights, the arguments made against a purely universal, individual authority approach to property rights should be considered, as this chapter does.

While legal pluralism within a nation can potentially impede the formalisation of property rights, taking into account the way that different contextual systems interact when formulating policies to formalise property rights can potentially facilitate pro-poor reforms as well. Therefore, as opposed to viewing legal pluralism as a deviation from state law, or as an obstacle to effective formalisation of property rights, it is possible to utilise legal pluralism to perfect and refine policies regarding property rights to best suit the societal context they will be implemented in (Meinzen-Dick, 2009:189-191).

When taking the arguments in the literature into account against a universal approach to property rights reforms which focuses on individual authority, interesting insights emerge. Often property rights reforms are resisted or fail because they clash with the cultural, religious or social institutions of a community. Therefore, it could prove fruitful to tailor institutions relating to property rights to a certain extent to the context within which they will be implemented, without watering down the core institution of secure property rights. On a fundamental level, simply taking into account the cultural, religious and social context of a country or community when formulating property rights reforms could assist in their successful implementation and preservation. Such a nuanced approach has the potential to provide property rights reforms with the valuable legitimacy and support they need.

This section of the literature review established what the literature says about the conceptualization of property rights and their role in helping to achieve sustainable economic growth, reducing poverty and inequality, as well as their role in consolidating democracy by creating a virtuous cycle. It has therefore laid the theoretical foundation that will assist in answering the following part of the research question: Is protecting and enforcing property rights a better alternative policy path than redistributive populism for achieving sustainable economic growth, a reduction of poverty and inequality, and democratic consolidation?

2.5 Analytical Framework

Deriving from the literature discussed in this chapter, Table 1 outlines the main variables that are examined in Chapters 3 and 4, the primary method of measurement utilized, as well as the source of the data. It should be noted that the measurements in Table 1 are the primary guiding measurements utilised in all 4 cases which make up the framework of this thesis' comparative analysis. These measurements will be supplemented by various additional data and information from sources such as academic journal articles, books, and reports.

Table 1: Analytical Framework

Variable	Primary Measurement	Key Sources
Redistributive populism	Policy Overview	Academic journal articles Books Reports
Property Rights	Policy Overview Property Rights Scores	Property Rights Score (Index of Economic Freedom) International Property Rights Index Bertelsmann Transformation Index
Economic Growth	Annual GDP Growth	The World Bank
Poverty	% of population living under the poverty line Healthcare	The World Bank
Inequality	Gini coefficient	The World Bank The United Nations Development Programme
Democratic consolidation	Liberal Democratic Institutions: <i>The media and freedom of speech; Civil liberties and civil society; Judiciary; and Electoral system</i>	Bertelsmann Transformation Index
	Support for Democracy	AmericasBarometer AfroBarometer

The next chapter will provide an in-depth outlining of the relevant contextual details for each case, namely, Venezuela, Zimbabwe, Uruguay and Botswana. This context includes a brief historical overview, as well as a detailed unpacking of relevant policy history. Furthermore, each case's record on protecting and enforcing property rights is examined. With regard to the variables examined in this thesis, Chapter 3 outlines the redistributive populist policies of Venezuela and Zimbabwe, the property rights protection and enforcement of Uruguay and Botswana, as well as the property rights status of every one of the four cases over the relevant time period. Chapter 4 examines the consequences of the policies outlined in Chapter 3 on the variables of economic growth, poverty, inequality, and democratic consolidation.

Chapter 3: Overview of Case Studies

3.1 Introduction

This chapter provides an in-depth contextual overview of each of the four countries examined in this thesis: Venezuela, Zimbabwe, Uruguay and Botswana. The contextual unpacking of each case will include a brief historical overview, economic and political profile, and an outline of the aspects of their respective policy paths relevant to answering the research question. This chapter will demonstrate why the four cases selected for examination are suitable order to answer the research question: Is redistributive populism a sustainable, long-term policy path for economic growth, reduction of poverty and inequality, and democratic consolidation, or is protecting and enforcing property rights a better alternative to achieve these aims?

3.2 Venezuela

Sections 3.2 and 3.3 will discuss the two most-similar cases, namely Venezuela and Zimbabwe, which both implemented a redistributive populist policy path, substantially eroding property rights in the process.

Venezuela is an upper-middle-income country located in Latin America, with a population of approximately 28.8 million (World Bank data, 2020a). It is mineral rich and has the world's largest oil reserves (The Heritage Foundation and The Wall Street Journal, 2020). The oil industry is the source of the major portion of the country's GDP, state revenues, and employment (Labrador, 2019).

Throughout the second half of the 20th century Venezuela was a two-party representative democracy (Gill, 2018: 3016). The 1999 constitution marked the transition from a party-dominated democracy to a 'popular' democracy. The constitution mandates a presidential election by popular vote every 6 years, allowing re-election for one consecutive term (Constitution of the Bolivarian Republic of Venezuela, 1999).

In the case of Venezuela, the regime of Hugo Chávez (1999-2013), as well as his handpicked ideological successor, Nicolás Maduro (2013-present) will be examined. Chávez's and Maduro's election campaigns and regime models were heavily based on a redistributive, left-wing populism paradigm. Hetland (2016:8) notes that under Chávez Venezuela rejected the free-market approach and embraced a developmental approach based on state-led redistribution.

3.2.1 Historical overview of political dynamics

Christopher Columbus discovered Venezuela in 1498, and in the mid-1500s Spain settled in the area. Venezuela achieved independence from Spain in 1811. In the 1910s the first significant oil wells were drilled, transforming Venezuela from a poor, largely agrarian country, into one of the richest nations on the continent. A 1948 military coup led by General Marcos Pérez Jiménez overthrew Venezuela's first democratically elected president, Rómulo Gallegos Freire. In 1958 democracy returned, when Jiménez was ousted by a coalition of political groups. A new constitution was adopted in 1961, ushering in a new democratic era (Polga-Hecimovich, 2017; Library of Congress Federal Research Division, 2005).

During the late 1970s and 1980s Venezuela was characterized by widespread corruption, civil unrest and economic stagnation. In 1989 the Democratic Action (AD) party's Carlos Andres Perez was elected as president. He launched an austerity programme paired with an IMF bailout, which led to widespread riots, martial law and a general strike, as well as hundreds being killed by security forces. In 1989 the riots which erupted in response to a gasoline price hike were brutally suppressed by the government, causing over 400 civilian deaths. This ultimately destroyed the legitimacy of the two-party-dominated system, with the AD and Social Christian Party (COPEI) gaining reputations as closed cartel parties, whose policies decimated the economy and impoverished the middle and working classes. In 1992 a group of army lieutenant colonels, led by Lieutenant Colonel Hugo Chávez Frías, attempted an unsuccessful coup. Even though the coup had failed and the conspirators were incarcerated, a movement that mobilised around Chávez emerged from it, which garnered increasing support. After Perez was impeached in 1993, a major financial and economic crisis followed under his successor Rafael Caldera (1994-1999). In 1994 Chávez and his conspirators were pardoned. By 1997 Chávez's movement encompassed a sizeable number of civilian and military activists eager to organise electorally around the broader populist ideology of a 'democratic revolution' (Naim, 1993:101; Hawkins, 2003:1141-1142; Venezuela profile - Timeline, 2019; Polga-Hecimovich, 2017; Gill, 2018:306).

Until 1998 the president of Venezuela had always been a representative of either the AD or COPEI. However, by 1998 both parties had lost significant support due to their history of maladministration and corruption. Chávez stood for president in the 1998 election as the candidate for the Patriotic Pole Party, campaigning primarily on combatting socio-economic inequalities. He won a landslide victory in which he garnered more votes than any leader in Venezuela's history. After a successful referendum in 1999, as part of Chávez's radical reforms, he brought about the rewriting of the 1961 constitution. By the end of 2000, the national government was predominantly under Chávez's control.

The two traditional parties, AD and COPEI, faded into electoral insignificance due to infighting and bankruptcy, ensuring Chávez's comfortable re-election in 2000 (Hawkins, 2003:1142; Gill, 2018:306).

By 2001 the Chávez regime started to experience a decline in popularity, with many moderates within his movement defecting due to the perception that it was becoming too radical and personalised. In 2001 a large segment of the country's middle class began feeling alienated by the Chávez regime, after it failed to deliver on many of its promises. Chávez's approval rating accordingly fell to below 40%. In March 2002, the military briefly deposed Chávez, but he was restored to his position just two days later by loyalists within the military (Hawkins, 2003:1143-1144). A 2004 referendum to oust Chávez failed as well (Forero, 2004). With the military firmly behind him, Chávez would cling to power until his death in 2013.

Chávez was replaced by Nicolas Maduro, whom he endorsed as his ideological successor. Maduro narrowly won the 2013 election with 50.8% of the vote, while his opposition, the pro-business Henrique Capriles, received 49% of the vote. This marginal 1.8-point difference was a large step backwards from the 11.1-point Chávez victory against the same opposition in 2012. Maduro came from a trade union background, was a political activist in many hard-left parties, and served as foreign affairs minister and later as vice-president under Chávez. Maduro's rhetoric clearly indicated that he intended to follow closely in the populist policy footsteps of his mentor. His campaign was primarily built on a platform of continuing where Chávez's legacy left off (Ellner, 2013:45-47). Since the Maduro regime's primary goal was to continue with the policies of Chávez along the same ideological path, the political and economic consequences of his regime are included in this thesis when examining redistributive populism in Venezuela. Under Maduro Venezuela has experienced an economic collapse, as well as a humanitarian crisis, that has left millions struggling to meet even their basic needs (Abramowitz, 2019). However, as this thesis will demonstrate, the foundations of this crisis were laid under Chávez.

Redistributive populism as a response to declining electoral support

The catalyst for the escalating authoritarianism under Chávez and Maduro was a decline in the ruling party's electoral support, as was similarly observed in the case of Zimbabwe. In the 2006 election, Chávez won 63% of the vote. After that, opposition parties steadily gained support. In the 2012 election, the last before his death, Chávez garnered 55% of the vote. In the 2013 presidential election Maduro won only 51% of the vote. If all opposition votes in the 2013 municipal elections were combined, Maduro's United Socialist Party of Venezuela (PSUV) won by only 2.7%, a stark contrast to their double-digit victories in the early 2000s under Chávez (Corrales, 2015:45). The case of

Venezuela demonstrates that as a ruling redistributive populist party increasingly loses support and the opposition becomes a real threat, the incentive grows to increase authoritarian control and populist policy radicalism in order to hold onto power. This pattern manifested in the case of Zimbabwe as well.

3.2.2 Redistributive populism and property rights under the Chávez and Maduro administrations

Identifying the United Socialist Party of Venezuela as a populist party

Chávez's ideological regime, which governed through the PSUV, fits the conceptualisation of populism as political style, as defined in Chapter 2. Chávez was a charismatic leader, who based his policies and rhetoric on a 'the people versus the elites' narrative, and framed himself and his loyalists as the 'true patriots' of Venezuela. Chávez is arguably a paradigmatic example of this conceptualisation of populism. His electoral appeal was often attributed by the Venezuelan press to his overwhelming 'charisma' (Hawkins, 2003:1137, 1145-1147, 1154). Chávez framed his opponents as 'those self-serving elites who work against the homeland', and claimed to be the embodiment of the Venezuelan people, once saying, "this is not about Hugo Chávez, this is about a 'people.' I represent, plainly, the voice and the heart of millions" (Chávez, cited in Zúquete, 2008:105).

Tucker (1970:78) provides the following insight into the role of charisma in politics, "We may lay it down as a general rule that when a leader-personality is genuinely charismatic, his charisma will begin to manifest itself before he becomes politically powerful." During his rise to power, wherever Chávez was assigned, he went out of his way to mobilise and influence the masses. He managed to convince the military to be more activist by nature and to get more involved in local communities. The people saw in Chávez a passionate leader who pursued his goals with self-confidence and a clear vision (Zago, 1992, cited in Hawkins, 2003:1147). Naim (1993: 101-102) notes how acutely aware Chávez was of his public image, always impeccably dressed and never showing any sign of fatigue or stress.

De La Torre (2017) discusses the Chávez regime's left-wing populist attributes, with its platform centred on getting rid of corrupt politicians controlled by the elites, fighting for a more participatory democracy, and a commitment to radical resource redistribution to fight poverty and inequality. Gill (2018:305) describes Chávez as an example of "populism of the left" as well, commonly praising the poor and working class in his rhetoric and expressing his desire to provide them with the more dignified lives they deserve. Chávez's support was bolstered by the fact that Venezuelan politics had historically been dominated by rich elites, and that he promised to share the nation's oil wealth with

the impoverished masses (Rodríguez, 2008:49-50; Inglehart and Norris, 2016:8). At the time, the Venezuelan electorate sought a leader who was decisive, young, independent, patriotic, and who promised radical change (Consultores 21, 1998, cited in Hawkins, 2003:1148). De La Torre (2017:62) emphasises how Chávez notably overthrew liberal institutions through the ballot rather than by bloody revolution.

Chávez's regime frequently encouraged participation at public assemblies, emphasizing the importance of listening to the voice of the people. Chávez's party was clearly built around the populist discourse of 'the will of the people' (Hawkins, 2003:1151; Polga-Hecimovich, 2017). For Chávez, the key to radical change was the support of and control over the collective will of the masses. After a failed referendum to remove him from office in 2004, he addressed his supporters, saying that "the Venezuelan people have spoken" (Forero, 2004). Chávez proclaimed, "It is unlikely they can 'twist our arm' such that the movement would serve interests that are not those of the majority, those of the 'poverty-people,' the marginalized classes. That's where our movement is headed, that's what it feeds itself from, and consequently that's where it should orient its transforming action" (Blanco Munioz, 1998, cited in Hawkins, 2003:1154).

In keeping with the bad manners associated with populism as political style, Chávez regularly insulted his opponents, calling them feeble and "lackeys of imperialism" (Polga-Hecimovich, 2017). Chávez resorted to the regular use of vulgarities towards his opponents and commonly utilised an 'us versus them' narrative, which framed the nation's struggles as a manifestation of the battle between good, ordinary citizens against the evil elites (Gill, 2018: 304).

Chávez's movement further exhibited their desire for embodying the 'popular will' through their devotion to democratic mechanisms such as free and fair elections. Hawkins (2003:1155-1157) observes, however, that Chávez's brand of populism had not been beneficial for the consolidation of democracy in Venezuela, despite the Chávez supporters' commitment to participatory democracy. This is illustrated by the nature of the constitutional changes, the breakdown of the old party system, and ongoing attacks on the independent press. Polga-Hecimovich (2017) sums Chávez up as a democrat out of convenience rather than through conviction, making his regime a suitable case for this thesis examining democratic consolidation.

Chávez's successor, Maduro, promised more of the same, closely mimicking Chávez's redistributive policies and populist ideology and rhetoric. During his presidential campaign, Maduro, like his mentor Chavez, promised to break with bureaucratism, and listen to the people, thereby cementing his populist credentials. His presidential reign has been characterised by his aggressive tone, various personal insults aimed at the opposition, as well as the redistributionist threat of expropriation of

private property (Ellner, 2013:45-47). He returned Venezuela to a more traditional authoritarian socialist state, and blamed all problems within the country on economic interference by the “imperialist” United States (Gill, 2018:311). The new constitution which Maduro demanded in 2017 would nearly have abolished what was left of property rights and would have allowed him to remain in power for life (Acevedo and Cirocco, 2017).

Both Chávez and Maduro came from humble beginnings and were generally seen as political outsiders (Brienen, 2017:27). Both utilised heavily state-led, redistributive populist economic policies, which will be unpacked below. These were combined with revolutionary, left-wing populist ideology and rhetoric, and the violent suppression of dissidents (Brienen, 2017: 27, 29).

The redistributive populist policies of Chávez and Maduro

Six months into Chávez’s first year as leader, the future of his regime already appeared uncertain. His regime relied on spectacular rhetoric and declarations, but failed to transform many promises into actual deeds. From the onset, the government became more militarised and the uncertainty around the specifics of its economic programme led to increased levels of economic insecurity (Davila, 2000: 236).

Chávez’s reforms were predominantly made possible by the commodity boom between 2003 - 2008, and from 2010 through to mid-2014. Oil and natural gas prices increased to record levels, and Venezuela, being well endowed in both, was in a prime position to capitalise. Oil revenues provided approximately 30-40% of the government’s budget, and the revenues from the increasingly nationalised oil industry funded extensive social spending (de la Torre, 2017:70; Hetland, 2016:9). Under Chávez real government spending increased by 137% and real liquidity by 218%, resulting in a fiscal deficit during an oil boom (Rodríguez, 2008:56-57).

The Chavez regime more than doubled government spending on healthcare and education (Hetland, 2016:8). Chávez emphasised healthcare as a basic human right and made HIV and cancer treatments free (Buxton, 2018:413). These socialist welfare policies were aimed at decreasing illiteracy, increasing access to healthcare, and providing housing and access to high-quality food, all in order to radically reduce poverty and inequality (Hetland, 2016:8). Chávez boosted his popular support by specifically targeting the poor with social spending and welfare programmes, which lined up with his election promises of decreasing poverty and combatting inequality through a state-led top-down approach. The largest social spending increases notably coincided with elections. These welfare programmes were, however, seriously flawed in their design. Their heavily politicised implementation made them inefficient and they lacked transparency and institutionalisation (De La Torre, 2017:70).

The Chávez regime almost exclusively followed a state-led, top-down policy approach, which included the nationalisation of natural resources, farms and key industries, a national healthcare system, housing subsidies, and extensive expansion of social spending. This all formed part of Chávez's 'march towards 21st-century Socialism' agenda. Chávez's revolutionary, participatory, majoritarian democracy model moved away from free market capitalist principles and policies in favour of pursuing a state-centred approach to resolving the country's social issues. The Chávez regime brought about structural reforms, which sought to empower the working class. To deal with increasing inflation, further protectionist measures in the form of currency manipulation and price controls were applied, forcing businesses to sell imported goods at a loss (Gill, 2018:305; Brienen, 2017:28-29). In 2003 Chávez implemented currency controls in an attempt to limit capital leaving the country, thus creating a gap between the black market and the official exchange rate (Hetland, 2016:10).

In 2014 Maduro enacted the Organic Law of Fair Prices as an update on the 2011 Law of Fair Costs and Prices, which legalized the government's broad system of price controls and effectively abolished the price system. It also expanded the number of infractions by including acts causing "economic destabilisation" as well as banning profit margins above 30% (Corrales, 2015:40). In 2020 Venezuela is globally ranked 179th out of 186 countries on the Index of Economic Freedom, and 32nd out of 32 countries in the Americas region (The Heritage Foundation and The Wall Street Journal, 2020). Transparency regarding government spending under Maduro is non-existent, and the regime has consistently refused to publish important economic data, such as inflation statistics (Freedom House, n.d.).

Declining Property Rights

Figure 2 demonstrates the declining level of property rights protection and enforcement in Venezuela between 1995 and 2020, based on the Property Rights Score component of the Index of Economic Freedom:

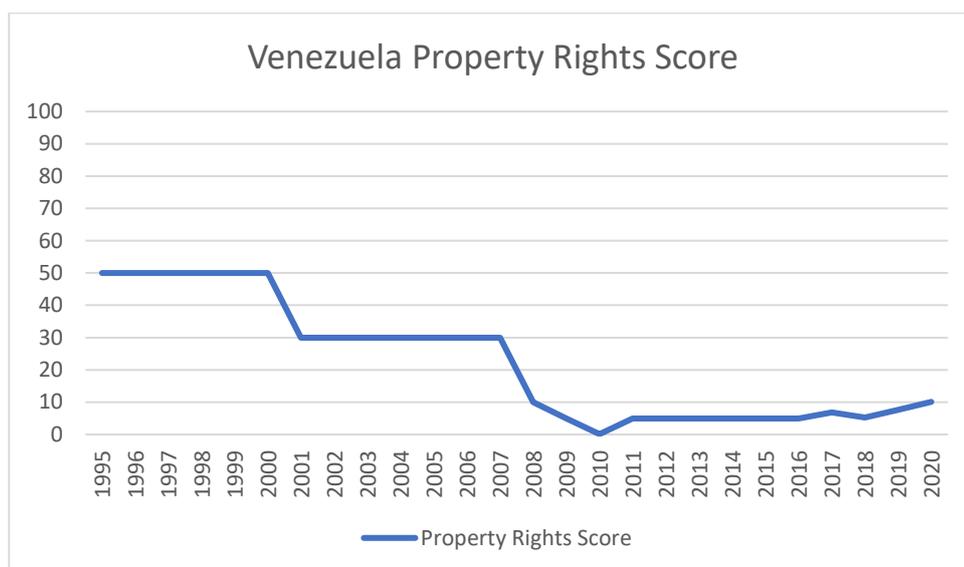


Figure 2

(Derived by author from data in *The Heritage Foundation* and *The Wall Street Journal*, 2020)

In 2001 the Chávez administration passed the Land Law and the Hydrocarbons Law, which allowed the government to expropriate so-called idle pieces of land owned by large landlords. These laws also further tightened the government's control over the oil industry, granting the state the power to determine the leaders within it (Gill, 2018:306). Such legislation drastically eroded property rights (see Figure 2).

By the end of 2001, 49 economic laws had been passed by the Chávez regime through presidential decree, which included legislation on land reform and increased state control over the oil industry (Human Rights Watch, 2003). Chávez described the unequal distribution of land as an injustice that needed to be ended (Cojedes, 2005). In 2005 Chávez promised to redistribute agricultural land to poor, landless farmers (Land Revolution "threatens" Property Rights, 2005). The Chávez regime started out by redistributing so-called 'unused' state-owned land, as well as expropriating uncultivated and fallow land from large, private estates and redistributing it to impoverished citizens. By 2005 the regime had redistributed about 2.2 million hectares to over 130 000 impoverished families and cooperatives (DeLong, 2005).

One of the first 'intervention orders' enforced to expropriate rural property occurred in 2005, when a former army captain with 200 troops arrived at a property targeted for expropriation. The process involved a government commission being given three months to decide whether the property is 'unproductive' or not legally held and could thus be turned over to peasant co-operatives under the controversial 2001 land reform decree. Chávez's land reform programme was characterised by hundreds of land invasions and activist deaths (Cojedes, 2005).

Between 2007 and 2010 a steep decline in Venezuela's property rights score is observed on Figure 2, with minimal improvement between 2010 and 2020. This coincided with Chávez's 2007 inaugural presidential speech, in which he announced the end of the transitional period and declared that the people had voted for the implementation of the Simon Bolivar Project or First Socialist Plan of the Nation (2007-2013). This plan was approved by the National Assembly in 2007, with one of its key aspects being the replacement of private property with social property, thus relegating private property to the periphery of the economy. This new policy direction also enabled the expansion of state control and intervention in the economy, especially in the food industry (Casal, 2013:129-130, 133; Márquez, 2016). The 2007-2013 National Plan's goal stated: "the progressive development of social property over the means of production and the implementation of fair, equitable and solidary exchange systems that are contrary to capitalism" (Nugent, 2018).

Under Chávez, and his successor Maduro, major economic sectors such as education, healthcare and basic foods were decommodified, and nationalisation of industries became common, most notably the oil industry in 2001, and the steel, telecommunications and electric industries in 2007 and 2008 (Hetland, 2016:9). These nationalisations account to a large extent for the sharp decline in the property rights score observed in 2007 and 2008, as shown on Figure 2. The majority of enterprises were eventually fully controlled and owned by the government, and not by private property owners, who used to make the economic decisions from which they could profit (Hetland, 2016:9-10). Between 2007, when the new radical policy path was announced, and 2010, the Chávez regime nationalised the country's oil industry on a much larger scale (Daniel, 2010). The majority of businesses nationalised were redistributed to military officials (Bertelsmann Stiftung, 2020c).

Property rights were further eroded by the successful amendment of the Land and Agricultural Development Act of 2000, in 2005 and 2010, combined with the new Regulation and Control of Rents and Housing Act of 2011. These legislative developments heavily restricted the use of private property, and effectively nullified the value of ownership for many who rented it out or those working it in the agricultural sector. Owners of agricultural land unable to demonstrate ownership prior to 1848 could have their property expropriated (Márquez, 2016). Whose land was expropriated, and to whom it was redistributed, was dependent on loyalty to the regime, which controlled the courts and the National Assembly (Cojedes, 2005). The government response to food shortages was further expropriations of farms (Brienen, 2017:28).

Venezuela's Bertelsmann Transformation Index (BTI) score for property rights has remained 3/10 since 2006⁵ (Bertelsmann Stiftung, 2020c). On the International Property Rights Index (2019), Venezuela has a very low score of 2.895, ranking it 20th (second worst) in the Latin American and Caribbean region, and 127th in the world. Weak public sector institutions, state expropriation of private property, nationalisation, over-regulation, a significantly politicised judiciary and rampant corruption have made property rights very weak in Venezuela (The Heritage Foundation and The Wall Street Journal, 2020).

3.3 Zimbabwe

Zimbabwe is a lower-middle-income country, located in Southern Africa, bordered by South Africa, Zambia, Mozambique and Botswana (The Heritage Foundation and The Wall Street Journal, 2020). In 2018 its population was 14.4 million (World Bank, 2020a). Approximately 10.9% of the country is arable land and 31.3% is permanent pasture (CIA, 2019). The Zimbabwean economy is heavily reliant on its mining and agricultural sectors (The Heritage Foundation and The Wall Street Journal, 2020). Zimbabwe is a presidential republic, with a presidential term lasting 5 years, after which a new president is elected based on majority support. Opposition parties are permitted (Republic of Zimbabwe, 2018).

In the case of Zimbabwe, this thesis will examine the rule of the redistributive populist Mugabe regime (1980 - 2017), with specific focus on the period of increased policy radicalism from about 1997 onwards. Defining policy direction changes were Mugabe's move towards intensified redistributive populism in 1997, and the radical, fast-track land expropriation without compensation policies starting in 2000, which were both justified by the regime as necessary redistribution efforts.

3.3.1 Historical overview of political dynamics

The area known as Zimbabwe today was populated by a myriad of Bantu-speaking peoples who had migrated and settled there in large numbers from 350 – 450 CE onwards (Huffman, 2009:42). By 1901 the British South Africa Company had colonized the region and established the colony of Southern Rhodesia, which was formally annexed by Britain in 1923 (Acemoglu and Robinson, 2013:369).

⁵ The first Bertelsmann Transformation Index report was published in 2003, but the measurement of scores out of 10 has been used only since 2006. Therefore when these scores are cited as 'since 2006', it does not mean that the score's improvement or decline started in 2006, but rather since the scoring system was implemented.

Black majority politics

The first nationalist, native-Zimbabwean-orientated party was the Southern Rhodesia African National Congress (SRANC) founded in 1957 and banned in 1959. The SRANC was succeeded by the National Democratic Party (NDP) in 1960, which emphasised the issue of ‘one man, one vote’. The NDP was succeeded by the Zimbabwe African People's Union (ZAPU) in 1961, which was banned in 1962. ZAPU focused on bringing about majority rule, and was the first influential party to use the name “Zimbabwe” in reference to the prospective post-colonial nation. In 1963 ZAPU split up, leading to the formation of the Zimbabwe African National Union (ZANU). ZANU was more orientated towards ‘confrontational’ politics and the use of violence as a means of bringing about change, in contrast to ZAPU’s more reformist, compromising approach. The Patriotic Front (PF) was then formed as a political and military alliance between ZAPU and ZANU against the white minority government of Rhodesia. Finally, in 1987, ZAPU and ZANU merged to form ZANU-PF (Ndlovu-Gatsheni, 2011: 32-40; Raftopoulos and Mlambo, 2009: xii-xiii).

White minority politics

In 1961 a constitution was accepted which solidified colonial white minority rule (CIA, 2019). The conservative white minority party, the Rhodesian Front, won power in the 1962 election (Patel, 1979:3). Individual liberties were diminished through emergency legislation and censorship during armed conflict (McKinnell, 1969:560). In 1965 the Rhodesian Front Government issued a unilateral declaration of independence (UDI) from Britain, which the United Kingdom did not recognise as legitimate. This intensified the ongoing internal civil conflict, spearheaded by ZANU and ZAPU, into a prolonged military conflict which would last until 1979 (Paul, Clarke, Grill, and Dunigan, 2013:287; McKinnell, 1969:559).

The UDI resulted in economic sanctions from the United Kingdom and United Nations, and South Africa closing its borders to Rhodesia. The United Kingdom ceased all financial aid to Rhodesia, denied it access to capital markets, and banned the import of tobacco and sugar from there. In 1965 an international oil embargo was imposed. The United Nations Security Council mandated its members to cease imports of a myriad of resources from Rhodesia. In 1968 all imports from, and all exports to, Rhodesia, except medical, educational and humanitarian goods, were banned, together with all foreign investments into the country (McKinnell, 1969:561-563).

The Lancaster House Agreement

In 1979 the Lancaster House agreement signalled the end of the liberation war, which had gripped the country since 1964. This agreement granted independence to Zimbabwe following a brief period

of direct British rule. It guaranteed a collection of minority rights, which included white representation in parliament, as well as guarantees protecting private property rights from radical land expropriation policies. It clearly stipulated that no private property could be expropriated by the state in an unlawful manner or without adequate compensation (Lancaster House Agreement, 1979). The first free elections were held in 1979, and in 1980, under a new constitution, the country became known as Zimbabwe. Robert Mugabe formed a coalition government in 1980, which consisted of representatives of ZANU and ZAPU. Mugabe and his ZANU-PF party had been Zimbabwe's sole ruler since 1987, when the House of Assembly elected him as president, a position he held until 2017, when he resigned amidst a coup (Acemoglu and Robinson, 2013:370; University of Central Arkansas, n.d.).

Land Reform Programme

The 1979 constitution guaranteed property rights for a minimum of 10 years. During the 1990s the Mugabe regime implemented many land redistribution programmes with limited success. Up until 1997 the land reform process was market driven, market value-determined compensation was paid to owners on a willing-buyer willing-seller basis, and illegal land occupations and land grabs were discouraged by the regime. According to the government, the failure of these programmes laid the foundation for the radical fast-tracked land reform policies of the period from 1999 to 2002. These radical land reform policies overstepped the initial legal and constitutional frameworks in many ways. The ruling ZANU-PF lost its 2/3 parliamentary majority in the 2000 election, restricting its pursuit of further constitutional amendments to erode property rights. The Mugabe regime thus increasingly utilised the extensive presidential powers extended earlier in the pursuit of its goals (Booyesen, 2003).

It was a donor precondition for financially supporting Zimbabwe's land reform programme that the process should be dictated by the Land Reform and Resettlement Programme to which the government had agreed in 1998. This agreement entailed adherence to the rule of law, stakeholder involvement and paying full compensation. On the eve of the 2000 election the Mugabe regime refused to honour the 1998 agreement, and severed their talks with the British government on the matter of their financing land reform initiatives (Booyesen, 2003). In 2000, between February and the June election, about 1,500 white-owned farms were occupied by ZANU-PF-supported land invaders.

Between 1999 and 2002, Zimbabwe found itself in a state of political turbulence, which revolved around the issue of establishing representative land ownership and the ruling ZANU-PF desperately clinging onto power. After the electorate in the 2000 referendum rejected the amendment of the constitution to grant the state the power to expropriate white-owned farms without compensation, ZANU-PF launched its fast-track, extra-legal land expropriation without compensation and

redistribution programme. This was spearheaded by the war veteran wing of the party, which began to violently occupy and redistribute white farms to the politically connected (Shaw, 2003:76; Acemoglu and Robinson, 2013:371).

The Mugabe administration tabled the Rural Land Occupiers (Protection from Eviction) Act in 2001, which undermined and prohibited any legal efforts of commercial farmers to deal with illegal land occupations (Zimbabwe, 2001). This demonstrates how during its fast-track land reform programme ZANU-PF abandoned its initial opposition to illegal land invasions, which had characterised its stance on this issue during the 1990s, for more radical redistributive populist policies to ensure political survival, while blatantly disregarding the potential consequences for the economy, rule of law and democracy.

In October 2001 the newly reshuffled Supreme Court, with a new chief justice and three new justices, reversed all previous court rulings that any land seizures forming part of the fast-track land reform programme had been illegal (Meldrum, 2001). In the build-up to the 2002 elections, in the Commercial Farmers Union versus the Minister of Lands, Agriculture and Rural Resettlement and Others case, the Supreme Court ruled that the land acquisition programme was lawful, since the government had restored the rule of law. It upheld the Rural Land Occupiers (Protection from Eviction) Act, which prohibited the eviction of land invaders, as constitutional. It also ruled that the government now had an enforceable land reform programme in compliance with the constitution (The Minister of Lands, *et al.* v. The Commercial Farmers Union, 2001).

Redistributive populism as a response to declining electoral support

In order to understand the catalyst behind the increased policy radicalism under Mugabe, it is crucial to consider the electoral environment at the time. As the structural adjustment programme of the 1990s had brought about no meaningful change by the turn of the century, ZANU-PF's opposition started to gain support and increasingly challenged the ruling party. Due to this mounting pressure, a political opposition emerged, which for the first time in the post-independence period, threatened the ruling party's hold on power (Raftopoulos and Mlambo, 2009:viii).

The 2000 referendum to amend the constitution was an instance of the ruling party losing power when 54% of voters rejected the proposed amendment providing for expropriation without compensation of white-owned land. Mugabe blamed the Movement for Democratic Change (MDC) opposition party for the loss, even though it was only founded 1999. During the 2000 parliamentary election, the ruling ZANU-PF won approximately 48% of the popular vote, narrowly edging out the MDC with 47% to retain their parliamentary majority. The MDC, however, won enough seats to prevent ZANU-PF from making constitutional changes (Kriger, 2005:26).

In the 2002 presidential election, Mugabe won with only 56% of the vote, despite cases of intimidation and fraud being rampant (Acemoglu and Robinson, 2013:371). It is therefore evident how, just as in the case of Venezuela, the increase in radical policies and a shift towards an intensified redistributive populist agenda, happened in tandem with a ruling party struggling to hold on to power in the face of a rising opposition force. Redistributive populist platforms appear to have more to do with gaining or maintaining political power than with pursuing equality and a better quality of life for poor citizens.

3.3.2 Redistributive populism and property rights under the Mugabe administration

Identifying ZANU-PF as a populist party

The initiation of the fast-track land reform programme in 2000 was the catalyst which put Zimbabwe on its radical, redistributive populist path. The Mugabe regime's redistributive populist rhetoric and policies particularly centred on the issue of unequal land ownership, which was framed as a national crisis in accordance with the populist style of politics. Further substantiating Mugabe's credentials as a populist, he regularly resorted to rhetoric vilifying and insulting the opposition as reactionary, racist, sell-outs, traitors and colonialist apologists (Booyesen, 2003).

Between 1998 and 2008 the government, under ZANU-PF rule, was systematically reconfigured along more authoritarian lines. A further populist development was an approach, framed by the ruling ZANU-PF as the bolstering of national sovereignty through the state, which produced a series of citizen exclusions from what the ZANU-PF described as the 'authentic nation'. This development is an example of the populist qualifier of politics centred on the notion of 'the people', which ZANU-PF based on race, ethnicity and loyalty to the party. State institutions were increasingly abused to exclude citizens who supported the opposition parties from the political process. The restructuring of the government and institutions was based on the archetypal populist narratives of the centrality of black ownership of land, or the land being returned to 'the people' of Zimbabwe, and the branding of whites, the West and supporters of any democratic reform as 'enemies of the state', evil and 'outsiders to the nation' (Raftopoulos and Mlambo, 2009: xiv; Blom Hansen, and Stepputat, 2005:36).

The government proceeded with its redistributive populist fast-track land reform programme in 2000 by expropriating land without compensation, even though this violated individual rights and the constitution. As indicated in Chapter 2, the populist political style is typically centred on an identified crisis, which motivates its calls for drastic and immediate action. Mugabe's radical policy changes were characteristically justified as being necessary in his party's mission to decolonise Zimbabwe, in

order to urgently address the unequal distribution of land, and right the wrongs of its oppressive colonial past. At the heart of this decolonisation strategy was ZANU-PF's desperation to cling onto power in the face of dwindling electoral support. Furthermore, war veterans within the party were demanding repayment for their loyalty and services (Booyesen, 2003).

According to Kriger (2005:26), in the ZANU-PF's 2000 election campaign, the party made black economic empowerment, or empowerment of 'the people' its central issue. ZANU-PF's 2000 election slogan encapsulates its redistributive populist credentials: "The Land is the Economy, the Economy is the Land" (Booyesen, 2003). This populist approach appeared to work, as it extended the party's hold on power.

The redistributive populist policies of Mugabe

During the first decade of ZANU-PF rule since independence in 1980, targeted, restrained government intervention, investment in some sectors and limited intervention in others, resulted in a decade of decent economic growth (Bertelsmann Stiftung, 2020b). The agricultural sector, left mainly unfettered, remained one of the main drivers of the economy, with little interference in property rights.

For historical reasons land ownership was skewed, with 4 500 white commercial farmers owning most of the farm land, while 840 000 black subsistence farmers primarily had access to only small plots of land. It should be noted that about 80% of the white-owned commercial farms had been purchased since 1980 through the real estate market (Richardson, 2006:2). The Mugabe regime set about addressing land reform in a corrupt and inefficient way when, 18 months after independence, the government bought 435 000 acres of white-owned agricultural land, but distributed it to fewer than 3 000 poor black Zimbabweans. The majority of expropriated land was redistributed to cabinet ministers and party loyalists (Sparks, 2003:319-320).

Until the early 1990s, the Mugabe regime was internationally considered a successful government, based largely on its achievements in improving public health and education (Bertelsmann Stiftung, 2003b). The Mugabe regime provided free education and improved access to quality healthcare (Richardson, 2005:541). Zimbabwe's good-quality education system, road infrastructure development, the rule of law and relatively diversified economy were all praised by international analysts in the 1980s and 1990s (Richardson, 2006:2). In contrast to Botswana, the other sub-Saharan case examined, Zimbabwe had inherited a relatively sophisticated and diversified economy at independence in 1980 (De Jager and Musuva, 2016:21).

Expanding government patronage and an increasingly competitive international environment in the late 1980s put increasing strain on the economy. In 1990 the Mugabe regime half-heartedly implemented a collection of structural adjustment and deregulation programmes with sectors at the heart of government patronage being overlooked, only to start abandoning them again in 1997, when the government's finances collapsed. Between 1997 and 2002 the deregulations of the 1990s were gradually rolled back, with the regime implementing comprehensive price controls by 2002 on goods such as newspapers and pharmaceuticals (Bertelsmann Stiftung, 2020b; 2003b). Facing a food crisis, the government reinstated price controls on certain basic foods. This radical shift in economic policy since 1997 lines up with the economics of redistributive populism outlined in Chapter 2, and resembles the policies of the Chávez and Maduro regimes.

State employment expanded dramatically under Mugabe, with the majority of new positions being allocated to ZANU-PF loyalists (Acemoglu and Robinson, 2013:370). In 2009, in order to curb a hyper-inflation crisis, which made Zimbabweans reluctant to use the Zimbabwean dollar because prices were doubling daily, the government ceased the use of the Zimbabwean dollar as a currency and adopted a multi-currency system. Inflation was briefly subdued, but the period of stability that followed was short lived (see Figure 9). After Mugabe's ZANU-PF regained control in the 2013 general elections, social spending surged, destabilising the economy once again. In 2014, with an ongoing liquidity crisis, the central bank adopted an additional four currencies, thereby increasing the range of the multi-currency system to nine currencies (De Jager and Musuva, 2016:18; Hanke and Bostrom, 2017:7).

Diminished Property Rights

Figure 3 demonstrates the quality of property rights protection and enforcement in Zimbabwe on a timeline between 1995 and 2020, based on the Property Rights Score component of the Index of Economic Freedom:

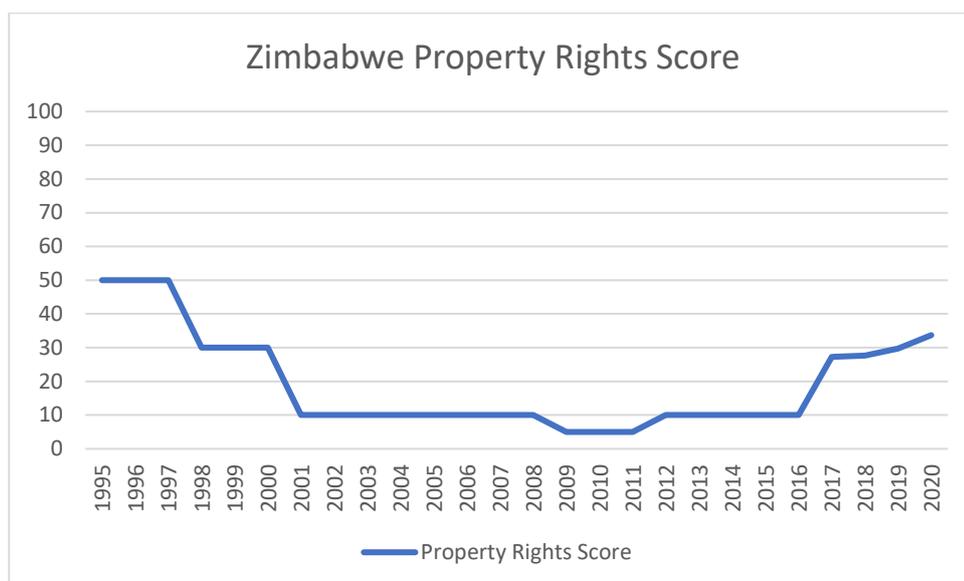


Figure 3

(Derived by author from data in *The Heritage Foundation and The Wall Street Journal*, 2020)

After the constitution was amended in April of 2000 and the Land Acquisition Act of 1992 was amended in May 2000, the Mugabe administration initiated the fast-track land reform programme in July 2000. This programme was justified as aiming to ‘fast-track’ equitable land reform, land acquisition and redistribution in order to drastically reduce poverty and stimulate economic growth. In the wake of the programme’s announcement, land invasions increased in prevalence, now having been granted an additional layer of legal legitimacy (Murisa, 2018:13). In 2002 Mugabe threatened businesses who were disloyal to his regime with nationalisation. Disloyalty could involve strikes, advertising in the opposition press, or firing certain employees (Bertelsmann Stiftung, 2003b).

In 2004 all agricultural land was nationalised when farmland titles were abolished and replaced by 99-year government leases, which immediately rendered all title deeds and mortgages related to farmland worthless. For the first time in post-independence history, laws protecting and enforcing property rights were no longer adhered to or defended by the government (Richardson, 2005:542; Richardson, 2006:2; De Jager and Musuva, 2016:20). In many cases landowners were given a matter of days, sometimes mere hours, to vacate their property earmarked for expropriation (Bertelsmann Stiftung, 2003b).

Zimbabwe’s BTI score for property rights was 2/10 in 2006 and still remains at 2/10 in 2020 (Bertelsmann Stiftung, 2020b). On the International Property Rights Index (2019) Zimbabwe scores a low 3.738, ranking it 25th (second worst) in Africa and 123st in the world when it comes to the protection and enforcement of property rights. Nationalisation of land has left both commercial farmers and smallholders with limited security of tenure. In January 2016 the Zimbabwean government demolished the homes of more than 100 families who resided on land intended for the

expansion of Harare International Airport (Freedom House, n.d.). The state enforces demographically based ownership interests in residential and urban commercial properties, while all agricultural land has been nationalised. A heavily politicised judiciary and high levels of corruption⁶ have further greatly undermined property rights in Zimbabwe (The Heritage Foundation and The Wall Street Journal, 2020).

3.4 Uruguay

Sections 3.4 and 3.5 will investigate the two most-dissimilar cases compared to the first two, namely Uruguay and Botswana, which both utilised a policy path of protecting and enforcing property rights.

Uruguay is a high-income country located in Latin America, where this classification is an exception rather than the rule. The country is rich in arable land, with large portions ideal for cattle grazing. Uruguay has a free market economy with a heavy reliance on its export-oriented agricultural sector and its well-educated labour force (World Bank, 2019; Food Monitor, 2020). Uruguay had a population of 3.4 million in 2018 (World Bank, 2020a).

Uruguay is a representative democracy with a strong, stable set of institutions. Regular general elections take place every 5 years, with high levels of voter turnout of up to 90%, as was recorded in 2014, since voting in elections is mandatory for all resident citizens. Other democratic mechanisms such as referendums are protected by the Uruguayan constitution (Rivoir and Landinelli, 2017; Bertelsmann Stiftung, 2018).

Uruguay has one of the best International Property Rights Index scores in Latin America, with private property rights being protected in the constitution and enforced in practice. Uruguay is overall regarded as the most stable democracy in Latin America. This thesis will examine the role of property rights as a factor in the country's economic successes, as well as in sustaining a stable liberal democracy.

3.4.1 Historical overview of political dynamics

The Spanish discovered the territory of present-day Uruguay in 1516. When the Portuguese demonstrated an intention to expand the borders of Brazil, colonisation of Uruguay was incentivised by Spain. The early history of Uruguay is characterized by this struggle between the colonial powers of Portugal and Spain, and later between Brazil and Argentina. The Spanish brought cattle to the

⁶ In 1999 Mugabe awarded salary hikes of 200% to himself and his cabinet, and in 2000 he infamously won the national lottery (Acemoglu and Robinson, 2013:368).

region because of the abundance of grazing land, which resulted in cattle becoming the main source of wealth in the region. In 1811 the colony revolted against Spain, with independence being achieved in 1828 – resulting in the Oriental Republic of Uruguay being recognised as an independent state. A new constitution was approved in 1830 (Hudson, 2013:3,11).

In the 19th century the country was embroiled in a civil war, followed by a string of authoritarian regimes with curtailed civil liberties, and a short period of civilian rule. In 1942 a new democratic constitution was approved which, *inter alia*, restored the General Assembly as the centre of decision making (Hudson, 2013:13-20, 31-33, 63).

In 1972 President Juan Maria Bordaberry Arocena, with the support of the military, declared a state of ‘internal war’. Under this military dictatorship, unions and left-wing parties were banned, the General Assembly was dissolved, the opposition was persecuted, and civil liberties were curtailed. In 1980 the military failed to implement an authoritarian constitution, which resulted in civilian political rule returning to the country in 1984. The majority of political parties, as well as the military, called for elections in 1985, which allowed for a peaceful transition back to democracy. The period between 1973 and 1984 was the only time during the 20th century when Uruguayan governments were not democratically elected (Hudson, 2013:5, 36,42, 47; Bertelsmann Stiftung, 2018).

In 1996 the country experienced electoral reform, which entailed the adoption of a majority runoff presidential election system. Uruguay’s political and economic performance in the 21st century has been unmatched by any other period in the country’s history. The Uruguayan party system has become one of the most stable and institutionalised democracies in the world. The 2014 election was characterised by the lowest levels of volatility in decades. Uruguay’s democratic two-party system has reached a balance between two evenly matched opposing parties, namely, the centre-left ruling block of Frente Amplio, and the centre-right block of Partido Colorado and Partido Nacional (Bertelsmann Stiftung, 2018).

3.4.2 Economy and property rights

During the first decades of the 20th century, Uruguay became a state-centred free market economy, and during the 1990s further market liberalising reforms were instituted by the government in accordance with the Washington Consensus. Even the left-wing governments of the 21st century have promoted private investments and public-private joint ventures in the development of infrastructure (Bertelsmann Stiftung, 2018). Uruguay is ranked 47th out of 186 countries on the Index of Economic Freedom, ranking it 5th out of the 32 countries in the Americas region (The Heritage Foundation and The Wall Street Journal, 2020).

Figure 4 demonstrates the status of property rights protection and enforcement in Uruguay on a timeline between 1995 and 2020, based on the Property Rights Score component of the Index of Economic Freedom:

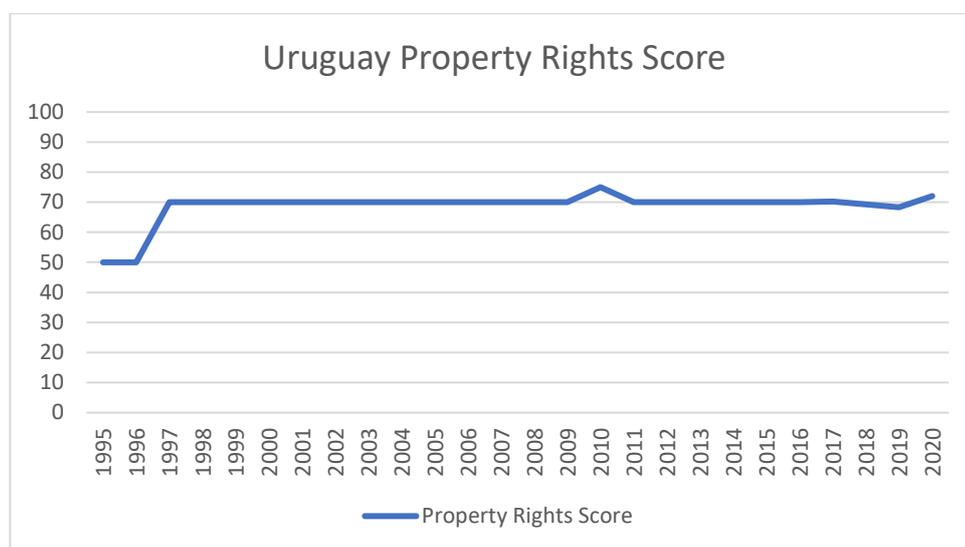


Figure 4
(Derived by author from data in *The Heritage Foundation and The Wall Street Journal, 2020*)

Since Uruguay's inception as an independent nation-state, private property rights have been constitutionally guaranteed, enforced and protected. The regulations regarding the acquisition, sale, benefits and use of private property are well defined and enforced. It is constitutionally mandated that in the event of expropriation, adequate and fair compensation needs to be paid to the owner of the property in advance. There are no recorded cases of foreign investments in property being expropriated by the Uruguayan government (Bertelsmann Stiftung, 2018).

Article 32 of the Uruguayan constitution (Constitution of Uruguay, 1966) declares property rights an "inviolable right", of which no individuals can be deprived, except in the case of public interest purposes with fair compensation. In terms of property rights, Uruguay scored an impressive 6.329 according to the latest International Property Rights Index (2019). Uruguay is ranked 3rd in the Latin American and the Caribbean region, and boasts the 39th best property rights score in the world. This makes Uruguay a suitable Latin American case for examining the protection of property rights for this thesis.

In recent years Uruguay has actively strengthened its property rights by improving related regulations regarding economic activities around land in order to incentivise both domestic and foreign private investment (Bertelsmann Stiftung, 2018). The country's prime productive asset, land, has remained in the hands of Uruguayans (Hudson, 2013:63). In 2014, the Uruguayan government introduced restrictions on the purchase of agricultural land, specifically by foreign governments, in order to protect national sovereignty over natural resources (OECD, 2016:51). As Figure 4 demonstrates, this

legislation had no discernible impact on the country's property rights score, most likely because it was not made applicable to private individuals or businesses. Since 2006 the country's BTI score for property rights has improved from 9/10 to 10/10 (Bertelsmann Stiftung, 2020a).

Property-related laws are enforced by the judicial system to secure property rights, interests and contracts. The country has a reliable mortgage system, allowing banks to provide better financing with good security provided. The judiciary is politically independent and transparent, and corruption levels are the lowest in Latin America, which ensures that property rights are continuously secure as indicated on Figure 4 (The Heritage Foundation and The Wall Street Journal, 2020). Uruguay's legal system protects the acquisition and disposal of all property with a recognised and reliable system for recording securities such as transfers and mortgages (United States Department of State, 2019).

Uruguay is ranked 101st out of 190 countries on the World Bank's (2020b) Ease of Doing Business Rankings and in 2019 Moody's (2019) affirmed Uruguay's Baa2 credit rating with a stable outlook. Standard and Poor's rates Uruguay at BBB, a notch higher than the investment grade, with a stable outlook. The United States Department of State (2019) reported that Uruguay has a favourable investor climate, which does not discriminate against foreign investors, with a stable legal system treating both foreign and domestic investors alike. The OECD (2016) highlighted one of Uruguay's significant advantages as being the investor-friendly environment that its democratic regimes have maintained and improved.

Uruguay's protective approach towards international investment is rooted in the Protection and Promotion in Investment Law of 1998, which stipulates that the promotion and protection of national and foreign investments are in the nation's best interest (OECD, 2016:46). Uruguay's consistent enforcement and protection of property rights, as demonstrated by Figure 4, is a key factor contributing to this investor-friendly environment.

The United States-Uruguay Bilateral Investment Treaty prohibits expropriation without compensation and nationalisation of private property. In exceptional cases where expropriation is allowed, the guidelines are detailed and clear with regard to fair compensation (United States Department of State, 2019). Investment treaties, which ensure the protection and enforcement of the property rights of international investors, make the investment environment for foreign investors more predictable, stable and safe. This plays a significant role in attracting increased foreign direct investment while mitigating the risk of capital flight (OECD, 2016:61). These treaties mitigate the risk of expropriation without compensation of foreign assets, and contributes to the prevention of mass expropriations and nationalisations, as observed in Venezuela and Zimbabwe.

3.5 Botswana

Botswana is an upper-middle-income, land-locked country located in Southern Africa, bordered by South Africa, Namibia, Zambia and Zimbabwe. In 2018 Botswana had a population of 2.2 million (World Bank, 2020a). When the country officially gained independence from Britain in 1966, it was one of the world's most impoverished countries. In the decades that followed, however, it became one of Africa's and the modern world's great economic growth and development success stories. The country boasts one of the highest sustained economic growth rates of any African country since independence (The World Bank, 2019c; The Commonwealth, 2019).

In 2012 Botswana was the largest producer of gem-quality diamonds in the world, which makes this the driving force of the economy (The World Bank, 2019c; The Commonwealth, 2019). Botswana has a market economy which is heavily dependent on the mining and agricultural sectors, making it vulnerable to droughts and global diamond market fluctuations. Because of its stable economy and democracy, Botswana boasts one of Africa's highest sovereign credit ratings (The Heritage Foundation and The Wall Street Journal, 2020; The Commonwealth, 2019).

Botswana benefits from a stable social and political structure and an unbroken record of parliamentary, multi-party democracy. This is an impressive record on a continent where democracy has generally been under great pressure. General elections are held every 5 years. The ruling Botswana Democratic Party (BDP) has been in power since 1966 (World Bank, 2019).

Botswana was one of the world's most impoverished countries when it gained independence in 1966, and one of the most unlikely to succeed in the coming years. At the time of gaining independence, the country only had 12 kilometres of paved roads, no electricity system, no university, 2 secondary schools offering 5 year courses, 100 people with secondary education, and only 22 Tswana-speaking graduates from South African universities. In contrast, elsewhere on the continent, Zambia for example, had 10 times as many secondary schools at the time, and Uganda 70 times as many (Robinson, Acemoglu, and Johnson, 2003:80-83,100; Leith, 2000). Harvey and Lewis (1990:25) reckoned that Botswana's unfavourable situation at independence "was about as bad a start as could be imagined."

3.5.1 Historical overview of political dynamics

In 1836, settlers of Dutch, German and French descent arrived in the region after fleeing from British rule in the Cape Colony, displacing the local inhabitants. In the 1840s British missionaries established

mission stations in the area (The Commonwealth, 2019). In 1870 three Batswana⁷ traditional leaders lobbied the British government, informing them that their territory was under threat of annexation by German and Dutch settlers. In 1885, with the intervention of Britain, the Bechuanaland Protectorate was established. The terms agreed upon stated that Khama III, one of the traditional chiefs, retained control over public administration, law and justice, while Britain controlled security and defence (Hermans, 1974:90; Robinson, *et al.*, 2003:94-96; Acemoglu and Robinson, 2013:404-406).

Being an impoverished country for most of the 20th century, Botswana served as a source of cheap labour for the South African mining industry. Welfare and education were generally neglected, which eventually put the administration of the country under total British colonial control (The Commonwealth, 2019). Seretse Khama, son of traditional leader Khama II, went to study law in England, returned in the 1960s and founded the BDP (Henderson, 1990:28,34; Robinson *et al.*, 2003:100).

In 1965, after 80 years as a British protectorate, Bechuanaland was granted self-government status, becoming the independent Republic of Botswana in 1966. Seretse Khama was the first elected president, and served until his death in 1980. The BDP has been in power since the first democratic elections in 1966. Ketumile Masire succeeded Seretse Khama as president and voluntarily retired in 1998. Masire was succeeded as president by Festus Mogae, who finished his second term in 2008, to be succeeded by Ian Khama. The BDP won its 11th consecutive electoral victory in the 2014 general elections, and the incumbent President Ian Khama started his second term. In 2018 President Khama stepped down as per convention at the end of his second term, being succeeded by Mokgweetsi Eric Masisi (Henderson, 1990:29,31,38; Embassy of the Republic of Botswana in Washington, 2019; The World Bank, 2019c).

Dwindling electoral support

As observed in both the cases of Zimbabwe and Venezuela, decreased electoral support for the incumbent regimes resulted in rapid policy radicalisation, corruption of the electoral system and increased authoritarianism. When the incumbent BDP's support decreased in the 1994 general election, it responded with popular electoral reforms, such as lowering the voting age from 21 to 18, and allowing Batswana outside the country to vote (Robinson *et al.*, 2003:98). In neighbouring Zimbabwe, on the other hand, when support for Mugabe's ZANU-PF dwindled in the late 1990s and early 2000s, it responded with increased repression of opposition, voter coercion and the implementation of radical redistributive policies to buy support (Acemoglu and Robinson, 2013:371).

⁷ People from Botswana.

Notably, when the BDP's political power was challenged in the 1970s and 1990s, they did not resort to redistributive populist rhetoric, even though they were, like Venezuela, a resource-rich country with high levels of inequality. Instead they remained committed to preserving and enforcing property rights (see Figure 5), which resulted in their high property rights score remaining constant at 70 between 1995 and 2016. With Botswana's elections becoming increasingly competitive, it remains to be seen how the BDP will respond on their policy platform and rhetoric going forward.

3.5.3 Economy and property rights

On the Index of Economic Freedom, Botswana is globally ranked 40th out of 186 countries, and 3rd out of 47 countries in sub-Saharan Africa (The Heritage Foundation and The Wall Street Journal, 2020). Botswana is ranked 87th out of 190 countries on the World Bank's (2020b) Ease of Doing Business rankings, the highest of the four case studies examined, followed by Uruguay in 101st position. In 2020 Moody's (2020) affirmed Botswana's A2 upper-medium grade credit rating with a stable outlook and low credit risk. Explaining the rationale behind this affirmation, Moody's specifically cited secure institutions and prudent policymaking which supports macroeconomic stability. Moody's noted, however, that the economy was not diversifying at a fast enough pace, which could constrain fiscal flexibility.

Foreign direct investment is a crucial factor behind the country's record of sustained high levels of economic growth. The positive influence of attracting high levels of foreign direct investment is visible in specifically the mining, tourism, retail and emerging manufacturing sectors. The central bank of Botswana has maintained its commitment to closely monitor inflation and to safeguard a stable foreign exchange policy. In terms of monetary stability, Botswana's BTI score improved from 8/10 in 2006, to 10/10 in 2020. With regard to fiscal stability, the country's score was 10/10 in 2006, and is still 10/10 in 2020, despite a brief decline to 8/10 (Bertelsmann Stiftung, 2020d). Leith (2000) highlights as positives the Botswana government's general ability to avoid extreme episodes of state-led inflation and the liberalization of exchange controls rather than using them to directly ration foreign exchange.

Figure 5 demonstrates the status of property rights protection and enforcement in Botswana between 1995 and 2020, based on the Property Rights Score component of the Index of Economic Freedom:

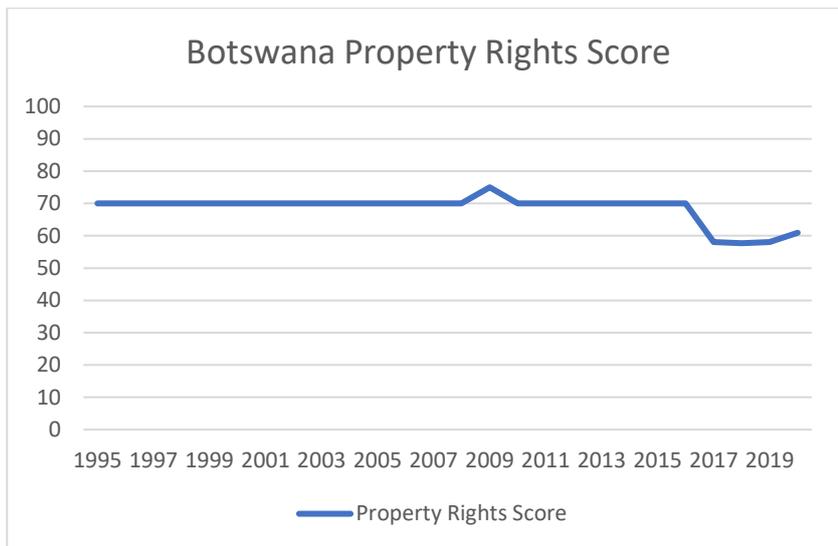


Figure 5

(Derived by author from data in The Heritage Foundation and The Wall Street Journal, 2020)

Hjort (2010:698-700) and Acemoglu and Robinson (2013:410-411) make the case that the institution of private property rights had been deeply entrenched in the native Tswana culture since at least the 1800s. Such institutions developed primarily around the tradition of private ownership of cattle. Except for the absence of selling rights, all the foundational elements of contemporary private property were present in the Tswana culture. Hjort therefore argues that there are very few examples of private property rights being so deeply culturally rooted in a sub-Saharan population at the time of independence than was the case in Botswana. The established culture of private property which facilitated a post-independence democracy where property rights are protected and enforced lines up with the cultural context arguments of Meinzen-Dick, Kameri-Mbote and Markelova (2007) and Meinzen-Dick (2009) outlined in Chapter 2. The case of Botswana substantiates the claim that taking the cultural, social and/or religious context of a country into account has the potential to contribute valuable insights when doing analysis of, or formulating policies or reforms of, property rights.

Unlike in many other African countries, colonisation did not replace the localised culture of property rights with colonial institutions (Englebert, 2000:14). At independence the political elite of Botswana were not only well aware of the entrenched culture of private property rights, as Hjort (2010:698-700) and Acemoglu and Robinson (2013:410-411) note, but with almost all of them being invested in the cattle industry, they had a personal incentive to protect property rights as well. This culture of private property rights therefore helped ensure that radical land redistribution did not gain traction as a major issue in Botswana politics.

In 1967 the BDP established a marketing board, the Botswana Meat Commission. Instead of expropriating the land and assets of the wealthy and productive cattle owners, the Commission was encouraged to play a key role in developing the cattle industry and meat exports. These exports played

a substantial role in the early economic development of Botswana after independence (Acemoglu and Robinson, 2013:411). This is in stark contrast to Venezuela, where productive cattle ranches were expropriated and handed to the politically connected, destroying the country's meat industry.

Robinson *et al.* (2003:104) point out that after independence in 1966 cattle ranchers were politically the most powerful economic interest group, which tipped the balance of forces within the political environment in favour of maintaining strong property rights. "Botswana's government was largely a government of cattlemen" (Harvey and Lewis, 1990:9). In the 1970s diamond industry revenues overtook cattle farming revenues, but the political elite did not resort to nationalising the assets of the diamond industry. Robinson *et al.* (2003:105-106) argue that this was largely due to the institutional constraints present at the time, minimising the threat of expropriation of property. The prosperity brought about by the government's prudent and strategic investment of the diamond industry revenues, as will be discussed below, created a virtuous cycle with property rights, seeing as no political or economic group wanted to threaten the country's positive economic growth trajectory by challenging the already well-established property rights. Instead, all interest groups rather focused on ensuring that their property rights remained protected (Von Soest, 2009:19).

Botswana's constitution protects property rights, which are enforced in practice. The country's BTI score for property rights has been steady at 9/10 between 2006 and 2020 (Bertelsmann Stiftung, 2020d). Property rights enjoy sound legal protection and are enforced in practice, according to Freedom House (n.d.). Botswana has a score of 5.936 according to the International Property Rights Index (2019), thus ranking it 4th in Africa and 53rd in the world. The honouring of commercial and private property contracts is ensured by the courts enforcing laws protecting property. A generally independent judiciary and the lowest levels of corruption in Africa, together with strong institutions, create a favourable environment for secure property rights (The Heritage Foundation and The Wall Street Journal, 2020).

Botswana's private property rights are not perfect. The land rights of the indigenous San people and their associated developmental challenges remain unresolved (Bertelsmann Stiftung, 2020d). Seidler (2010:27) found that the institutional and cultural coexistence of common and private property in Botswana have to an extent suppressed the establishment of fully functioning and free land markets, which has resulted in lagging rural economic development. Vast investments in rural areas and the establishment of Land Boards as governmental bodies allocating land have not achieved overwhelming success.

The diamond industry

The argument could be made that the diamond industry is solely responsible for Botswana's growth and development. By 2003 the diamond industry produced approximately 40% of the country's economic output. Being blessed with an abundance of natural resources has proven to be a curse for many developing nations in the global South. Examples on the African continent include Angola, Congo and Nigeria (Robinson *et al.*, 2003:83,85). One of the case studies of this thesis, Venezuela, relied heavily on its oil endowments to fuel short-term economic growth, but a decline in the global commodity market resulted in this resource-dependent growth being short-lived, as seen in Figure 6.

Sebudubudu and Lotshwao (2009:3) emphasise the fundamental role of the good relationship between the government and De Beers in Botswana's success. Together they established the De Beers Botswana Mining Company, which provided a 50/50 split of diamond revenues and ownership. In contrast to Venezuela and Zimbabwe, where the state prioritised excessive nationalisation of private sector assets and firms, the Botswana government decided to make the private sector the backbone of their economy by adopting a policy path of establishing partnerships between government and the private sector, of which the long-standing revenue partnership with De Beers is the most prominent.

By the 1970s Botswana's government budget was in surplus and the revenues from the diamond industry began to increase. The diamond rents were invested into the government budget. When Botswana was unable to sell any diamonds for 6 months in the 1980s to maintain the market price of diamonds, it did not result in government expenditure cuts, because the government was able to optimally smooth expenditures relative to income. The government had over time accumulated large reserves of savings and foreign exchange, which were used as shock absorbers during this time. The government subsidised industrialisation with the revenues accrued from its agreement with the diamond industry, through the establishment of the Botswana Development Corporation in 1970, and the Financial Assistance Policy of 1982 (Robinson *et al.*, 2003:101-102; Leith, 2000). Unlike Venezuela, Botswana used the revenues generated by their commodity-rich country to diversify their economy by subsidising industry, concluding cooperative agreements with the private sector, instead of resorting to expropriation and nationalisation.

3.6 Conclusion

When the four case studies are contrasted contextually and with respect to their policy paths, the reasoning behind their selection becomes evident. Chávez, Maduro and Mugabe were all populist leaders in the sense of populism as a political style, utilising 'the people versus the elites' rhetoric, insulting their opponents and building personality-driven movements around themselves. Venezuela

and Zimbabwe display significant overlap in regards to their broad redistributive populist policy approach combined with a common trend of drastically eroding property rights employing expropriation and nationalization, while Uruguay and Botswana are more similar in their stable democratic and economic environment, secure private property rights and strong institutions. With reference to the property rights angle of this thesis, both Venezuela and Zimbabwe rank amongst the worst performing countries on their respective continents according to the International Property Rights Index, while Botswana and Uruguay rank amongst the top performing countries on their continents and the world. All four cases are developing economies located in the global South, with a colonial history, and met the minimalist criteria of democracies at least at one stage during the period examined.

Now that the relevant economic, policy and historical context of each case has been unpacked, the next chapter can build on that foundation, by taking an in-depth look at the economic and political consequences of each case and, in doing so, attempt to answer the core research question of this thesis.

Chapter 4: Case Comparison and Analysis

4.1 Introduction

This chapter contains an in-depth comparison and analysis of the four case studies. Zimbabwe and Venezuela represent cases of redistributive, left-wing populist regimes, while Botswana and Uruguay were selected as cases where property rights were protected and enforced. This chapter will examine the consequences of the policy path chosen by each case, with a focus on economic growth, reduction of poverty and inequality, and democratic consolidation, as set out in Chapters 1 and 2.

4.2 Venezuela

4.2.1 Impact of redistributive populism on economic growth, poverty and inequality

4.2.1.1 Economic growth and decline

Figure 6 presents Venezuela's annual GDP growth percentage from 1961 – 2014.

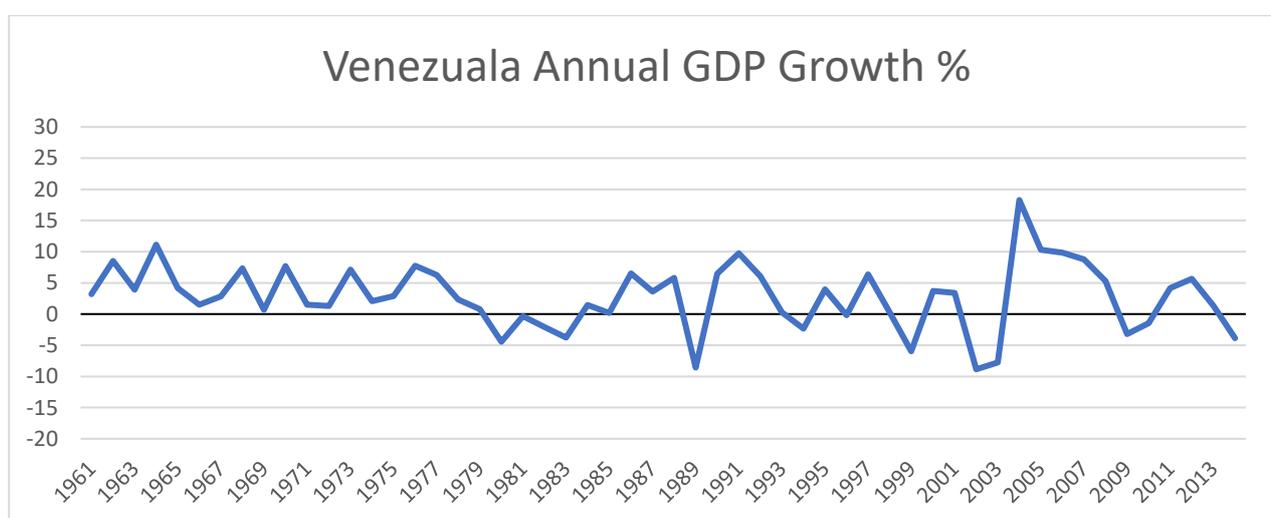


Figure 6
(Derived by author from data from The World Bank, 2020a)

The 49 economic laws passed in 2001 by the Chávez regime through presidential decree, which increased state control over the economy and weakened property rights, inflamed opposition to the regime, primarily from the business community. In December 2001, Venezuela's leading business association, Fedecámaras, organised a general strike to protest the new economic laws. Thousands of businesses, as well as the Confederation of Venezuelan Workers (CTV), the country's largest labour union confederation, took part in the strike (Human Rights Watch, 2003).

Again in 2002 labour groups, business organizations, the political opposition, and civil society participated in solidarity in a massive protest march, demanding Chávez's resignation. Marksmen in civilian clothing fired live rounds at the protesters, killing 18 civilians and injuring over 150 (Human Rights Watch, 2003). This opposition to Chávez's radical policies from the country's business community and middle class reached its peak in 2002 with an unsuccessful coup temporarily removing Chávez from power for just 47 hours (Gill, 2018:3015). It is therefore evident that from an early stage in Chávez's reign policies stripping away property rights and legalising nationalisation ignited serious opposition from civil society, the business community and labour unions.

To limit capital leaving the country, Chávez implemented currency controls in 2003, which created a gap between the black market and official exchange rate. By 2015, the black market rate was 150 times greater than the official rate. Therefore, when the state provided specific individuals or businesses with dollars at a preferential rate in order to increase imports, the recipients resold those dollars on the black market for hefty profits. This exacerbated the problem of scarcity of necessary goods, since they were not imported, causing massive inflation (Hetland, 2016:10).

The currency manipulation and price controls applied by the Chávez regime to deal with rapidly rising inflation forced businesses to sell imported goods at a loss. When importing basic necessities became impossible due to a lack of foreign currency, Chávez accused businesses of waging an economic war on the Venezuelan people. The result was the nationalisation of any business, such as grocery chains and breweries, unable to import basic goods (Brienen, 2017:28-29). Control over the majority of nationalised businesses was handed to military officials, who bankrupted them. The Orinoco aluminium and steel industries, which experienced record levels of production in the 1990s, are an example of businesses going bankrupt after being nationalised under Chávez. Under Chávez and Maduro, international companies fled Venezuela on a large scale (Bertelsmann Stiftung, 2020c).

The amendment of the Land and Agricultural Development Act of 2000, in 2005 and 2010, and the new Regulation and Control of Rents and Housing Act (2011), which restricted the use of private property, and nullified ownership for many who rented it out or those working it in the agricultural sector, which enabled further expropriations. The consequence was that by 2016 the majority of the rural properties expropriated on this basis became non-productive (Márquez, 2016).

Agriculture used to be a powerful economic sector, providing production and employment, but extensive land expropriations under Chávez, which redistributed land to regime loyalists, collapsed the sector. Venezuela, once a major exporter of agricultural goods, was importing 70% of its basic food needs by 2018 (Bertelsmann Stiftung, 2020c). Farmers forced to sell their goods at regulated prices were unable to afford fertilizer, feed and other farming necessities (Bello-Pardo and Zaino,

2017:152-157). These outcomes are paralleled in the case of Zimbabwe, which also had a robust agricultural sector prior to its collapse due to radical redistributive populist policies.

An example of the destructive economic effects on private agriculture of the erosion of property rights is the case of the Vestey company, which normally supplied 4% of the beef consumed in Venezuela. According to the firm, only one small pasture of their farms had not been invaded, resulting in a total crash of their beef production (Cojedes, 2005). These land invasions accompanying Chávez's redistributive populist land reform mirror the land invasions under Mugabe's land reform programme.

The devastation of the private agricultural industry further increased the economy's already heavy dependence on oil, further hampering desperately needed economic diversification. The drop in domestic production made Venezuela more dependent on imported food (Cojedes, 2005). Having to import more food is significant when you take into account that the government's heavy price controls and currency manipulations resulted in an inability to import basic necessities because of a lack of foreign currency.

When the government responded to food shortages with further expropriations of agricultural property, this only exacerbated the shortages, since expropriated farms were primarily handed to the corrupt and inefficient military (Brienen, 2017:28). While under Chávez Venezuela experienced shortages of basic necessities, under Maduro it was suffering from a widespread famine in which three quarters of Venezuelans lost an average of 19 pounds in weight during 2016 (Brienen, 2017:28).

Foreign investment outside the petroleum industry declined by 54% between 1998 and 2001 (Bertelsmann Stiftung, 2003c). As early as 2003, the Bertelsmann Stiftung (2003c) was expressing concern over the fact that the private sector was exhibiting extreme caution in terms of local investments, specifically due to considerable uncertainty over security of property rights after the new 1999 constitution came into effect. In 2001 the private sector accounted for 62% of GDP, but by 2018 75% of private businesses had closed (Bertelsmann Stiftung, 2020c). Therefore, the erosion of property rights hampered not only domestic investment, but foreign direct investment as well.

The Organic Law of Fair Prices in 2014 effectively abolished the price system and banned profit margins over 30%, wreaking further havoc on the economy (Corrales, 2015:40). Under Maduro Venezuela's economic woes have drastically worsened, with regular food and medicine shortages, accompanied by a rapidly depreciating currency (Gill, 2018:311). While shortages occurred under Chávez, they became chronic under Maduro. Famine, shortages of basic medicine, rampant malnutrition and the deteriorating overall health of the population are hallmarks of the Maduro regime, but their causes can be traced back to the policies of his predecessor.

Figure 6 indicates a sharp trend of declining annual GDP growth starting in 2005, reaching a low point of -3.2% in 2009, and again contracting by -3.89% in 2014. According to the Bertelsmann Stiftung (2020c), Venezuela's GDP growth was -6% in 2015, -17% in 2016, -14% in 2017, and -18% in 2018. Between 2013 and 2018, the economy contracted by approximately 45%, accompanied by a 75% decline in imports. By 2018 about 50 businesses were closing per day. According to Labrador (2019), by 2018 GDP had shrunk by double digits for a third consecutive year.

The Bertelsmann Stiftung's (2020c) BTI score for the Venezuelan economy's "output strength" increased from 5/10 in 2006 to 6/10 in 2007, but since then it has steadily declined, down to its current score of 1/10 in 2020. This steep decline in economic output coincided with the implementation of the radical, redistributive policy path of the Simon Bolivar Project (2007-2013), which entailed considerable further erosion of property rights from 2007 onwards (see Figure 2).

Chávez's extensive redistributive populist welfare reforms were predominantly made possible by the commodity boom between 2003 and 2008, and 2010 through to mid-2014, when oil and natural gas prices increased to record levels. Between 1998 and 2016 the oil industry went from producing 68.7% of Venezuela's export earnings to 96% (Hetland, 2016:9). The economic boost from the commodity boom is seen in Figure 6 with corresponding brief spikes in GDP growth. The oil-dependent nature of Chávez's progress was exposed after the oil price fell by about 66% between June 2014 and December 2015. This resulted in the economy contracting by 4% in 2014 and by at least 10% in 2015. In 2014 inflation hit 62.2% and Hetland speculates it exceeded 200% in 2015. Poverty and unemployment have since risen dramatically, but with the government not publishing data reflecting poorly on the regime, it is unknown by exactly how much. Shortages in food and other basic goods became frequent, with stores being characterised by long queues of people waiting to buy products (Hetland, 2016:9). Even though the central bank of Venezuela did not report official inflation data between 2014 and 2016, and despite the false or doctored data released, Hanke and Bushnell (2017) calculated Venezuela's 2017 annual inflation rate at 1906%. The previous peak in 2015 was calculated at 816%.

Chávez was able to boost his popular support by specifically targeting the poor with social spending and welfare programmes, which lined up with his election promises of decreasing poverty and combatting inequality through a state-led approach. In the long run, however, Chávez's social spending programmes illustrated a common characteristic associated with left-wing populist policies, namely short-term gains becoming unsustainable in the long run because of their questionable fiscal foundation, and the populist infatuation with short-term solutions to urgent problems (see Figure 7). The Chávez regime continued to increase state spending without addressing the economy's structural dependence on oil, which resulted in a growing fiscal shortfall (De La Torre, 2017: 70-71).

Chávez's overreliance on oil revenues, failure to diversify the economy, in addition to stifling diversification through mass nationalisations of private businesses and property, made his ambitious social spending unsustainable over the long term. When the oil price collapsed, the undiversified, heavily nationalised Venezuelan economy was unable to sustain itself without it.

In 2018 Moody's (2018) downgraded Venezuela's credit rating from Caa3, the third lowest rating, to C, the lowest. In 2020 Venezuela ranked 188th out of 190 countries on the World Bank's (2020b) Ease of Doing Business Rankings. Márquez (2016) cites government hostility towards entrepreneurs, strict economic regulations, and the persistent risk of state expropriation of private property, as the driving factors behind this low ranking. "Behind most of the products that are scarce today, there is an expropriation and a state-controlled company that does not produce" (Márquez, 2016).

4.2.1.2 Poverty and Inequality

Figure 7 indicates the percentage of Venezuelans living below the poverty line 1997 – 2015:

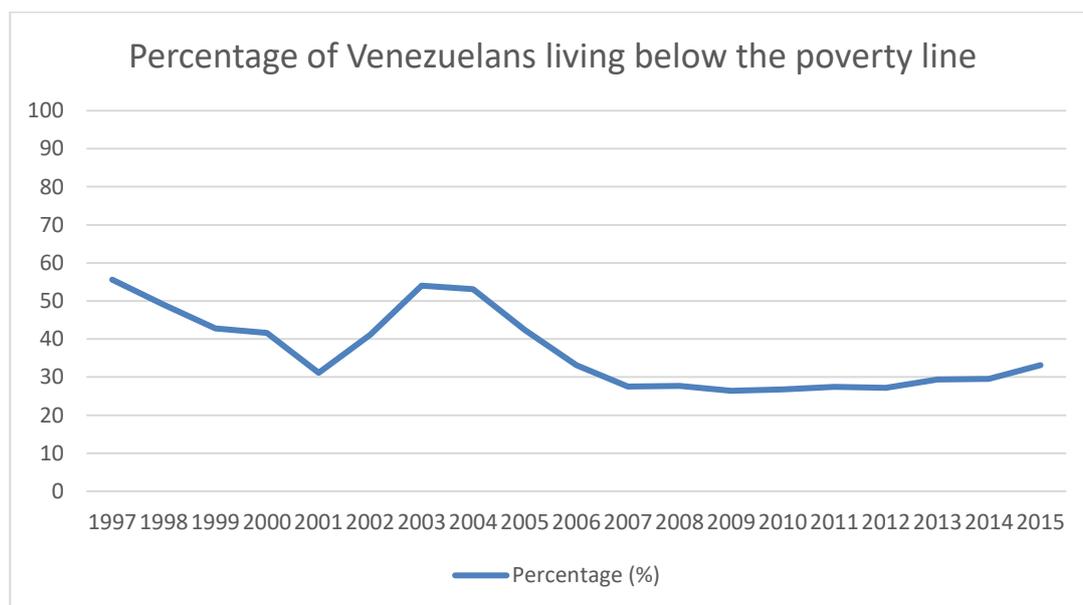


Figure 7
(Derived by author from data from *The World Bank*, 2020a)

Chávez's substantial and continuous increases of state welfare spending initially resulted in lowered levels of poverty (Gill, 2018:305). The percentage of Venezuelans living below the poverty line was reduced from 42.8% in 1999 to 29.4% in 2013 (see Figure 7). These social successes fuelled Chávez's popularity, with his party winning 16 out of 17 elections between 1998 and 2012, often with large margins (Hetland, 2016:8). However, these trends in social improvement could not be sustained, and in many regards they regressed over the long-term. This relates to an important facet of the research question, which asks whether redistributive populism is a sustainable, long-term, for achieving poverty reduction.

Figure 7 shows that during the early years of Chávez's reign, there was a spike in poverty to a high of 54% in 2003. Between 2004 and 2007 the Chávez regime made considerable progress in lowering poverty levels manifested in this spike; however, starting in 2007, that trend levelled off, reaching its lowest point of 26.4% in 2009. From 2010 onwards poverty again increased incrementally, returning to 33.1% in 2015, a number higher than the 31.1% in 2001, near the start of Chávez's reign.

Health data from 2016 showed an annual increase in infant and maternal mortality rates of 30% and 65% respectively, a sharp spike in deaths from preventable diseases, and malaria cases rising by 76% year-on-year. Shortages extended to medicines, with 85% of medicines not being available. Furthermore, acute shortages of medical supplies, surgical materials, water and sanitation products were reported (Buxton, 2018:413). The health minister was fired in 2017, because the ministry had published data confirming the dramatic rise in maternal and infant mortality (Freedom House, n.d.). By 2018, 95% of hospitals were unable to provide sufficient food for their patients (Bertelsmann Stiftung, 2020c).

The minimum wage, based on a calculation of the cheapest available calories that wage would be able to buy, declined from about 52 000 calories per day in 2012 to 2 740 at the end of 2017 (Buxton, 2018:413). The rise in malnutrition became so severe that the Maduro regime was forced to start distributing food parcels in 2016 (Cannon and Brown, 2017:620). This politicised access to food, with priority being given to areas loyal to the regime (Buxton, 2018:414). According to the Bertelsmann Stiftung (2020c), the Chávez and Maduro regimes have presided over the worst humanitarian crisis in Venezuela's history in terms of nutrition and healthcare.

This crisis triggered the emigration of millions of mainly young, skilled citizens (Bertelsmann Stiftung, 2020c). It should be noted that many of the Venezuelans fleeing the country fled to Uruguay. By 2018 there were already 82 000 Venezuelans residing in Uruguay (Astorga, 2018). A similar trend manifested in the emigration patterns from Zimbabwe to Botswana.

As seen in Figure 7, over the long term the rate of poverty reduction largely flattened out and could not be sustained. Under Chávez poverty decreased from 42.8% in 1999 to 29.4% in 2013. This is an impressive improvement, but as seen on Figure 7, this trend in poverty reduction under Chávez only succeeded in eliminating the spike in poverty levels that occurred at the start of his presidency (2001 – 2006). The faltering economy from 2007 onwards (see Figure 6), coupled with a rapidly worsening security situation, were the main drivers behind the stagnation and later regression in the scale of poverty reduction (Buxton, 2018). The economic downturn after 2007, as well as the stagnation and eventual reversal of the trend in poverty reduction, coincided with the radicalisation of the regime's

policy path with the initiation of the First Socialist Plan of the Nation (2007-2013) and the resulting erosion of property rights between 2007 and 2010.

Figure 8 shows Venezuela's Gini coefficient between 1981 - 2006:

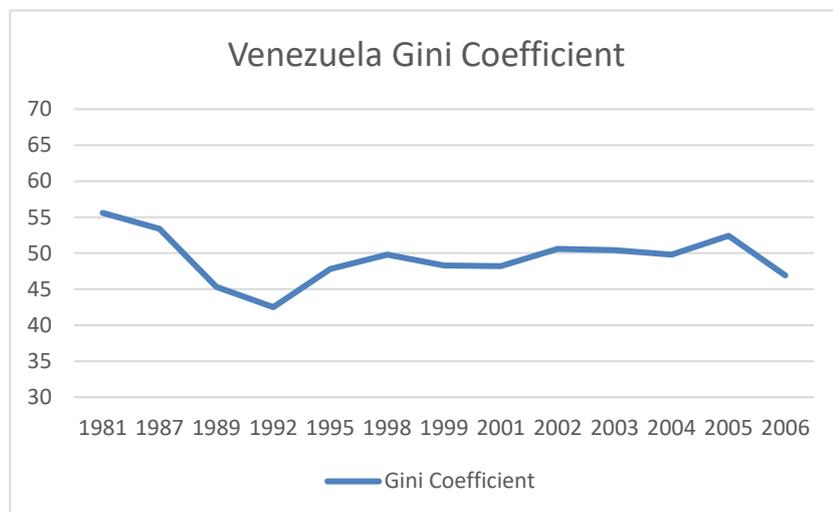


Figure 8
(Derived by author from data from *The World Bank, 2020a*)

No Gini coefficient data have been released by the government since 2006, but in the first 6 years of Chávez's rule, the Gini coefficient rose from 48.3 to 52.4, declining only in the 7th year to 46.9. Radical redistributive policies therefore did not vastly reduce inequality during the first 7 years under Chávez, and the Venezuelan government has refused to release these numbers since 2006.

4.2.2 Impact of redistributive populism on democratic consolidation and liberal democracy

As noted in Chapter 3, left-wing populist leader Chávez frequently praised the poor and working class in his rhetoric, promising them more dignified lives. In order to achieve this, Chávez transgressed many liberal democratic values and institutions in his pursuit of establishing a more participatory, majoritarian democracy (Gill, 2018:305). As one of the first steps toward his revolutionary reforms, Chávez rewrote the 1961 constitution after a successful 1999 referendum (Hawkins, 2003:1142).

Chávez initially achieved a large degree of success in increasing democratic participation and creating a more inclusive democracy (Hetland, 2016:8). Hawkins (2010:41) reports how 35.5% of the adult population participated in the Communal Councils Chávez established. These institutions of participation served another purpose, however, which was to establish strong loyalties to the Chávez and Maduro regimes. Chávez's majoritarian style of democracy was centred on his personality and ensured that autonomous, grassroots participation was controlled (Uzcátegui, 2010).

4.2.2.1 Democracy

From the podium Chávez championed democracy, yet behind the scenes he abused the powers of the state to create a skewed electoral playing field. The Chávez regime used state resources in its electoral campaigns, regulated independent media and NGOs, criminalised anti-regime protests, and intimidated and harassed opposition members (De La Torre, 2017:62; Bertelsmann Stiftung, 2020c).

Since Chávez took power in 1999, extreme political polarisation has persisted and worsened, with continued calls for coups, a failed coup attempt in 2002, and institutional battles (Gill, 2018:311). The successful 1999 constitutional referendum enabled the concentration of more power in the office of president, eliminated the Senate, which had served as a crucial veto power, and banned public funding of political organisations and parties. Furthermore, it granted the president the power to call for referendums, recall legislation, dissolve the legislature under certain conditions, and propose constitutional amendments (Corrales, 2015:38). The new constitution was grounded on four principles: majoritarian democracy, concentration of power in the government and the president, state centralisation, and a state-regulated socialist market economy (Bertelsmann Stiftung, 2020c). This state-led approach, along with increasingly centralising power in the president, is a regime characteristic shared with the other redistributive populist regime this thesis examines, the Mugabe regime.

A successful referendum in 2009 sought to end presidential term limits, allowing Chávez to run for re-election indefinitely (Romero, 2009). Chávez was on course to stay in power permanently, but his being diagnosed with cancer changed that trajectory (De la Torre, 2017:72). The authoritarian institutions established under Chávez in order to facilitate increased control over the opposition, the economy and the media, carried over to the Maduro regime, which exploited the erosion of checks on power even more extensively (Corrales, 2015:45).

In 2014, following the 2013 municipal elections, Venezuela was hit by a wave of violent, anti-Maduro protests. For months the economy and society were severely disrupted, but the protestors failed to remove Maduro from office (Hetland, 2016:8-9). Maduro has imprisoned opposition activists, established a parallel legislature, and banned opposition leaders (Gill, 2018:311). The opposition organised a referendum to recall Maduro in 2016, but the referendum was blocked by the electoral authority and the mass pro-referendum protests were violently repressed by state forces, resulting in over 150 deaths (Bertelsmann Stiftung, 2020c). During the widespread anti-regime protests of 2017, over 1 900 were injured and 136 killed (Freedom House, n.d.). In 2017 an average of 15 civilians were killed per day by the police or the military (Venezuelan Violence Observatory, 2017). In 2017

the Maduro administration banned all protests ahead of a vote for a special constitutional assembly (Hanna and Chávez, 2017). Maduro dissolved the National Assembly in 2017 (Labrador, 2019).

Venezuela's BTI score for "performance of democratic institutions" has decreased from 3/10 in 2006 to 2/10 in 2020, and the score for the presence of anti-democratic actors has decreased from 5/10 in 2006, to 1/10 in 2020 (Bertelsmann Stiftung, 2020c). According to The Economist Intelligence Unit's Democracy Index (2019), Venezuela ranks 140th out of 167 countries on the quality of their democratic system and is classified as authoritarian. Venezuela has the second lowest democracy rating in Latin America, with only Cuba scoring lower. For perspective, the vast majority of Latin American countries (14), are classified as "flawed democracies", while only 3 are classified as authoritarian. When the first Economist Intelligence Unit Democracy Index (Kekic, 2007) was published, for 2006, Venezuela ranked 93rd out of 167 countries, with the status of "hybrid regime". The country's overall Democracy Index score decreased by nearly 50% from 5.42/10 in 2006 to 2.88/10 in 2019.

The first Democracy Index report in 2006 is valuable for this thesis, because it predates the initiation of the radical First Socialist Plan of the Nation (2007-2013), and the further decline in the country's property rights score from 2007 onwards (see Figure 8), thus illustrating the destructive consequences of those policies on democracy. Freedom House (n.d.) reports that the democratic institutions of Venezuela have eroded since 1999, with a sharp acceleration of this trend as power was continuously concentrated in the hands of the executive, and attacks on and suppression of the political opposition intensified.

As will be elaborated on below, in antithesis to liberal democracy which emphasises checks and balances, the fundamental civil rights inherent to a liberal democracy were increasingly marginalised in order to achieve the transformation of Venezuelan democracy towards a majoritarian democracy, centred on a personality-driven leader (De la Torre and Arnson, 2013:10). As Boone (2009:197) argued, in the absence of checks and balances in a democracy, populist leaders in pursuit of increasing their political power take the opportunity to accede to any popular demands and to strongly support majoritarianism. This is what we see in the case of Venezuela.

4.2.2.2 The media and freedom of speech

Under Chávez, the government dominated the various mediums of large-scale communication, such as radio and television. In 2000 the Organic Law of Telecommunication gave the government the power to suspend or revoke the broadcasting rights of private media outlets. Additionally, the 2004 Law of Social Responsibility banned the broadcasting of material that could "disturb public order", "incite or promote disobedience to the current legal order", or which refuses "to recognize

legitimately constituted authority” – a law which was extended to include the internet in 2010 (Corrales, 2015:39,41).

Under Chávez and Maduro, a major shift in power has been observed from private, independent media towards state-run media, or outlets that are loyal to the regime. In 1998 Venezuela had 89 newspapers – all privately funded and independent. By 2014, the number of newspapers had increased to 102, of which only 56% were privately owned. In 1998 Venezuela had 24 television channels, of which only 3 were state funded. By 2014, the number of television channels grew to 104, with only 46% being privately funded and independent. The decrease in independent television channels is most noticeable in the sphere of local channels, declining from 80% of all channels in 1988 to 39% in 2014 (Corrales, 2015:40-41). When you consider the left-wing populist’s view of democracy as the redistribution of wealth by means of a strong state, as outlined by De La Torre (2017), then it is possible to rationalise the media as being a mechanism to serve the state, rather than being a check on it.

With state-backing, many pro-regime newspapers were able to circulate free of charge, greatly broadening their availability and making it nearly impossible for independent media to compete. The state has harassed independent outlets by imposing legal fines based on vague allegations, or through arbitrarily denying them access to foreign exchange in order to buy paper. The state also resorted to forbidding public agencies from buying advertisements in critical, independent newspapers, which pressures those papers to lean towards becoming more pro-regime. There have been cases of journalists being barred from covering government events. This use and abuse of the law in order to influence the media applies to television as well (Corrales, 2015:42). In 2002, during a massive anti-Chávez protest march, the regime temporarily halted the transmission of the main private television stations (Human Rights Watch, 2003). In 2015 the opposition organised a major march in the capital, but not a single television outlet broadcast the event. In contrast, the majority of state-funded television stations broadcast Maduro’s speech on that same day (Corrales, 2015:42).

According to PEN International’s 2019 report (Quiñones, 2019), under both Chávez and Maduro critical journalists and media outlets were constantly subjected to accusations of hate speech, defamation and supporting terrorism. Many journalists have fled the country. Both administrations have encouraged the harassment and persecution of their critics by closing down critical newspapers and radio stations. The state’s monopoly on printing paper has led to shortages, drastically reducing the circulation of newspapers and leading to the collapse of the publishing industry. In 2006, under Chávez, 134 attacks on journalists were reported and in 2017, under Maduro, there were 1 002 recorded violations of freedom of expression.

In 2005 the *Desacato* (insult) Act, which criminalises disrespecting government officials, was expanded to cover a greater number of officials. The primary purpose of these laws was to increase the government's ability to control non-state actors, and because they were enacted through constitutional channels, they cannot be challenged effectively (Corrales, 2015:39-40). Venezuela's BTI score for "freedom of expression" decreased from 5/10 in 2006, to 3/10 in 2020 (Bertelsmann Stiftung, 2020c).

Under Chávez and Maduro citizens have been arrested for social media comments critical of the regime. In 2019, a citizen was arrested and detained for 46 days for critical tweets about the regime (Freedom House, n.d.). Without sufficient channels of communication to highlight the abuses of power and increased authoritarianism, opposition parties have a slim chance of gaining ground in the democratic system. The Chávez regime's stranglehold over the media worked against Venezuela moving towards becoming a consolidated, liberal democracy. This not only greatly diminishes the odds of an effective opposition party, but also removes a check on government power. Freedom of speech, a core component of liberal democracy as outlined by Zakaria (1997), is nullified in this way.

The level of information available to the electorate in a democracy determines the level of corruption exposure, as well as the threat of expropriation (Boix, 2003:209). The deliberate erosion of independent media as a check on power and the increasing monopoly on information by the Chávez regime from an early stage in his reign therefore laid the foundation for the land expropriations and human rights abuses that would later characterise his regime as well as Maduro's.

4.2.2.3 Civil liberties and civil society

The Chávez regime continually increased its regulatory control over NGOs. In 2010, the Law for the Defense of the Political Sovereignty and National Self-Determination prohibited NGOs that focused on protecting the political rights of citizens or monitoring public bodies from receiving international support or financial backing. This law empowered the government to expel foreigners invited to visit Venezuela by human rights defenders, if they express opinions which "offend the institutions of state, top officials or attack the exercise of sovereignty" (Corrales, 2015:39).

The Chávez administration maintained control over civil society by supporting social movements loyal to the regime. Those who criticised the government were framed as enemies of the Venezuelan people (Müller, 2016:49). Liberal democracy emphasises the protection of individuals promoting human rights from state coercion – a goal in which civil society plays an instrumental role. Excessive regulation to control civil society further diverted Venezuela from a path towards becoming a more liberal democracy and undermined democratic consolidation by weakening the population's trust that democracy was the best system to protect their fundamental rights.

The Economist Intelligence Unit's Democracy Index (2019; Kekic, 2007) confirms the deteriorating situation, with Venezuela's "civil liberties" score declining from 5.88/10 in 2006 to 3.24/10 in 2019, while the Bertelsmann Stiftung's (2020c) BTI score for civil rights in Venezuela decreased from 6/10 in 2006 to 2/10 in 2020. The BTI score in terms of "association/assembly rights" decreased from 7/10 in 2006 to 3/10 in 2020. In 2020, Freedom House (n.d) scores Venezuela 2/40 for "political rights" and 14/60 for "civil liberties", classifies it as "Not Free", and reports that almost all channels for political dissent have been shut down by the state and that civil liberties have deteriorated alarmingly.

4.2.2.4 Judiciary

Legislation has been a primary mechanism utilised by the Chávez and Maduro regimes to retain power and control. Chávez passed four enabling laws empowering the president to rule by decree and by the year 2015 the Maduro regime had done so once (Corrales, 2015:38-39). The use and abuse of the law to benefit the regime has been heavily reliant on overtly partisan high-level court judges. After 2004 the Chávez regime, like the Mugabe regime, packed the courts with loyalists (Corrales, 2015:44). The BTI score for Venezuela in terms of the separation of powers when it comes to the judiciary and Supreme Court decreased from 3/10 in 2006, to 2/10 in 2020, and the "independent judiciary" score decreased from 4/10 in 2006, to 1/10 in 2020. The Supreme Court has not handed down a single judgement against the ruling regime since at least 2006, and therefore the Bertelsmann Stiftung (2020c) concludes there is de facto no separation of powers in Venezuela.

The authoritarian nature of the legislation introduced under Chávez and Maduro, enabled by an absence of separation of powers, was not commonly overt. Their authoritarianism was enabled through the exploitation of a myriad of carefully designed pro-executive clauses, hidden behind a facade of clauses which appeared to empower the citizenry and human rights groups. Laws and regulations which appeared to serve as checks on government power were inconsistently implemented, which was done in order to empower the government rather than the people (Corrales, 2015:40). On paper the 1999 constitution appeared committed to a system of checks and balances, but in practice it was ineffective, since it concentrated immense power in the executive (Bertelsmann Stiftung, 2020c).

4.2.2.5 Electoral system

One of Chávez's main authoritarian legacies, specifically assisting his successor to increase his regime's power and control, is an electoral environment fraught with irregularities, dubious regulations and a biased regulatory agency, the National Electoral Council. The incumbent PSUV are allowed to exceed spending or airtime limits, voters are frequently harassed at the polls, polling stations are allowed to stay open far longer than their assigned hours, and opposition candidates and

foreign observers have been arbitrarily banned. Most egregiously, the state has on numerous occasions manipulated the voting rules in favour of the ruling party and has threatened to deny funding to districts which elect opposition leaders (Corrales, 2013).

According to Corrales (2015:43), the electoral environment has only become more authoritarian and corrupt under Maduro. When Maduro was elected in a narrow victory, the opposition highlighted many irregularities, including allegations of electoral fraud. This prompted mass protests, which the government suppressed, leaving 7 protestors dead and dozens injured. The level of government repression of protests under Maduro has been the worst in the country's history (Corrales, 2015:43). According to The Economist Intelligence Unit's Democracy Index (2019; Kekic, 2007), Venezuela's "electoral process and pluralism" score decreased from 7/10 in 2006, to 0/10 in 2019, while The Bertelsmann Stiftung's (2020c) BTI score for "free and fair elections" in Venezuela decreased from 8/10 in 2006 to 2/10 in 2020.

Like Chávez, Maduro targeted opposition leaders. Opposition politician, Leopoldo López, was arrested for allegedly inciting violence, without any evidence. Opposition figure, María Corina Machado, was accused of treason and expelled from the National Assembly for speaking about human rights abuses at the Organization of American States. In 2014, Machado was indicted on charges of conspiracy and treason. Opposition politician Antonio Ledezma was arrested in 2015 on charges of allegedly plotting to overthrow the government (Corrales, 2015:45).

Since 2009, neither the president nor other elected officials have been subject to term limits. The Maduro regime increasingly relies on the military and paramilitary forces in order to retain political power (Freedom House, n.d.). In 2017, the National Constituent Assembly elections, state governor elections and municipal elections were convened under conditions that did not qualify as free and fair (Buxton, 2018:420). Maduro was re-elected in 2018 in an election not recognised as legitimate, free or fair by any of the opposition parties or most of the international community (Bertelsmann Stiftung, 2020c). For a democracy to consolidate and move towards a more liberal order, the electoral system cannot be a mere facade, as has increasingly become the case in Venezuela. The promises of a more free, fair and responsive democracy for all, made by redistributive populists, appear to be empty when it comes to the Chávez and Maduro regimes.

4.2.3 Support for democracy

The 2006 AmericasBarometer (Seligson, 2008) was the first to include data on Uruguay and Venezuela. Support for democracy in Venezuela during the 2006 survey was measured according to whether the respondent agreed with the statement: "Democracy is preferable to any other form of government." Among those who could define democracy, 86% supported it, and among those who

could not, 85%. According to AmericasBarometer's 2016/17⁸ data (Cohen, Lupu, and Zechmeister, 2017), only 59.8% of Venezuelans surveyed indicated that they supported democracy. Therefore, support for democracy was considerably higher in Venezuela in 2006, before the increasingly radical policy path from 2007 onwards, compared to 2016/17.

As the study by Mainwaring and Pérez-Liñan (2013) concluded, the two main factors impacting negatively on a democracy's chances of long-term survival were politicians promoting radical policies, and political leaders lacking a normative preference for democracy. The case of Venezuela substantiates that claim, as increased policy radicalism and a lack of normative support for democratic institutions by the Chávez and Maduro regime coincided with a significant decline in support for democracy.

4.3 Zimbabwe

4.3.1 Impact of redistributive populism on economic growth, poverty and inequality

4.3.1.1 Collapse of the agricultural sector

In order to encapsulate the economic consequences of Mugabe's radical redistributive policies, the collapse of Zimbabwe's agricultural sector needs to be carefully unpacked and examined thoroughly. As in Venezuela, the export-oriented agricultural sector of Zimbabwe was one of the most productive sectors in the economy, and was the primary driver behind the substantial economic growth rates of the 1980s and 1990s. The sector was left relatively untouched for about 17 years of post-independence rule, but became a target for expropriation after support for Mugabe's ZANU-PF started to falter in the late 1990s. The destruction of private property rights (see Figure 3), and the resulting insecurity, were the main causes behind the collapse of this sector (Acemoglu and Robinson, 2013:371; Richardson, 2006). The rapid decline of output in this key sector led to a drastic negative trend in GDP growth between 2001 and 2008 (see Figure 9).

The radical erosion of property rights after 2000 drastically undermined property values, which resulted in immense strain on the economy, as the once-productive agricultural sector collapsed when most commercial farmers were kicked off their land (Bertelsmann Stiftung, 2020b). By replacing title deeds with 99-year leases, over half of the expropriated farms were left unclaimed and unused. The

⁸ No post-2016/17 reports will be utilised in this thesis, seeing as 2016/17 was the last AmericasBarometer report which included Venezuela due to security risks and political instability.

commercial farmers chased off their land left with all their knowledge and experience about commercial farming in Zimbabwe. The people who illegally occupied farms, or to whom many of the farms were redistributed through political connections, lacked knowledge of commercial farming, leading to a significant decline in output (Richardson, 2005: 553; Ngwenya, 2020:48).

Traditionally commercial farmers relied on their property as collateral to secure loans to buy seeds and fertiliser. Farmers now had to lease their farms from the government, making them unable to use the land as collateral. New farmers could thus not raise the required capital to farm. As cases of expropriation without compensation increased, banks became increasingly reluctant to provide loans to commercial farmers because of the increasing uncertainty and risk. The consequence was a drastic decline in loans, which in turn had a ripple effect across various sectors. By 2004, 13 of Zimbabwe's 41 banking institutions experienced a financial crisis, being unable to foreclose on properties, and with title deeds they held as security being rendered worthless. An estimated US\$5.3 billion of land value was erased. In 2001 the resulting loss of equity in the agricultural sector exceeded the total amount of aid the World Bank had ever provided Zimbabwe by 242% (Richardson, 2006:6). Before 1997 an average of 1 600 tractors were sold annually in Zimbabwe, with farmland typically used as collateral. By 2002 these sales had declined to 8 tractors annually (IMF, 2003). Agricultural gross capital formation was recorded at 20% of GDP in 1995, but fell to -6.7% in 2002 (OECD/AfDB, 2004: 360-362).

Between 2000 and 2003, the production of the cash crops the agricultural sector relied on for income declined between 50 and 90%. In 1999/2000 commercial farmers planted 200 000 hectares; by 2000/2001 it had declined to 90 000, and by 2001/2002 to only 50 000 hectares. Zimbabwe went from producing surplus seed for export to importing most of it. The collapse of the agricultural sector as a major employer led to a sizeable spike in unemployment. The ripple effect of this was the closing down of about 700 of the 60% non-agricultural businesses by 2001, which were directly or indirectly dependent on the agricultural sector's outputs (Richardson, 2005: 551; Richardson, 2006:7). This collapse, and the shockwaves it sent through the economy, are shown in Figures 3, 9 and 10. The increased radical redistributive rhetoric from the Mugabe regime on land expropriation and nationalisation starting in 1997, and the increased erosion of property rights from 2000 onwards, coincided with a period of GDP contraction, hyper-inflation and a drastic decline of property values between 1999 and 2008.

The substantial decline in production of the most lucrative cash crops caused a foreign exchange shortage – a disaster for a government becoming import dependent. Between 1999 and 2000 total commercial farming revenue declined from US\$877 million to US\$247 million. Zimbabwe's relatively sophisticated manufacturing sector experienced a decline in production of 10.5% in 2001,

and an estimated 17.5% in 2002. This was largely due to a decline of inputs from the agricultural sector, as well as shortages of foreign currency (Richardson, 2005: 555-556).

The erosion of property rights coincided with the undermining of the rule of law. Local administrative systems and police ignored court orders from the highest courts to act against illegal land occupiers. Mugabe declared land reform and land occupations a “political matter”, implying it fell outside of the judiciary’s jurisdiction (Bertelsmann Stiftung, 2003b). It has been suggested that the primary victims of the Mugabe regime’s radical, redistributionist fast-track land reform programme were commercial farm workers who lost their livelihoods (Southern African Migration Project, 2006:131).

4.3.1.2 Economic growth

Zimbabwe’s annual GDP growth percentage from 1961 to 2018 is indicated in Figure 9:

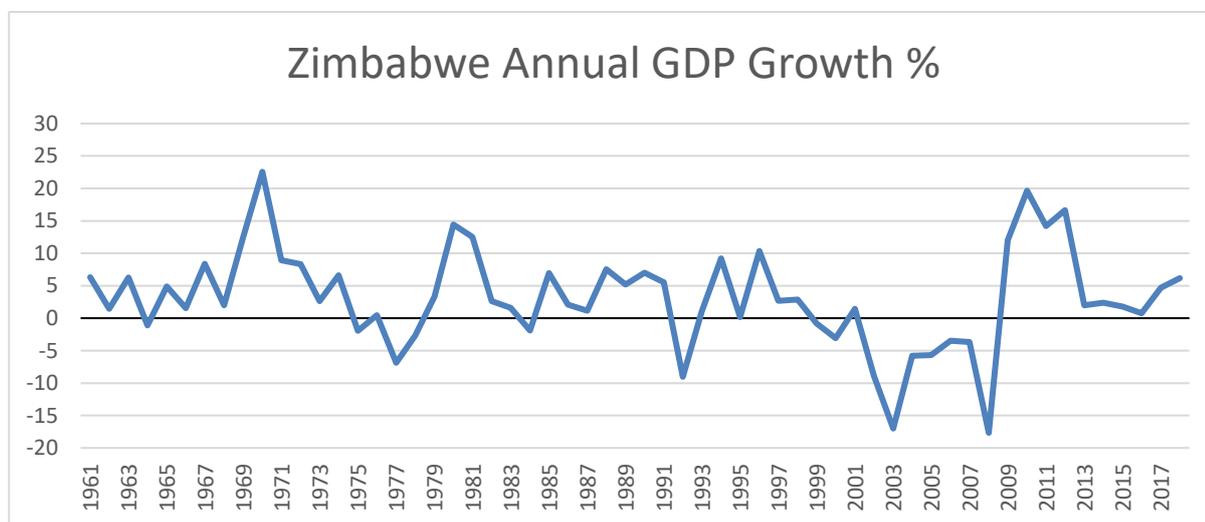


Figure 9
(Derived by author from data from *The World Bank, 2020a*)

After achieving independence in 1980, international investors were excited by the prospect of Zimbabwe’s new inclusive economy. Zimbabwe’s good-quality education system, road infrastructure development, rule of law and relatively diversified economy were all praised by international analysts in the 1980s and 1990s. Between 1980 and 1989, the economy grew at an average real rate of 5.2%, and between 1990 and 1999 averaged around 4.3%, with the main driver being the country’s productive, sophisticated agricultural sector (Richardson, 2006:2).

The 1990s were specifically characterised by a significant influx of foreign direct investment, which was facilitated by the government’s implementation of structural adjustment programmes and economic deregulation. In 1993, the Zimbabwean Stock Exchange was opened to foreign investors for the first time and by 1996 equity markets were surging. During this time, more than half of the

growth of the top 35 sub-Saharan companies, excluding South Africa, came from Zimbabwe (Richardson, 2005:549).

The impact of the Mugabe regime's substantive shift to a more redistributive populist path around 1997 is prominently visible in Figure 9, indicating a sharp negative trend of economic growth between 1997 and 2008, and in Figure 10 with a drastic spike in inflation between 2004 and 2008. In 8 of the 9 years between 1999 and 2008, Zimbabwe experienced negative economic growth. The economic downturn started in 1999, with the economy contracting by approximately 1%, followed by -3% in 2000, +1% in 2001, -9% in 2002, -17% in 2003, -6% in 2004, -6% in 2005, -3% in 2006, -4% in 2007, and -18% in 2008 (see Figure 9).

In contrast to the period of increased foreign direct investment in the 1990s, foreign investors fled the Zimbabwean economy from 1998 onwards. By the end of 1998, Zimbabwe's stock market, once regarded as one of the most promising emerging markets in the region, saw the value of stocks traded drop by 88%. A primary reason was the government's publicly stated intention to expropriate commercial farms without compensation (Zimbabwe Stock Exchange - General Information, 2020). As Weingast (2015:271) argues, domestic and foreign investors are less likely to make fixed investments if a regime considers expropriation of property. Governments which weaken private property rights therefore struggle to maintain economic growth.

Foreign direct investment net inflow of US\$444 million in 1998 declined to US\$59 million in 1999, US\$23.2 million in 2000, reaching a low of US\$3.8 million in both 2001 and 2003. Between 1999 and 2009 net foreign direct investment rose above US\$100 million only once, in 2005 (World Bank, 2020). Between 1998 and 2001, foreign direct investment declined by 99% as a result of Mugabe's heightened radical rhetoric advocating expropriation without compensation, a trend exacerbated from 2000 onwards by the regime's disregard for the rule of law in dealing with private property rights (Richardson, 2005: 549; Richardson, 2006:5).

By 2003, the Zimbabwean economy's real output had declined by one third. Shortages of basic goods caused by the persistent economic crisis, combined with a shortage of foreign exchange, led to runaway inflation (Bertelsmann Stiftung, 2003b; Richardson, 2006:1-2). The period of policy radicalism, specifically between 2000 and 2008, which coincided with the spike in inflation, was due to the Mugabe regime attempting to buy back dwindling electoral support (Acemoglu and Robinson, 2013:371).

Figure 10 shows the annual inflation rate of Zimbabwe between 1981 - 2017:

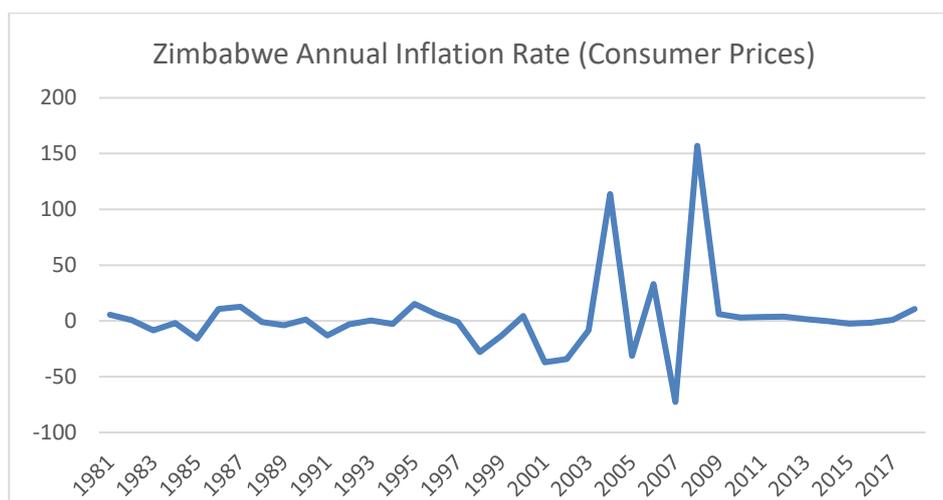


Figure 10

(Derived by author from data from IMF DataMapper, 2020)

Radical, redistributive policies led to periods of hyper-inflation between 2003 and 2009. The Reserve Bank of Zimbabwe was unable, or unwilling, to report any meaningful economic data during most of 2008 (Hanke and Kwok, 2009:355). Hanke and Kwok were, however, able to calculate the inflation rate during that time. In October 2008 the year-on-year inflation rate reached 3.84 Quintillion (10^{18}) percent, and in November 2008 hyperinflation peaked at 89.7 Sextillion (10^{21}) percent (Hanke and Kwok, 2009:355). The hyperinflationary period between 2001 and 2009 notably coincides with the implementation of the Mugabe regime's radical redistributionist policy path.

One explanation for the economic collapse of Zimbabwe points to international sanctions as the primary cause – a narrative of the Mugabe regime. However, sanctions imposed on Zimbabwe by the European Union states and the United States solely targeted 86 ZANU-PF officials and their families. American companies were still free to invest in and trade with Zimbabwe. A second explanation pins the state of economic ruin on the 2000/2001 drought. Historical data, however, indicate that between 2000 and 2001 the annual rainfall was only 22% below Zimbabwe's 50-year average, with rainfall averages returning to normal levels by 2002. Zimbabwe's irrigation and dam infrastructure, with about 11,000 reservoirs, is so extensive that it should have been sufficient to deal with a drought (Richardson, 2006:3; Leon, 2008). Richardson (2005) found that between 1981 and 1998 there was a strong correlation between annual rainfall and GDP growth. After the fast-track land reform programme was initiated in 2000, this correlation was broken, with economic growth continuing in free fall, despite rainfall recovering by 2002.

By turning institutions into extractive, authoritarian tools, destroying law and order, and radically eroding property rights, Mugabe laid the foundation for the eventual collapse of the economy. Chronic and severe economic contractions, political instability and a coup were the inevitable result (Acemoglu and Robinson, 2013:372-373). As Asoni (2008:961-962) argues, threats of expropriation

create an economic and political environment which significantly disincentivises individuals to invest in property, to innovate, to save and to accumulate skills related to their capital or land. Policies that disregard property rights distort the allocation of resources, because individuals are forced to channel their time and funds into alternative uses other than their property, which results in lower productivity and output.

Therefore, at the end of Mugabe's reign in 2017, the net result of his radical redistributive policies was an economy and country significantly worse off in various regards than it was at independence 37 years before, while neighbouring Botswana flourished. According to Acemoglu and Robinson (2013:458), Zimbabwe's long-term post-independence economic performance has been worse than before independence. Zimbabwean economist John Robertson said in 2018: "In Zimbabwe, nobody feels safe when the state can authorise itself to take people's property. This country will recover fast if government promises to respect property rights and revives the rule of law" (quoted in Nyoni, 2018).

4.3.1.3 Poverty and Inequality

Figure 11 shows the percentage of the population of Zimbabwe living below the poverty line:

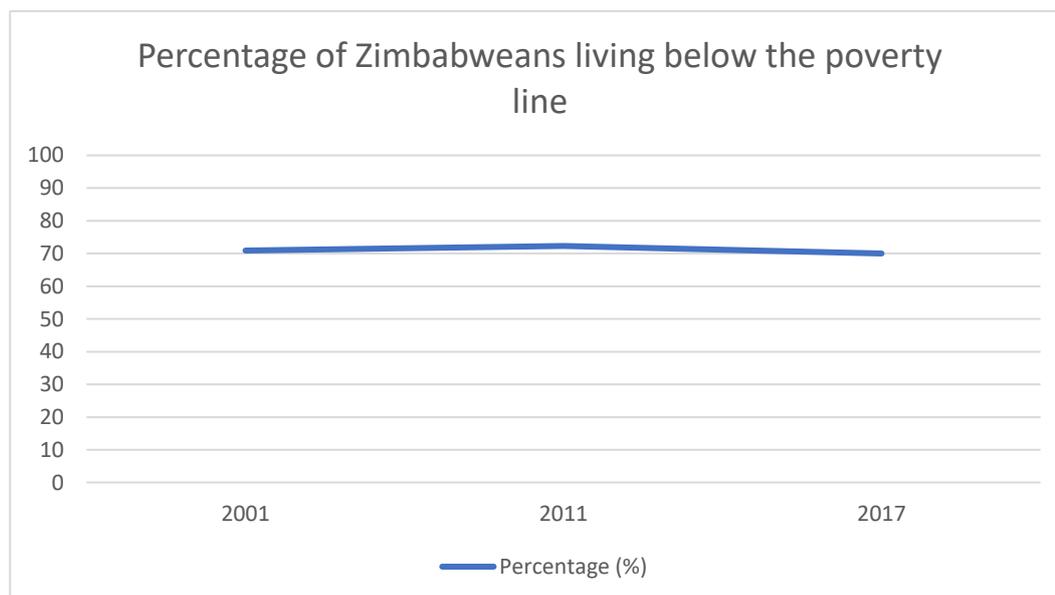


Figure 11
(Derived by author from data from *The World Bank*, 2020a)

Zimbabwe has by far the highest percentage of citizens consistently living below the poverty line of all the cases examined. As seen in Figure 11, between 2001 and 2017 the percentage of Zimbabweans living below the poverty line remained relatively constant and high. According to Acemoglu and Robinson (2013:369), the per capita income of Zimbabwe in 2008 was half of what it was in 1980, when the country gained independence.

The healthcare situation has deteriorated notably since 2000, with the country experiencing the deadliest cholera outbreak in Africa for 15 years in 2008-2009 (Acemoglu and Robinson, 2013:369). This cholera outbreak was directly linked to the poor governance of the Mugabe regime, according to a report by Physicians for Human Rights. The report states that the regime politicised the health sector in order “to maintain its hold on power”, and has been regressive in terms of developing healthcare, water and sanitation (Physicians for Human Rights 2009, iii). Most of the improvements in healthcare during the 1980s and early 1990s have therefore been reversed, and the overall healthcare situation has regressed.

Even though Mugabe’s redistributive populism was supposed to liberate Zimbabweans and usher in a new era of prosperity, since 2000, when property rights began to be radically eroded, there has been an exodus of Zimbabweans. According to Zimbabweans who fled the country, “the Zimbabwean government’s political actions and the country’s decline have led to their economic destitution and desperation, and have ultimately forced them to leave the country to survive the political and economic crisis” (Human Rights Watch, 2008:3). An estimated 3 million Zimbabweans, or approximately 25% of the total population, have emigrated since 2000, with the majority moving to neighbouring South Africa or Botswana (IOM to Open Centre for Undocumented Zim Migrants, 2007). In Venezuela redistributive populist policies, the erosion of property rights and the economic and political consequences of this have also fuelled mass emigration. Interestingly, in the case of both Zimbabwe and Venezuela, a large portion of the emigrants moved to the other two countries examined in this thesis.

Operation Murambatsvina in 2005 is an example of where the erosion of property rights became a tool to displace and oppress the poor. In this forced eviction campaign, intended to ‘clean’ urban areas, about 300 000 Zimbabweans lost their homes due to eviction and/or demolition in an area populated largely by MDC opposition party supporters. This operation breached a myriad of national and international human rights laws dealing with eviction and resulted in a humanitarian crisis (De Jager and Musuva, 2016:20,22; Human Rights Watch, 2008:45; Tibaijuka, 2005:7). In March 2017, while Mugabe was still in office, over 100 poor families were evicted by the police, without any alternative accommodation, because the former first lady, Grace Mugabe, wanted to create a wildlife sanctuary (Bertelsmann Stiftung, 2020b).

Figure 12 shows Zimbabwe’s Gini coefficient 1995 – 2017:

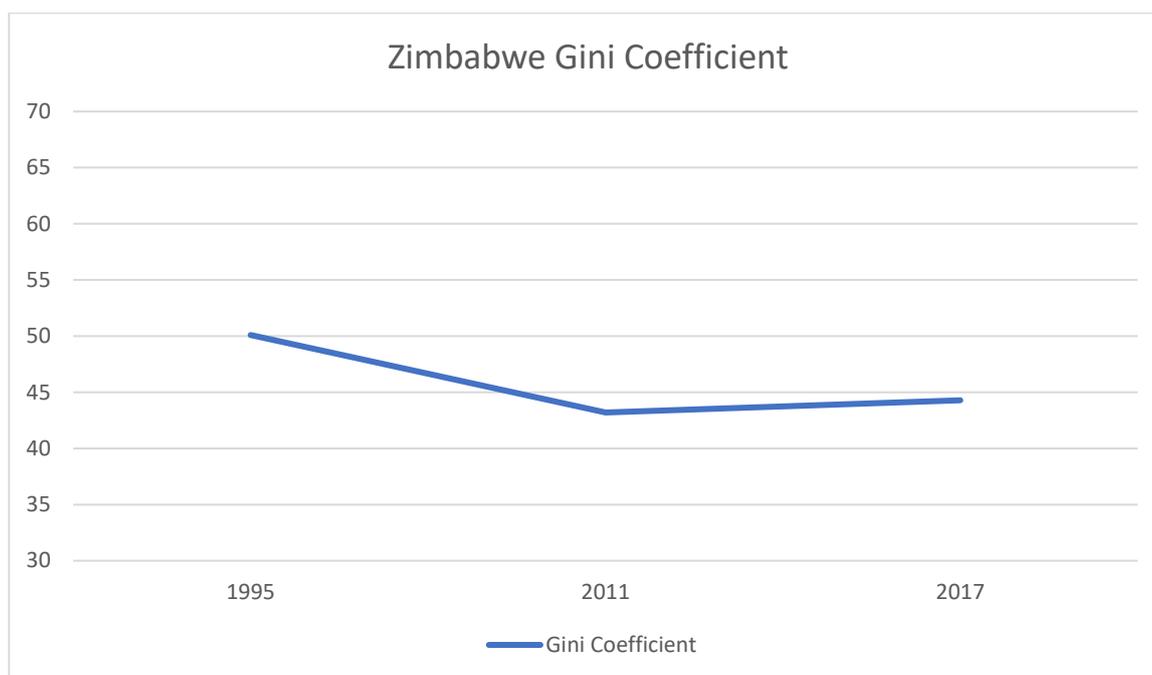


Figure 12

(Derived by author from data from *The United Nations Development Programme, 2006; World Bank 2020a*)

According to the Bertelsmann Stiftung (2003b), by 2003 the richest 10% of the population received 40% of the national income, while the poorest 10% received only 2%. Under the previous Rhodesian Front regime, the inequalities were largely defined along racial lines, while under Mugabe inequalities have increasingly become defined by political connectedness, as the politically connected benefitted most from the state-led expropriations and nationalisations. Millions of citizens together own the same amount of land as a small group of the politically connected (Bertelsmann Stiftung, 2020b). High inequality levels have not disappeared, despite radical redistributive policies – the elite has just changed race. This can be seen by the minimal improvement in the Gini coefficient between 1995 and 2017 in Figure 12.

4.3.2 Impact of redistributive populism on democratic consolidation and liberal democracy

When the Rhodesian Front regime was replaced by Mugabe's ZANU-PF in the first ever 'one man one vote' election held in Zimbabwe in 1980, systemic discrimination against black citizens based on race ceased and the whole population was allowed to take part in elections and the broader economy for the first time (Acemoglu and Robinson, 2013:372). When the former regime, which once excluded 98% of the population from political participation, was replaced, many hoped this would usher in a new era of equality and prosperity (Bertelsmann Stiftung, 2003b).

4.3.2.1 Democracy

In contrast to Botswana, achieving independence ended up being an opportunity missed for Zimbabwe, with the post-independence regime eventually being characterised by similar extractive institutions, illiberal policies and authoritarianism as the one it replaced (Acemoglu and Robinson, 2013:410,458). Similarly to the Chávez and Maduro regimes, between 1980 and the late 1990s the main focus of the incumbent ZANU-PF party was to concentrate an increasing amount of power in the president and party top brass (Bertelsmann Stiftung, 2020b). Soon after gaining power, Mugabe set about violently eliminating his political opposition. In the early 1980s the Matabeleland massacre occurred, when approximately 20 000 people were killed in the heartland of the opposition ZAPU (Acemoglu and Robinson, 2013:370).

Prior to the parliamentary election in June 2000, Mugabe's ZANU-PF intimidated opposition, tightened its control over the media, and increased the radicalism of its populist land reform rhetoric. All elections between 2000 and 2002 involved intense violence, voter intimidation and acts of state coercion as ZANU-PF forces terrorised the opposition. In 2002, the MDC published a list of 89 of its supporters who had died in ZANU-PF attacks. Violence by ZANU-PF was most prevalent in provinces where their support was weak or dwindling (Booyesen, 2003). In 2003 the Bertelsmann Stiftung (2003b) reported that in the preceding 5 years Zimbabwe had suffered major setbacks in all facets of its democratic order. In 2007 Morgan Tsvangirai, leader of the MDC opposition, along with other opposition members and civil society activists, were brutally beaten. In the wake of the inconclusive 2008 elections, state-sponsored forces violently assaulted pro-MDC supporters (Bertelsmann Stiftung, 2020b).

In 2006 Zimbabwe's BTI score for "performance of democratic institutions" was 2/10, and by 2020 it increased slightly to 3/10. Zimbabwe has struggled with many powerful anti-democratic actors for at least the past two decades. These include business cartels allied with the ruling party, a captured judiciary, as well as the country's state and military complex (Bertelsmann Stiftung, 2020b). According to The Economist Intelligence Unit's Democracy Index (2019), Zimbabwe is ranked 129th out of 167 countries on the quality of its democracy, and is classified as authoritarian. In 2006, Zimbabwe had been ranked 147th. Unfortunately there is no Democracy Index data before 2006, before the radical redistributive policies were implemented. It should be noted that most of the marginal improvement in Zimbabwe's ranking between 2006 and 2019 occurred only after Mugabe left office in 2017.

4.3.2.2 The media and freedom of speech

The Mugabe regime passed a myriad of laws that eroded freedom of speech and freedom of expression. The Broadcasting Services Act of 2001 became a major obstacle in the way of establishing broadcasting stations. The Access to Information and Protection of Privacy Act of 2002 made it near impossible for journalists to investigate government corruption and abuses of power. The Criminal Law (Codification and Reform) Act of 2004 eroded freedom of speech by making it illegal to insult the president and criminalised certain media work and curtailed some freedom of expression. In 2017, before resigning, Mugabe established the Ministry of Cyber Security, Threat Detection and Mitigation in order to monitor citizens online (Bertelsmann Stiftung, 2020b).

In 2001 the printing press of an independent newspaper critical of the regime, *The Daily News*, was destroyed, and editors and journalists working for the independent publication were detained and beaten. *The Daily News* was banned in 2003 under the Access to Information and Protection of Privacy Act (De Jager and Musuva, 2016:20). The Mugabe regime increased extensive control over the media in order to limit the impact of any opposition and to optimise its own image (Booyesen, 2003).

4.3.2.3 Civil liberties and civil society

According to The Economist Intelligence Unit's (Kekic, 2007) Democracy Index of 2006, Zimbabwe scored 2.65/10 for "civil liberties". In 2006 Zimbabwe's BTI score for "civil rights" was 3/10, declining to a nadir of 2/10 in 2008, only improving back to 3/10 in 2020. Many members of civil society organisations have been arrested, tortured and incarcerated (Bertelsmann Stiftung, 2020b).

According to the 2020 Bertelsmann Stiftung (2020b) report, Zimbabwe's BTI score for "association/assembly rights" increased from 3/10 in 2006 to only 4/10 in 2020. The Public Order and Security Act of 2002 mandates that Zimbabwean citizens notify authorities in advance about any planned political gatherings or marches. This has been the primary barrier to freedom of assembly, with many civil society meetings being disrupted by police for allegedly not adhering to this law. Marches organised by the opposition are banned in the capital of Harare, while pro-ZANU-PF marches and demonstrations are allowed (Bertelsmann Stiftung, 2020b). In 2020 Freedom House (n.d.) scored Zimbabwe 12/40 on "political rights" and 17/60 for "civil liberties", and classified it as "Partly Free". Zimbabwe's classification improved from Not Free to Partly Free after the 2018 presidential election.

4.3.2.4 Judiciary

Zimbabwe's "separation of powers" BTI score was 3/10 in 2006 and is still 3/10 in 2020. Checks and balances vis-à-vis the executive branch were "completely undermined" by the Mugabe regime. The judiciary was highly independent in the 1980s and 1990s, largely due to the low political risk environment the ZANU-PF party enjoyed before the growth in electoral support for the opposition in the late 1990s (Bertelsmann Stiftung, 2020b). In 1990 Mugabe abolished the Senate and introduced positions in the legislature which he could nominate (Acemoglu and Robinson, 2013:370). In 2000 the Zimbabwean Supreme Court declared the Mugabe regime's fast-track land reform programme unconstitutional, which Mugabe ignored. Preceding this development, the Mugabe regime had adhered to court orders and allowed the appeal process to run its course. Mugabe subsequently replaced uncooperative judges with loyalists, which enabled him to change the aforementioned ruling in 2001 (Richardson, 2006:5; Meredith 2002:199–207).

Under the Mugabe regime, specifically in the late 1990s and early 2000s, judges were frequently threatened with violence by state-sponsored forces if they were going to challenge the government's agenda. In 2001 the chief justice, who had fought against political capture of the judiciary, resigned and was replaced by a regime loyalist (Bertelsmann Stiftung, 2003b).

4.3.2.5 Electoral system

In the 1996 presidential election Mugabe won 93% of the vote; however, his two opponents withdrew their candidacy before the election and accused the regime of voter coercion and fraud (Acemoglu and Robinson, 2013:371). State-led restriction of free democratic participation peaked in the 2002 presidential election. ZANU-PF deployed war veterans and youth militias to disrupt opposition election campaigns, while certain opposition activities were banned. Citizens who were not loyal ZANU-PF supporters were denied government services and food assistance during a famine (Bertelsmann Stiftung, 2003b). Even though Mugabe won the 2002 presidential election with only 56% of the vote, accusations and proof of voter coercion and fraud were overwhelming (Acemoglu and Robinson, 2013:371). The repression of the opposition during the mid-1990s resulted in an abysmal voter turnout of approximately 25% (Bertelsmann Stiftung, 2020b). According to The Economist Intelligence Unit's Democracy Index (Kekic, 2007), Zimbabwe scored 0.17/10 in 2006 on "electoral process and pluralism". The first Afrobarometer (2020a) survey was done in 1999 and in no subsequent survey have more than 58% of Zimbabweans ever indicated that general elections were "completely free and fair" or "free and fair, but with minor problems."

During the 2018 elections, after Mugabe's resignation in 2017, the European Union election observer mission was allowed access to the country for the first time in 15 years. Six protestors were killed by

the army and the European Union election observers noted voter intimidation, strong pro-regime media bias and a lack of transparency as matters of particular concern (Bertelsmann Stiftung, 2020b). The Mugabe regime had therefore left a legacy of a vicious, illiberal election cycle.

4.3.3 Support for democracy

In the first Afrobarometer survey in 1999/2001, 70.5% of Zimbabweans surveyed indicated that democracy is preferable to any other form of government. In the second survey conducted in 2002/2003, a sharp decrease in support for democracy was observed, with only 47.5% of respondents preferring democracy. During 2005/2006 (66.2%) and 2008/2009 (67.8%), support for democracy recovered, but remained lower than in 1999/2001 (70.5%). In 2011/2013 support for democracy increased to 78.9% and has remained in the 70s since, with the latest survey indicating 75% support in 2016/2018 (Afrobarometer, 2020a).

The sharp decrease in support for democracy in 2002/2003 coincides with a sharp decrease in annual GDP growth (see Figure 9), as well as the increased authoritarianism, hyper-inflation and the vast erosion of property rights and democratic institutions as outlined in this section. As the sharp decrease in GDP growth recovered slightly between 2005/2006 and 2008/2009, so too did sentiment in favour of democracy. When annual GDP growth spiked again from 2009 onwards, the first subsequent Afrobarometer (2020a) survey, in 2011/2013, indicated that support for democracy bounced back to 78.9%. As seen in Figure 9, Zimbabwe's annual GDP growth has not dipped into negative territory again since 2009, and this positive growth trend translated to increased support for democracy. The Zimbabwe scenario of high inflation, negative growth and lost support for democracy substantiates the view expressed by Przeworski *et al.* (1996:42) that economic growth paired with a moderate rate of inflation has a strong positive effect on the survival odds of a democracy and therefore on democratic consolidation.

Between the 1999/2001 and 2002/2003 AfroBarometer (2020a) surveys, the largest decrease in support for democracy is observed, from 70.5% to 47.5%. During this period Zimbabwe's property rights score declined from 30 to 10 (see Figure 3). Between 2017 and 2020 Zimbabwe's property rights score steadily increased. In 2016 the score was still 10, but by 2020 it increased to 33.7, and in 2016/2018 support for democracy stood at 75%. This increase in the property rights score coincides with Mugabe's resignation in 2017, after 37 years in power.

As with the case of Venezuela, Zimbabwe exhibited a similar trend of increased policy radicalism and redistributive populist leaders disregarding democratic institutions, coinciding with a decline in support for democracy as 'the only game in town.' This lines up with the study by Mainwaring and Pérez-Liñan (2013), which argues that increased policy radicalism increases the cost of tolerating

democratic values for the electorate, which in turn tempts them to disregard such values or support them less. In the case of Zimbabwe the increased policy radicalism was primarily targeted at eroding property rights. The cost of supporting democracy therefore increased considerably for private property owners and supporters of the opposition.

4.4 Uruguay

Sections 4.4 and 4.5 will examine the consequences of the policies of the two most-dissimilar cases to the previous two, namely, Uruguay and Botswana, which protected and enforced property rights.

4.4.1 Impact of protecting and enforcing property rights on economic growth, poverty, and inequality

4.4.1.1 Economic growth

Uruguay's relatively consistent positive annual GDP growth percentage since becoming a democracy in 1985 is evident in Figure 13 below on the timeline from 1961 to 2018:

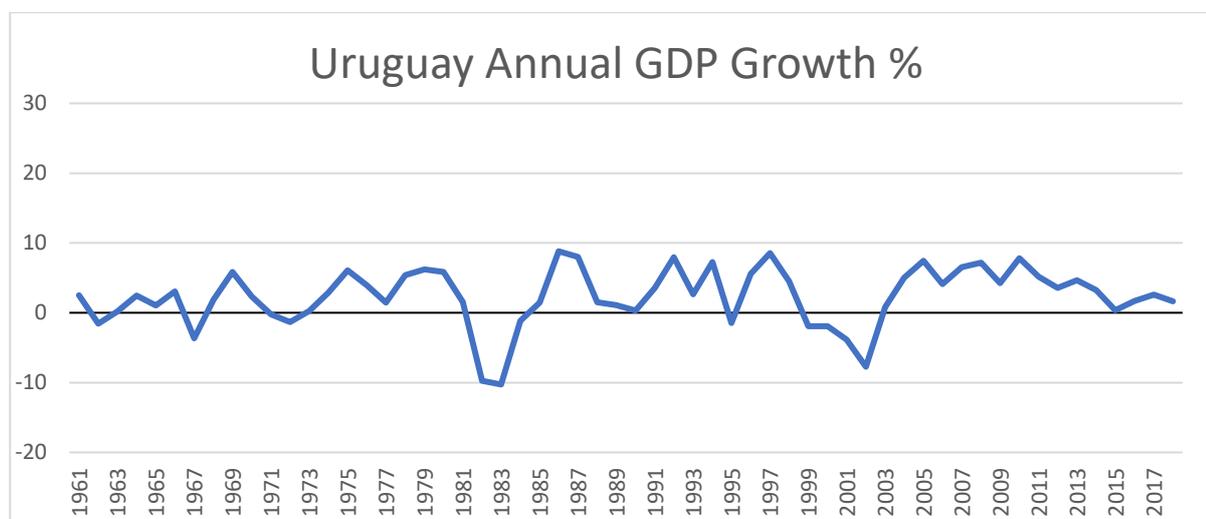


Figure 13
(Derived by author, data from *The World Bank, 2020a*)

In 2001/2002 Uruguay experienced a financial crisis, as seen in Figure 13, primarily as a result of the collapse of the Argentinian economy, during which foreign creditors withdrew their deposits, wreaking havoc on the country's currency. Uruguay's recovery after the crisis resulted in the longest sustained period of economic growth in decades. By 2004 annual GDP was growing positively again, inflation was decreasing, while unemployment and poverty were recovering towards pre-crisis levels. By 2006 real GDP per capita had returned to its previous peak (OECD/ECLAC, 2014:150-152; Bertelsmann Stiftung, 2018). As seen in Figure 13, annual GDP growth, although positive, started

decreasing in 2015, primarily caused by a decline in international commodity prices and a decrease in exports. Exports decreased by 15% in 2015 and 7% in 2016, but increased again by 0.4% in 2018 (Bertelsmann Stiftung, 2020a).

Although the swift recovery after the crisis was influenced by a favourable external environment, Uruguay's sound macroeconomic policies created the fiscal space for financing social programmes in order to ensure a rapid recovery in poverty levels (OECD/ECLAC, 2014:181). According to the Organisation for Economic Co-operation and Development (OECD) (2016:15), by 2016 all remnants of the 2001/02 financial crisis had been eliminated Figure 14 below indicates how from 2006 onwards poverty levels were steadily declining.

As Figure 13 demonstrates, between 2003 and 2015 Uruguay experienced an unbroken trend of positive economic growth, with economic growth exceeding 4% every year between 2004 to 2013. Notably, within the same period the two redistributive populist cases examined experienced multiple years of severe economic contraction (see Figures 6 and 9). Acemoglu, Johnson and Robinson (2002:1262-1263) found that institutions which protect and enforce secure property rights ensure that those with productive abilities they will get returns on their investments, which incentivises such investments, both from domestic as well as foreign investors.

Foreign direct investment into the Uruguayan economy increased from an average of 2.2% of GDP between 2001 and 2004 to an average of 5.2% between 2005 and 2015. During that time, only Chile outperformed Uruguay in this metric in the region. The period of 2005 to 2015, which saw this influx of foreign direct investment, stands out in Figure 13 as a period of sustained positive GDP growth. Between 2017 and 2018 Uruguay's foreign direct investment decreased in tandem with that for the region; however, independent experts forecast that it will continue to increase in the coming years (Bertelsmann Stiftung, 2020a). During the 2006 to 2016 period, foreign companies operating in Uruguay on average reinvested 58% of their profits, while the rest turned it into dividends (Uruguay XXI, 2017). As the study by La Porta *et al.* (2002) found, if the rights of outside investors are protected by law, investors and creditors are willing to invest more funds or pay higher prices for financial assets. Outside investors are similarly willing to pay more for assets when property rights are secure because this raises the likelihood of higher returns on their financial investments.

Foreign direct investment into Uruguay reached an average of US\$1,300 million in 2004 and 2005. It accounted for approximately 5% of GDP, 30% of total investment and more than 39% of private investment. A large and steady inflow of foreign capital helped to mitigate the effects of the 2001/2002 financial crisis on the economy (Bittencourt, Carracelas, Doneschi, and Reig Lorenzi, 2009, cited in Peluffo, 2015:964). Foreign investment plays a fundamental role in sustainable

economic growth and development. It facilitates the local diffusion of new technologies and skills from abroad, creates linkages with local suppliers, and improves access to international markets and global supply/value chains (OECD, 2016:71).

As Olson (1993:572) noted, a commitment to property rights plays a key role in democracies achieving greater and more sustainable rates of economic growth compared to those for authoritarian regimes. His argument is substantiated not only by the growth trends of Uruguay, but also of Botswana. This observation is supported by Leblang's (1996) study, which found that secure and well-defined property rights led directly to better economic growth, compared to cases where property rights are insecure or non-existent. Uruguay's secure property rights form part of a collection of good, internationally praised investor-friendly institutions.

Between 2006 and 2016 there were transactions involving 6 million hectares of land. Demand for Uruguayan agricultural land from international investors has led to land prices increasing by approximately 20% annually since 2006 (OECD, 2016:50-51). The fact that property was not under the threat of expropriation by the state facilitated this economic boost.

The Uruguayan economy is not without its fair share of challenges. US and regional investors have expressed concern about the fact that labour unions can occupy workplaces and shut down operations without repercussions (US Department of State, 2019). Uruguay is still notably vulnerable to external shocks, largely due to its economy not being sufficiently diversified. Many independent analysts point to Uruguay's fiscal deficit, primarily created by social spending, as one of the prime challenges the economy faces (Bertelsmann Stiftung, 2020a). Therefore, even though good annual GDP growth has supported high levels of social spending, resulting in an impressive decline in poverty rates (see Figure 14), a fiscal deficit still emerged.

4.4.1.2 Poverty and inequality

Figure 14 demonstrates the substantial and sustained decline in the percentage of the Uruguayan population living below the poverty line, gradually improving from 32.5% in 2006, to 7.9% in 2017:

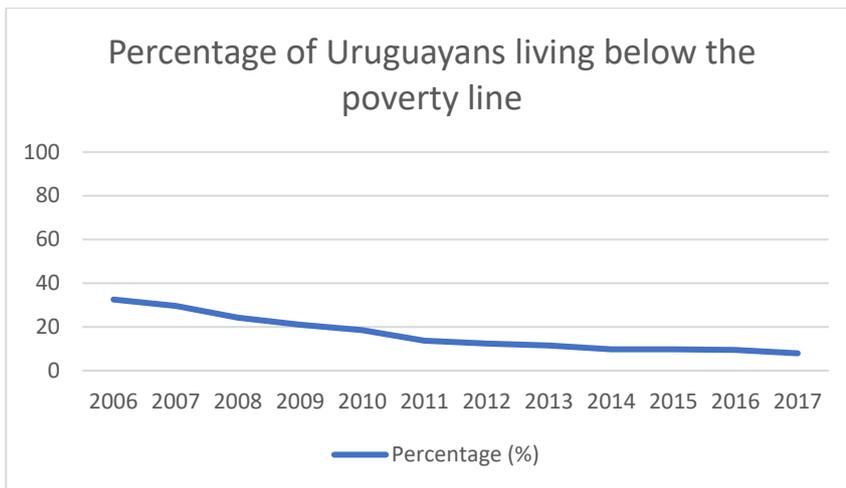


Figure 14
(Derived by author from data from *The World Bank*, 2020a)

A core driver behind the significant reduction in poverty after the 2001/2002 financial crisis, was a substantial investment in education and welfare, which was sustained by the stable levels of economic growth since 2003 (see Figure 13). In Latin America, Uruguay is one of the pioneers in the universalisation of access to education (OECD/ECLAC, 2014:106, 121). Uruguay has the highest levels of welfare spending in Latin America, and sustained economic growth has been a primary enabling factor for these stand-out social spending programmes (Bertelsmann Stiftung, 2018). Uruguay's low poverty levels, with a near absence of extreme poverty, make it stand out on a continent plagued by both. Uruguay has the biggest relative middle-class population on the continent, comprising more than 60% of the total population (The World Bank, 2019b; Hudson, 2013:69-72; OECD, 2016:20).

Figure 15 shows the Gini coefficient of Uruguay since 1981:

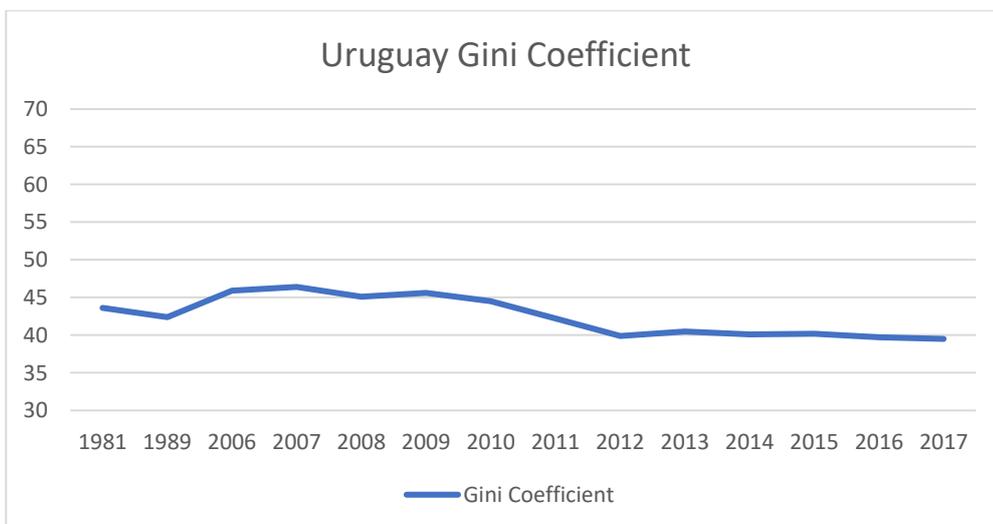


Figure 15
(Derived by author from data from *The World bank*, 2020a)

Although Uruguay's income inequality levels are high by the OECD's standards, it should be noted that Uruguay has the lowest levels of income inequality and poverty in Latin America and boasts above-average outcomes for life satisfaction, environmental quality and perception of government (OECD/ECLAC, 2014; OECD, 2016:20). Sustained and positive economic growth over a decade, proactive policies and substantial social spending were primary contributing factors to this trend (Bertelsmann Stiftung, 2020a; Hudson, 2013:76).

A challenge for the country remains persistent inequalities in access to good-quality education for the entire population. Uruguay's basic education is good, with some of the highest levels of access to pre-primary and primary education in Latin America. However, this access narrows as students progress through the education system (OECD, 2016:15). Furthermore, the poverty rate among the black racial minority is still relatively high and educational attainment remains low. Parliament passed a law in 2013 to boost labour inclusion and access to higher education for the black minority, with modest results (Bertelsmann Stiftung, 2020a).

4.4.2 Impact of protecting and enforcing property rights on democratic consolidation and liberal democracy

4.4.2.1 Democracy

Uruguay has remained consistently democratic since returning to democracy in 1985 (Hagopian and Mainwaring, 2005:3). Democracy having lasted 35 years in Uruguay is a strong indicator of the electorate embracing democracy as 'the only game in town', or of democracy consolidating, as Linz and Stepan (1996:5) stated. Uruguay's democratic system stands out in Latin America in regards to its stability and continuity. Consensus on democracy as a political system is unanimous across the population (Bertelsmann Stiftung, 2018; 2020a).

The United States Department of State (2019) reported that Uruguay is a stable democracy with a low level of political risk and with no recent cases of expropriation. When Moody's (2019) affirmed Uruguay's Baa2 credit rating with a stable outlook in 2019, it cited the country's considerably low political risk and mature, consensus-building democracy, as primary contributing factors. Moody's noted the country's strong institutions, with a specific focus on the rule of law, mitigating corruption and effective governance, which played a crucial role in its favourable rating. The 2014 election was a testament to Uruguay's political stability, with less than 5% electoral volatility reported (Bertelsmann Stiftung, 2018).

According to The Economist Intelligence Unit's Democracy Index (2019), Uruguay achieved the highest index score in Latin America, ranked 15th globally, and was one of only 3 Latin American

countries classified as “full democracies” in 2019. In 2006, Uruguay was ranked 27th globally, and was one of only 2 “full democracies” in Latin America. Uruguay has therefore not only retained its “full democracy” status since 2006, but also improved its ranking from 27th to 15th.

In contrast to Zimbabwe and Venezuela, the Uruguayan military is under civilian control, and has been since the country returned to democracy in 1985. The strategic objectives of the armed forces have been adapted since to better serve the country’s democratic needs (Bertelsmann Stiftung, 2020a).

Democratic institutions are stable, effective checks on power, efficient and accepted as legitimate by all major political actors, making Uruguay stand out in Latin America. There have been no political bodies or actors with veto powers since at least the first BTI report in 2003 (Bertelsmann Stiftung, 2003a; 2020a; Rivoir and Landinelli, 2017). Uruguay does not have any anti-democratic political actors with influence, since they are widely condemned and isolated. In 2012 the Uruguayan Party was founded on the core principle of supporting the 1973 coup. The Electoral Court did not accept its registration and all political actors rejected its message (Bertelsmann Stiftung, 2020a). This low tolerance for anti-democratic political actors has likely contributed to the fact that parties with radical redistributive platforms have not emerged in Uruguay in the period of time examined by this thesis.

A challenge for Uruguay’s democracy remains its low level of political party membership and citizen involvement in the political process. This challenge, however, is present in many mature Western European democracies as well (Economist Intelligence Unit, 2019). Participation in Uruguay’s civil society remains high, with a myriad of civic associations in operation (Bertelsmann Stiftung, 2020a).

4.4.2.2 The Media and freedom of speech

In Uruguay the media are unconstrained by government interference and control, and freedom of expression has been guaranteed for citizens and the media since redemocratisation in 1985. Between 2006 and 2020 Uruguay has scored a perfect 10/10 in regards to “freedom of expression”, and the 2003 BTI report confirmed this right to be secure and well enforced (Bertelsmann Stiftung, 2020a; 2003a).

4.4.2.3 Civil liberties and civil society

Civil society in Uruguay has a long tradition of civic engagement and a participatory civic culture, with a rich collection of civic associations (Bertelsmann Stiftung, 2020a). In 2020 Uruguay’s Freedom House (n.d.) score was 40/40 for “political rights” and 58/60 for “civil liberties”, earning it a “free” classification. According to The Economist Intelligence Unit’s Democracy Index of 2006 (Kekic, 2007), Uruguay scored 9.71/10 for “civil liberties”, a score that is still the same in 2019. Uruguay stands out in the strength of its electoral process, civil liberties and functioning of

government, even when compared with other full democracies (Economist Intelligence Unit, 2019). Freedom of association and assembly rights have been consistently guaranteed since the first Bertelsmann Transformation Index Report (2003a; 2020a) in 2003.

4.4.2.4 Judiciary

The judiciary of Uruguay remains fully independent from the executive and legislative branches of government, with strong mutual checks and balances present. This has been the case since at least 2003, when the first Bertelsmann Stiftung (2020a; 2003a) report was published. Between 2006 and 2020 Uruguay maintained a perfect 10/10 BTI score in both the “separation of powers” and “independent judiciary” categories, in stark contrast to Venezuela and Zimbabwe, where the judiciary was largely captured by the ruling regime, with devastating consequences for democracy.

4.4.2.5 Electoral System

According to The Economist Intelligence Unit’s Democracy Index (Kekic, 2007), Uruguay scored 10/10 in 2006 for “electoral process and pluralism”, in 2019 retaining the same perfect score. Its multi-party system is one of the most stable and institutionalized democracies in the world, with the three main political parties capturing approximately 95% of the vote since 1971. The democratic system has stabilised to a state of strong competition between the two main political blocks, which is a sign of democratic health. The BTI (Bertelsmann Stiftung, 2020a) score for the multi-party system has improved from 9/10 in 2006 to 10/10 in 2020. Since 2006 its “free and fair elections” BTI score has been a consistent 10/10.

4.4.3 Support for democracy

According to AmericasBarometer data (Seligson, 2008), in 2006 86% of Uruguayan respondents surveyed and who were able to define democracy supported it, and 54% of the only 9.7% who could not define it. In the 2016/17 AmericasBarometer data (Cohen, Lupu, and Zechmeister, 2017), Uruguay scored the highest out of the 29 countries surveyed across the Americas in its support for democracy, with 82.4% of those surveyed agreeing that democracy is preferable to any other form of government.

While Uruguay has retained a remarkably high level of support for democracy between 2006 and 2017, elsewhere on the continent the Venezuelan electorate’s support for democracy declined drastically during that period. Uruguay’s consistent protection and enforcement of property rights as a check on government power, as well as the country’s good performance in the other democratic checks and balances, aligns with the work of Mainwaring and Pérez-Liñan (2013) on what makes

democracies last, and explains its democratic stability and high level of support for democracy as the ‘only game in town’.

There is strong competition between political parties, but no party has resorted to a radical redistributive populist platform, despite high levels of inequality. Its sound institutions, such as property rights and strong checks on power very likely played a key role in disincentivising the adoption of such populist platforms. This confirms Boix’s (2003:204-227) argument that strong institutional checks on power, such as secure property rights, effectively curb the temptation by populists to call for radical redistributionist policies by disincentivising such policy platforms.

4.5 Botswana

4.5.1 Impact of protecting and enforcing property rights on economic growth, poverty, and inequality

4.5.1.1 The diamond industry

According to the Bertelsmann Stiftung (2020d), Botswana’s prudent use of its natural resource revenues was a critical factor in its economic and democratic successes, in stark contrast to trends in other African countries. As Leith (2000) notes, Botswana ranks among the few countries in the world that have been able to transform mineral wealth into sustained economic development.

Instead of suffering the resource curse by having an abundance of natural resources result in civil conflict or state expropriation, the Botswana government turned the revenues from the diamond industry into a powerful fiscal base for development, education and diversifying the economy, although further diversification is required. Not threatening the diamond industry with expropriation and nationalisation made the deal, built on mutual respect and the protection of private property rights, between De Beers and the government possible. Inclusive political institutions, such as property rights, created prosperity, which disincentivised efforts to overthrow the government, to initiate a coup or to promote civil conflict. No political actor or tribal group has been willing to jeopardise the fruits of this developmental and cooperative policy path. This situation exemplifies Asoni’s (2008:953,955, 972) proposition of the virtuous cycle that prevail between good institutions and persistent economic growth.

In contrast to Venezuela, Botswana’s sustained, long-term economic growth and development were not solely determined by natural resource endowments in isolation. It was in fact the institutions protecting and enforcing property rights that played a defining role in complementing the diamond

industry revenues. As Robinson *et al.* (2003:83) noted, state and private predation of the Botswana diamond industry was limited. The high revenue earnings of the diamond industry have not led to political instability, civil war or other forms of internal conflict over control of the diamond fields, as was the case elsewhere in Africa.

Moody's (2020) has noted that Botswana's strong institutions, ability to limit corruption, robust monetary policy framework delivering price stability, and prudent policymaking have resulted in sound management of the country's natural resources and thus contributed to its good A2 credit rating. Botswana demonstrates a limited susceptibility to event risks, thanks to its stable political system and modest government borrowing requirements.

Robinson *et al.* (2003:84) argue that Botswana's institutional strength in protecting private property rights of domestic, foreign and future investors not only facilitates political stability and limits the risk of expropriation, but also constrains the power of political elites by ensuring that a broad cross-section of society has a stake in the protection of these institutions. Robinson *et al.* (2003:102) contend that the constraining power of the strong institutions of private property ensure that different groups within society do not fight over the control of resource rents.

Robinson *et al.* (2003:102) note that by 2003 inflation had rarely surpassed 10%, investment remained between 20 to 30% of GDP, with a significant portion of this investment going towards developing human capital. The country's balance of payments has maintained a surplus and large accumulated reserves have kept the government from resorting to structural adjustment loans. The key to this economic miracle is the fact that the diamond industry rents have been invested back into the Botswana economy and society, rather than being plundered. Leith (2000) notes how the government effectively invested the diamond revenues into upgrading infrastructure such as tarred roads, an electricity generation and distribution system, a telephone system, education and healthcare. Despite Botswana's commodity wealth, its exchange rate has not been overvalued, and it has implemented prudent monetary and fiscal policy (Robinson, *et al.*, 2003:102).

In the case of Uruguay and Botswana, Asoni's (2008:953,955,972) argument that good institutions and economic growth create a virtuous cycle has been supported. Good institutions, such as secure property rights, helped facilitate economic growth in both cases, which in turn helped to mitigate calls for the erosion of those institutions. As poverty decreases and economic growth persists, citizens demand more growth-supportive institutions, which include keeping property rights secure. As will be unpacked further later in this section, in the case of Botswana, this virtuous cycle ensures that anti-democratic actors have no incentive to publicly challenge the democratic institutions driving

economic growth and poverty reduction. As Przeworski (2004:183) noted, “Institutions and development are endogenous and the most we can do is to identify their reciprocal impact.”

As the Coase Theorem states, when rights, such as property rights, are well defined and the cost of transacting is zero, resource allocation is efficient and independent of the historic pattern of ownership (Coase, 1960). Therefore, property rights being protected and enforced in Botswana created a virtuous cycle of efficient resource allocation, economic growth and political stability. This cycle helped sustain support for democracy as well, as the section on democracy will outline.

4.5.1.2 Economic growth

Figure 16 indicates Botswana’s annual GDP growth from 1961 to 2018:

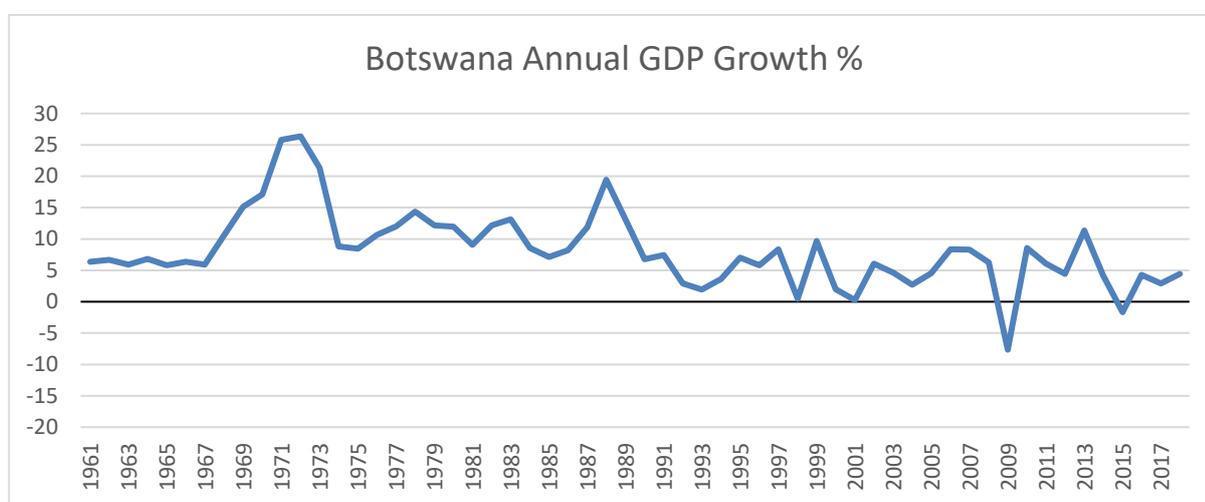


Figure 16
(Derived by author, data from *The World Bank, 2020a*)

Botswana has experienced incredible economic growth rates since independence in 1966, despite the unfavourable conditions and deficiencies that were present in 1966, as outlined in Chapter 3. Economic growth peaked in 1972 at 26%, and in the 51 years since 1966 annual GDP growth has dropped below 0 only twice, in 2009 and 2015 (see Figure 16). For perspective, the average sub-Saharan African country is poorer than the global average low-income country, and this trend is worsening. Between 1965 and at least 2003, the average growth rate of countries in sub-Saharan Africa has been negative. Botswana has defied this regional trend. Between 1965 and 1998, the Botswana economy grew at an average annual rate of 7.7% (Robinson, Acemoglu, and Johnson, 2003:80).

The increase in exports brought about by the establishment of the Botswana Meat Commission in 1967, a pro-property rights policy, played a primary role in the early economic development of post-independence Botswana (Acemoglu and Robinson, 2013:411). This is in stark contrast to Venezuela,

where cattle ranches were expropriated and handed to the politically connected, destroying the country's meat industry.

Foreign direct investment is a crucial factor behind the country's record of sustained high levels of economic growth. The positive influence of attracting high levels of foreign direct investment is evident in specifically Botswana's mining, tourism, retail and emerging manufacturing sectors (Bertelsmann Stiftung, 2020d). As similarly noted in the case of Uruguay, Botswana substantiates the findings of La Porta *et al.* (2002) regarding the relationship between secure property rights and foreign investment, with foreign direct investment net inflow increasing from about US\$30 million in 2001 to approximately US\$228 million in 2018 (World Bank, 2020).

Could it be argued that Botswana's steady economic growth record is the consequence of limited government interference in the economy? Robinson *et al.* (2003:85) argue that this cannot be the case, since the government has intervened heavily in the economy in terms of detailed planning, and central government expenditure making up approximately 40% of GDP by 2003, which is a ratio higher than Africa's average. Robinson *et al.* (2003:85-87) regard the sound institutions of Botswana as the main contributors to its economic growth, specifically the institutions which protected and enforced private property rights.

Although Botswana's economy has diversified, it has not done so at a sufficient pace; it is still highly reliant on the diamond industry and the 2008 and 2009 global financial crisis exposed some vulnerabilities (Bertelsmann Stiftung, 2020d). How effectively these challenges will be addressed remains to be seen.

4.5.1.3 Poverty and inequality

Figure 17 indicates the steady decline in the percentage Botswana's population living below the poverty line from 1985 to 2009:

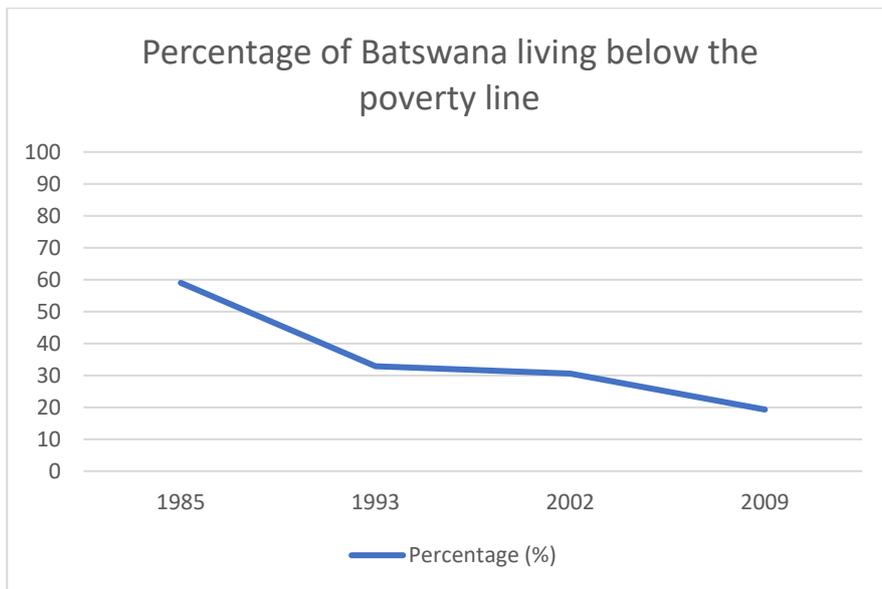


Figure 17
(Derived by author from data from *The World Bank, 2020a*)

As observed in Figure 17, the percentage of the population that lived below the poverty line decreased from 59% in 1985 to 19.3% 2009. Botswana has been able to sustain a high level of accessibility to healthcare for the poor and successfully implemented various strategies to deal with the HIV/AIDS epidemic, which remains a challenge (Bertelsmann Stiftung, 2020d). The country's impressive record of declining poverty rates is primarily the result of the substantial portion of the mineral wealth revenues being invested by the government in social spending, specifically to improving education and healthcare. Primary school enrolment improved from 66,100 in 1966 to 319,100 in 1995. Infant mortality fell from 100 per 1 000 live births in 1971 to 45 in 1991 (Leith, 2000).

By 1998 Botswana boasted a purchasing power parity (PPP)-adjusted per capita income of US\$5796, which was almost four times the continent's average. In 2013 Botswana had the highest per capita income in sub-Saharan Africa, equal to the most successful Latin American countries. This is in stark contrast to the case of Zimbabwe where, as noted, by 2008 per capita income was half of what it was at independence in 1980 (Robinson, Acemoglu, and Johnson, 2003:80; Acemoglu and Robinson, 2013:369, 409).

The diamond industry revenues have been effectively and prudently utilised in order to continuously and systematically expand the country's infrastructure, especially for education and healthcare. The private sector has consistently been an indispensable source of support in developing education (Bertelsmann Stiftung, 2020d; Leith (2000)).

Figure 18 shows the Gini coefficient of Botswana from 1985 to 2015:

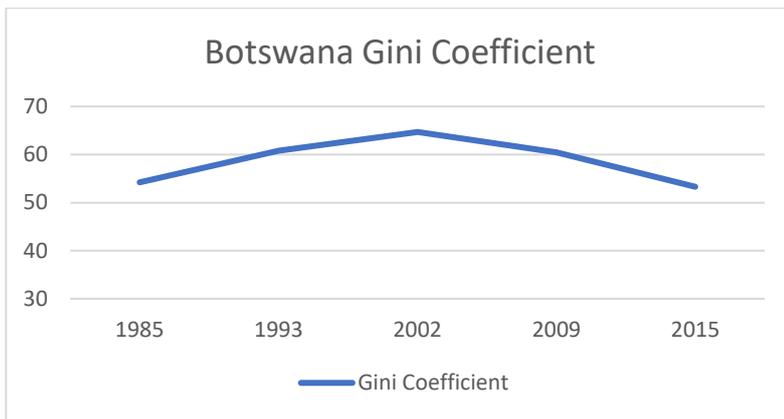


Figure 18
(Derived by author from data from *The World Bank 2020a*)

Botswana's steady and at times rapid economic growth has been accompanied by a persistently high level of inequality, but with a declining trend since 2002. As seen in Figure 18, the Gini coefficient has not improved markedly from 54.2 in 1985 to 53.3 in 2015. With a Gini coefficient of 53.3 in 2015, the World Bank (2020a) reports Botswana is one of the most unequal countries globally. The Bertelsmann Stiftung (2020d) has expressed concern at the negative impact these persistently high levels of inequality could have in the future.

Under the Chávez regime, between 1999 and 2006, Venezuela's Gini coefficient declined from 48.3 to 46.9. In comparison, during a similar time period the Botswana Gini coefficient declined from 64.7 in 2002 to 60.5 in 2009 (see Figure 18). Therefore, while in a democracy where property rights are protected and enforced inequality did not decrease greatly, it decreased even less under a populist regime with radical redistributive policies.

4.5.2 Impact of protecting and enforcing property rights on democratic consolidation and liberal democracy

4.5.2.1 Democracy

For 55 years since the 1965 pre-independence general election, Botswana has been a democracy with regular, free and fair elections, and has not experienced a coup, civil war or military intervention (Acemoglu and Robinson, 2013: 410). Botswana is Africa's longest-standing multi-party democracy (Bertelsmann Stiftung, 2020d). This track record makes Botswana stand out in the sub-Saharan region, as well as on the African continent, starkly contrasting with neighbouring Zimbabwe.

Since independence in 1966, Botswana has had regular free and fair multi-party elections; however, the BDP has won every election. The BDP governments have at times not respected minority rights, as a liberal democracy should, and has on occasion exhibited "soft authoritarian" tendencies (Robinson *et al.*, 2003:83). The weak performance of Botswana's opposition parties can be ascribed

to a myriad of factors, such as poor organisation, split support, lack of public funding, and an electoral system which favours the incumbent party because it can utilise state resources (Sebudubudu and Lotshwao, 2009:5). The BDP retained power because of its successes in delivering and maintaining political freedom and sustained economic growth (Bertelsmann Stiftung, 2020d).

By 2017 Botswana had conducted eleven free and fair, multi-party elections since independence, upheld the rule of law, and maintained a good human rights record. Therefore, the country has made significant progress towards democratic consolidation. Botswana has experienced no pressure from any influential groups or political actors to deviate from its democratic path, while the 2014 elections were the most competitive in the country's history (Sebudubudu, 2017:137,140). The 2019 elections maintained this level of competitiveness.

Sebudubudu (2017) argues that power skewed in favour of the executive, an absence of a vibrant civil society, media that have on occasion experienced political interference, and an electoral playing field that favours the incumbent party are all factors which need to be addressed for Botswana's democracy to consolidate effectively. Lastly, the Bertelsmann Stiftung (2020d) states that Botswana needs to develop a stronger culture of civic participation.

The country's BTI score for "performance of democratic institutions was 9/10 in 2006, and is still 9/10 in 2020. Furthermore, Mokgweetsi Masisi, the current president of Botswana, has declared his administration's commitment to democratic institutions. Botswana has – except for one instance of declining to 9/10 – maintained a perfect 10/10 BTI score from 2006 to 2020 for the absence of anti-democratic actors in the system (Bertelsmann Stiftung, 2020d).

According to The Economist Intelligence Unit's Democracy Index (2019), Botswana achieved the second highest index score in sub-Saharan Africa and is ranked 29th globally, with the status of a "flawed democracy", outranked by Mauritius, the only sub-Saharan country with a "full democracy" status. In the 2006 Democracy Index report (Kekic, 2007), Botswana ranked 36th with the status of "flawed democracy". Since the first Democracy Index report in 2006, Botswana has therefore not regressed from its "flawed democracy" status, but also improved its ranking from 36th to 29th.

4.5.2.2 The media and freedom of speech

Freedom of speech and freedom of expression are guaranteed by the constitution and are, with occasional exceptions, enforced in practice. It should be noted that incidents of press freedom being limited and occasional actions impeding freedom of speech have been reported, and the Office of the President tightly controls government media. In 2014 the Khama regime arrested the editor of the *Sunday Standard* newspaper for associating the president with a car accident. Furthermore, insulting the president, a lawmaker, or public official is punishable by a fine. In 2018 the state media covered

the opposition leader's response to the President's State of the Nation address, something which did not occur under his predecessor. State-run media outlets dominate broadcasting, with some complaints of bias. However, independent observers reported that state-run media provided unbiased coverage of the 2019 elections (Freedom House, n.d.). Leith (2000) notes that the press has always been free to criticise the government and does so frequently. Despite these flaws, Botswana's "freedom of expression" BTI score has changed from 8/10 in 2006 to 7/10 in 2020, remaining high (Bertelsmann Stiftung, 2020d).

4.5.2.3 Civil rights and civil society

Botswana receives regular international recognition for its impressive civil rights record. According to The Economist Intelligence Unit's Democracy Index of 2006 (Kekic, 2007), Botswana scored 9.12/10 for "civil liberties", and in 2019 it still had the same score. Freedom of association and assembly rights are guaranteed by the constitution and enforced in practice. The country's BTI score for "association/assembly rights" declined slightly from 9/10 to 8/10 between 2006 and 2020. Botswana's "civil rights" score was 8/10 in 2006 and remains 8/10 in 2020. A point of critique has been the failure to establish a human rights commission (Bertelsmann Stiftung, 2020d). In 2020 Botswana's Freedom House (n.d.) "political rights" score was 28/40, and 44/60 for "civil liberties", which earns it a "Free" classification.

4.5.2.4 Judiciary

There is a high level of separation of powers between the executive, the judiciary and parliament in Botswana. The BTI score in this regard of 7/10 in 2006 improved to 8/10 by 2020. Its "independent judiciary" score has remained 9/10 since 2006. Individuals and institutions have consistently been able to successfully challenge the government in court. For example, in 2017 the High Court declared it unlawful for the president to re-appoint six Court of Appeal judges whose fixed contracts had expired. Where election results have been disputed, they were challenged through the courts, without any resort to violence (Bertelsmann Stiftung, 2020d; Leith, 2000). This indicates a high level of trust in the judiciary as independent and a check on power.

4.5.2.5 Electoral system

According to Southern African Development Community (SADC) and African Union (AU) election observers, elections in Botswana are free and fair. Elections are administered by the Independent Electoral Commission, which is generally considered independent and capable; however, there is room for improvement regarding budgetary constraints and staff shortages. The right of political parties to form and operate is guaranteed in law and is respected in practice; however, in 2019 the Umbrella for Democratic Change (UDC) political opposition alliance claimed that its leader had been

subjected to harassment and interference from state agencies during the 2019 election campaign (Freedom House, n.d.).

According to The Economist Intelligence Unit's Democracy Index (Kekic, 2007), in 2006 Botswana scored 9.17/10 for "electoral process and pluralism", maintaining this near-perfect score in 2019. Botswana's BTI score for "free and fair elections" decreased between 2006 and 2020 from 9/10 in 2006 to 8/10 in 2020 (Bertelsmann Stiftung, 2020d). The BDP won the 2014 elections with only 47% of the vote, the lowest percentage in its history. These elections were declared free by international observers, but not entirely fair (Bertelsmann Stiftung, 2020d). In the 2019 general election the BDP won with approximately 53% of the vote (Friesen, 2019). The main opposition party, the UDC, filed a lawsuit with the high court in 2019 challenging the results of the election, citing "irregularities" in some constituencies. The high court dismissed the petition in 2019, but in 2020 a Court of Appeal judge overturned this ruling (Botswana opposition wins right to challenge election result, 2020). It remains to be seen what develops from this story.

4.5.3 Support for democracy

According to the Afrobarometer (2020b) survey data collected from 1999 to 2018, support for democracy indicated by Botswana surveyed has not once dipped below 65%. The lowest percentage of Botswana who have ever indicated that democracy is preferable to any other form of government was 65.5% in the 2002/2003 survey. In every Afrobarometer survey since the first in 1999, a higher percentage of Botswana respondents have supported democracy than their counterparts in Zimbabwe. Therefore, Botswana's lack of policy radicalism, and the government's support for democratic institutions and institutional checks and balances, primarily explains its political stability, in accordance with the findings Mainwaring and Pérez-Liñan's (2013) study.

Since 1999, Botswana experienced negative GDP growth only in 2009 and 2015. These occurrences seem to have had no discernible effect on support for democracy, in contrast to a strong apparent correlation with less support for democracy in Zimbabwe and Venezuela, where more regular, sustained and substantial occurrences of negative annual GDP growth occurred.

Robinson *et al.* (2003:104) argue that Botswana's success rests on the checks and balances on government and the political elites, which reduces the stakes of democracy. These constraints contribute to sustained political stability, since it lowers the risk of groups fighting intensely over control of the state apparatus, which also lessens the possibility of coups. Furthermore, the check on power provided by strong protection and enforcement of property rights ensures that minority groups are less fearful of state expropriation, and are therefore more inclined to accept the outcome of democratic elections. Additionally, a virtuous cycle is established, where sound institutions such as

secure property rights help to facilitate economic prosperity, which in turn boosts support for the ruling party, disincentivising the erosion of those property rights vital to this relationship. The political stability as a consequence of such checks on power further discourages politicians from pursuing radical, redistributive policy paths in order to retain their power.

4.6 Analysis and concluding remarks

This section will make final comparative contributions towards answering the research question: Is redistributive populism a sustainable, long-term policy path for economic growth, poverty and inequality reduction, and democratic consolidation, or is protecting and enforcing property rights a better alternative to achieve these aims?

4.6.1 Populist responses to declining electoral support and growing competition

The key catalyst for increased policy radicalism and a shift towards a more intensified redistributive populist agenda in both Venezuela and Zimbabwe was a incumbent party starting to struggle to hold onto power in the face of increasing support for the opposition. In the cases of Venezuela and Zimbabwe, we observe that as the regime loses support and the opposition becomes a real threat, the incentive grows for increased authoritarian control and populist policy radicalism in order to suppress backing for the opposition and recover support for the regime.

In the case of Botswana, episodes of dwindling support for the incumbent party have not prompted a more radical redistributive agenda, even though the country's high levels of inequality set the stage for this. Uruguay has a high Gini coefficient as well, but its democracy remains highly competitive, with an absence of a main political party adopting a radical redistributive populist platform. The constraints produced by good institutions that protected private property, which ensured that the stakes of democratic elections remained low, contributed significantly to this democratic consolidation and stability. As Boix (2003:204-227) argued, institutional checks on power, such as secure property rights, effectively curb the temptation of redistributive populists calling for radical expropriation and redistribution policies.

4.6.2 Redistributive populism and economic decline versus protected property rights as the foundation of long-term economic growth

Through the nationalisation of economically viable and productive land and enterprises, redistributive populist regimes in both Venezuela and Zimbabwe created conditions under which it would be highly risky for local and foreign investors to invest in these economies. This is a common trend among

“resource populists”, as identified by Brienen (2017:30). This tendency to violate property rights and nationalize profitable enterprises creates a situation where it is risky to make a profit, as demonstrated in the case of Venezuela and Zimbabwe. Profits are framed by redistributive populists as the product of exploitation and thus used as justification for government expropriation and nationalisation. Therefore the economic diversification necessary for sustainable economic growth in the long run was actively undermined by the redistributive populist regimes of Venezuela and Zimbabwe through their marginalisation of property rights.

The cases of Venezuela and Zimbabwe substantiate Rodríguez’s (2008:57-58) observation that redistributive populist policies create production bottlenecks, significant balance of payments and budgetary shortfalls, runaway inflation, and a drastic decline in real wages. All these effects work counterproductively to the goals they set out to achieve, namely economic growth and poverty reduction. Initial successes usually embolden populist policymakers, and further delegitimise the idea of fiscal and foreign exchange constraints. Corrective measures are implemented only after economic disaster strikes, but by then it is too late.

Both Uruguay and Botswana demonstrated high levels of sustained economic growth, which was primarily supported by sound institutions, such as secure property rights. This created an investor-friendly environment that facilitated the sustained net inflow of foreign direct investment necessary to support continued economic growth. Richardson (2005:548) argues that improving the protection and enforcement of property rights appears to have a diminishing return in terms of facilitating GDP growth; however, the opposite policy path of eroding property rights is far more likely to cause sudden economic collapse. This is because of the three main economic effects that erosion of property rights has. Firstly, it results in a loss of trust in the government to enforce law and order, which has a substantial impact on foreign investor sentiment. Secondly, it disrupts the banking sector because it affects the value of their security for bonds. Finally, it causes a loss of incentive to further invest in property, as well as to pass along entrepreneurial knowledge. Contrasting the cases of Venezuela and Zimbabwe with those of Uruguay and Botswana substantiates Richardson’s claims.

Bittencourt’s research (2012) confirmed that redistributive populist regimes whose power is not constrained by institutions tend to drive up public spending significantly, which causes high or hyperinflation. Bittencourt (2012) therefore argues that democracies in developing and high inequality countries should be supported by institutions that constrain the power of government in order to keep tyrannical elements at bay. Bittencourt’s argument is bolstered by the cases of Uruguay and Botswana, where high-quality institutions, such as secure property rights, have served as fundamental constraints on government power. The contrasting cases of Venezuela and Zimbabwe

have demonstrated the consequences of redistributive populist regimes with minimal or absent institutions acting as checks on their power.

4.6.3 The long-term influence of redistributive populism on poverty and inequality

At the start of Chávez's rule, there was a sharp spike in poverty; however, between 2004 and 2007 the regime managed to eliminate this spike through increased welfare spending, specifically in healthcare and education. However, from 2007 onwards, the trend towards declining poverty rates stagnated with the initiation of a new, more radical policy path. From 2010 onwards poverty levels increased incrementally, returning in 2015 to a level higher than the poverty rate in 2001, near the start of Chávez's reign (see Figure 7). As Dornbusch and Edwards (1990) argued, populist macroeconomic policies commonly achieve temporary successful outcomes initially. Overall, according to the Bertelsmann Stiftung (2020c), under the rule of the Chávez and Maduro administrations, Venezuela experienced the worst humanitarian crisis in terms of nutrition and healthcare in the country's history. The Mugabe regime's redistributive policies also failed to reduce poverty, with Zimbabwe's poverty rate remaining above 70% between 2001 and 2017 (see Figure 11). Government corruption was rife under the Chávez, Maduro and Mugabe regimes, exacerbating the unsustainability of their welfare spending. Venezuela's BTI score for "anti-corruption policy" declined from 3/10 in 2006 to 1/10 in 2020 (Bertelsmann Stiftung, 2020c). In 2020, the BTI score of Zimbabwe for its anti-corruption policies was 2/10, unchanged from 2006 (Bertelsmann Stiftung, 2020b).

In contrast, Botswana and Uruguay have both achieved substantial, sustained decline in poverty rates over the same period (see Figures 17 and 14). Secure property rights played a key role in this record, contributing to investor-friendly environments and economic growth which supported sustained and targeted welfare spending. Additionally, both countries have notable anti-corruption records, which ensures government funds are not looted, but allocated efficiently. According to the Bertelsmann Stiftung (2020a), Uruguay has been making impressive progress in limiting corruption since the mid-1990s. The country's BTI score on "anti-corruption policy" rose from 7/10 in 2006 to 9/10 in 2020. The Bertelsmann Stiftung (2020d) notes that the Botswana government has maintained a zero-tolerance stance towards corruption, thereby sustaining its reputation as Africa's least corrupt country. Its BTI score for "anti-corruption policy" was 8/10 in 2006 and 8/10 in 2020 as well.

Despite radical redistributive policy paths, neither Venezuela nor Zimbabwe achieved radical reduction in inequality levels. Furthermore, the Venezuelan government has refused to release Gini coefficient data since 2006. Comparatively, Uruguay and Botswana have not achieved substantial

improvement in inequality levels either. Even though Uruguay has the lowest level of inequality in Latin America, it is still high by global standards. Botswana has achieved some improvement in its Gini coefficient since 2002, but its inequality levels still remain considerably high. In contrast to Venezuela and Zimbabwe, the governments of Uruguay and Botswana have been more transparent about inequality data.

4.6.4 Policy radicalism and diminishing support for democracy

According to a Pew Research Centre polling (Wike and Schumacher, 2020), dissatisfaction with how democracy is working is more common among those with lower incomes, with 16 of the 34 countries polled exhibiting this correlation. In all 34 of the countries surveyed, the respondents who said the economy is doing poorly were correspondingly more dissatisfied with the functioning of democracy. The surveys also found a correlation between a pessimistic future economic outlook and dissatisfaction with the way that democracy is working.

Support for democracy in Venezuela and Zimbabwe was primarily instrumental in nature, which made it easy for redistributive populists to exploit. When these populist politicians failed to deliver on their promises, which they made on the back of democracy and ‘the people’, the electorate appeared to become disillusioned with democracy. The case studies of Venezuela and Zimbabwe demonstrated that, for populist politicians, ‘the people’ encompasses only those loyal to the regime.

As observed, when the policy radicalism of the redistributive populist regimes of Venezuela and Zimbabwe collapsed their economies, eroded property rights and became more authoritarian, support for democracy drastically decreased in tandem. In contrast, the cases of Botswana and Uruguay have remained politically stable, exhibiting sustained high levels of support for democracy, internationally acclaimed liberal democratic institutional strength, and a more intrinsic support for democracy amongst its electorate and politicians. This has been accompanied by relatively sustained, high levels of economic growth and a decline in poverty rates. The contrast between the four cases supports the findings of Przeworski *et al.* (1996:42) that economic growth, combined with a moderate inflation rate, has a strong positive effect on the survival odds of a democracy and on democratic consolidation.

4.6.5 Concluding remarks

With reference to the research question, examination and comparison of the four case studies and two policy paths has shown that protection and enforcement of property rights produced more desirable and sustainable results on economic growth, poverty reduction and democratic consolidation over the long term. The next chapter will present the conclusions of this comparative study in detail.

Chapter 5: Conclusion

5.1 Introduction

The research question formulated in Chapter 1 was: Is redistributive populism a sustainable, long-term policy path for economic growth, poverty and inequality reduction, and democratic consolidation, or is protecting and enforcing property rights a better alternative to achieve these aims? This chapter will firstly summarise and discuss the findings of this thesis as far as it has succeeded in answering the research question. The chapter will also outline some of the problems during the research of this thesis. Furthermore, it will unpack the contributions which the conclusions can make towards enhancing the existing theory on understanding the influence of redistributive populism, compared to the role of protection of property rights, in practical contemporary politics. Finally, the chapter will offer suggestions for future research.

5.2 Overview of study

In order to answer the research question, four case studies – Venezuela, Zimbabwe, Uruguay and Botswana – were examined and compared. Venezuela and Zimbabwe were selected as cases where redistributive populist regimes ruled, with weak property rights being a fundamental feature of their policy platforms. Uruguay and Botswana, on the other hand, represented regimes which opted for a policy path of protecting and enforcing property rights.

Chapter 2 explored the literature relevant to the research question and provided definitions of key concepts such as populism, redistributive populism, democracy and liberal democracy. It outlined the analytical framework utilised in order to analyse the case studies. Chapter 3 systematically unpacked the relevant historical, political, economic and policy contexts of each of the four case studies separately. Chapter 4 individually examined and contrasted the four cases to understand the consequences of the policies of each country as outlined in detail in Chapter 3. Two distinguishable main patterns emerged from this comparative study.

Firstly, the catalyst for both of the redistributive populist regimes of Venezuela and Zimbabwe to initiate their more radical redistributive populist policy paths was dwindling electoral support. A key factor contributing to this lack of popularity was a general failure to deliver on ambitious populist promises, combined with economic stagnation. These radical redistributive populist paths entailed a significant erosion of property rights and an increase in state centralisation and nationalisation. Secondly, increased authoritarianism, suppression of the opposition and the erosion of checks on power were commonly utilised in order to cling to power. The cumulative result of these populist

policies was that liberal democratic institutions were undermined, which resulted in democratic deconsolidation as support for democracy as the most preferable system declined.

Uruguay and Botswana chose a different path, one of protecting and enforcing property rights. This approach contributed notably to sustained economic growth, which largely helped to fund increased social spending, and this in turn resulted in a sustained and substantial decline in poverty in both countries. By preserving checks on state power, among which the protection of property rights was crucial, both Uruguay and Botswana minimized the temptation for incumbent parties to adopt redistributive populist platforms, despite both countries having high levels of inequality to use as justification for such a move. The virtuous cycle created between protecting property rights, economic growth and poverty reduction ensured that no party attempted to threaten these institutions and what they produce by implementing a redistributive populist policy platform or by injecting radical land redistribution as an issue into the political discourse. These policies in Uruguay and Botswana have produced two democracies that are characterised by strong liberal democratic checks and balances, as well as high levels of support for democracy as the most preferable political system.

5.3 Conclusions

The conclusions will be discussed in terms of (1) redistributive populist policies, and (2) protection and enforcement of private property rights.

Redistributive policies: Short-term gains, long-term decline

It was noted in Chapter 4 that the redistributive populist Chávez regime initially achieved notable improvements in poverty reduction through improving access to quality healthcare and education, and increased democratic participation in Venezuela. However, it was shown that these improvements were of a temporary nature, since the Chávez regime relied heavily on a global commodity boom and its effect on the nationalised oil industry. With the collapse of the oil price, it became clear that the Venezuelan economy was ill prepared to stand on its own feet. The radical redistributive policies of the Chávez regime were exposed as primarily dependent on the oil industry, and this dependence consequently became a major burden on the economy and democracy. This brief spike in economic growth during the oil boom was shown to be deceptive, since it was followed by a significant trend of severe economic contraction.

It was shown that the instrumental nature of support for democracy and the redistributive regime had the consequence of support for Chávez dwindling in tandem with stagnating reduction in poverty levels. It was indicated that as his support decreased and the opposition became a threat, Chávez increasingly suppressed the opposition and employed further radical, illiberal policies in order to

regain lost support. One of the core illiberal policy approaches was the substantial erosion of property rights. The legislation established and utilised by Chávez and his successor Maduro was often not overtly authoritarian. Its true nature came to the fore through the regime's exploitation of a myriad of carefully designed pro-executive clauses, hidden behind a facade of legislative articles, which relied on an illusion of empowering the citizenry and civil society.

It was concluded that a vicious cycle had been created, where the failure of the Chávez regime to sustain poverty reduction and improving healthcare trends jeopardised its hold on power, which consequently led to the regime employing more authoritarian and redistributive measures in order to retain its power. It was found that increased authoritarianism only further decreased support for the regime while bolstering opposition support, which in turn led to a further escalation in authoritarian, illiberal measures.

It was shown that although Gini coefficient data were not released by the Venezuelan government after 2006, the best available data did not demonstrate a drastic reduction in inequality within the first 7 years of Chávez's reign. Diamond (2017:8) notes that instead of consolidating democracy by progressing to a more liberal democracy, Chávez dragged the democratic system of Venezuela below minimum liberal democratic standards through disregarding vital liberal democratic checks on state power, such as property rights. Chávez was well on his way to rule without term limits when he died of cancer, paving the way for his hand-picked, ideological successor Maduro to continue his legacy. It is crucial to note that Chávez laid the groundwork for Maduro's failure with his unsustainable redistributive policies, which led to Maduro presiding over escalating poverty, further economic collapse and a deepening humanitarian crisis.

Moving on to Zimbabwe, it was found that the country achieved notable economic growth and development during the first decade after independence in 1980. The Mugabe regime inherited a sophisticated economy, which it managed to develop further during the 1980s. Of great significance is the fact that the well-developed agricultural sector was the engine of the economy, providing most of the employment and foreign exchange, but above all food security. Independence gave hope to the population and most international analysts that the new inclusive economy and democracy would produce a prosperous future. Despite the country's half-hearted attempts at economic liberalization in the first half of the 1990s, in attempting to stimulate economic growth and to carry the burden of increasing state patronage, the government's coffers were empty by 1997. This caused the Mugabe regime's firm hold on power to falter. It is important to note that dwindling support initiated the increase in radical redistributive rhetoric on expropriation of property without compensation from 1997 onwards, causing grave concern and uncertainty among international and domestic investors. This resulted in a substantial decline in foreign direct investment.

An undeniable sign of the dwindling support for the Mugabe regime was the defeat it suffered in the 2000 referendum on the expropriation of land without compensation. It was noted that Mugabe ignored the courts and set out on an authoritarian path of radical redistributive populism, centred on the issue of land with the initiation of the country's fast-track land reform programme in 2000. Property rights were blatantly ignored when thousands of white commercial farmers were violently forced off their land through state expropriations, and illegal land occupations received the blessing of the regime. The inevitable result was shown to be the total collapse of the agricultural sector, depriving the economy of its primary source of foreign exchange, significantly increasing unemployment and sending shockwaves through multiple economic sectors.

The healthcare and education improvements of the 1980s dissipated, with the country experiencing a persistent state of famine and suffering a major cholera outbreak. The racial inequalities that the pre-independence regime resided over were replaced by an inequality determined by political connectedness. This thesis found that Zimbabwe became worse off in many respects such as its economy, democratic consolidation, poverty and healthcare, than it had been at independence, while neighbouring Botswana achieved the opposite condition with a different policy path. Zimbabwe was once globally referred to as the breadbasket of Africa, while it is today known as a prime example a basket case government which destroyed its economy and democracy with redistributive populist policies in order to hold on to power.

Protecting property rights, sustainable, long-term economic growth and democratic stability

When moving the focus to Uruguay, you observe one of the developing world's exceptional cases as far as the stability of its democracy and substantial poverty reduction are concerned. The country boasts the lowest levels of poverty in Latin America and a near absence of extreme poverty on a continent that is plagued by both. Somewhat concerning are its high levels of inequality by global standards, even though they are the lowest on the continent. Overall Uruguay's democracy is recognised as the most stable in Latin America, with the cornerstone being its exceptional record of protecting civil rights and property rights.

It was acknowledged that Uruguay demonstrated the ability to swiftly and effectively recover from a financial crisis in the early 2000s, which allowed it to maintain a relatively high level of social spending. Uruguay is internationally praised for its investor-friendly economy, with guaranteed property rights being a deciding factor. While the Mugabe regime's redistributive policies led to the collapse of the agricultural sector through, *inter alia*, making farms worthless, Uruguay's agricultural land is not threatened by expropriation and is therefore in high demand, leading to steadily increasing property values. Uruguay's extensive social spending is supported by the sustained economic growth

facilitated by its investor-friendly economy. Despite a high Gini coefficient, none of the major political parties in this highly competitive multi-party democracy have tried to change the winning recipe by resorting to a radical redistributive populist platform.

Coming to Botswana, it is noted that since achieving independence in 1966, it has remained a stable democracy with regular, free and fair elections, without any coup, civil war or military intervention – exceptional in Africa. For perspective, it was noted that at independence Botswana was one of the most impoverished countries in the world, with minimal infrastructure. However, in the decades since, it has achieved some of the highest average economic growth rates in the world, leading to an impressive rate of poverty reduction, with secure property rights playing a notable role. Between 1965 and 2003 the average growth rate of sub-Saharan Africa was negative, with Botswana notably bucking this regional trend.

It was noted in Chapter 3 that protection of property rights was facilitated in Botswana by the fact that it already had a well preserved pre-colonial culture of property rights protection. It was indicated that although the diamond industry played a defining role in Botswana's achievements, it did not do so in a vacuum. Its long-standing mutually beneficial relationship with the Botswana government required that its property rights must be guaranteed, while in return the government was ensured of a steady source of revenue for social spending, economic diversification and infrastructure development. In contrast, Venezuela was also well endowed with a major commodity; however, its approach to managing its resources was radically different from Botswana's, with the Chávez regime opting to nationalise the oil industry and abolishing private property rights. In Botswana, property rights were protected and the private sector was made the backbone of economic development and the main source of funds for social spending. Chapter 4 discussed in detail Botswana's impressive record of civil rights protection, support for democracy and liberal democratic checks on power.

This thesis has shown that the Chávez, Maduro and Mugabe regimes demonstrated a recurring flaw at the core of the populist conception of 'the people'. The populations of their countries were in reality not a uniform entity with common beliefs, wants and needs. Hence these regimes eroded political pluralism, through increased state centralization, and incrementally concentrating power in the hands of the president and the ruling party. The continuous erosion of civil liberties, restriction of information, weakening or eliminating all checks and balances on power, and corrupting the electoral system led to these previously democratic systems in the minimal definition eventually becoming authoritarian. It has become clear that unbridled government power unleashes intense competition to gain and retain control over such unrestrained power of the state by any means necessary. Redistributive populist policies provide such a means, but once the short-term gains start to falter and a myriad of populist promises remain unaddressed, the ruling party turns to increasingly authoritarian

measures as a last resort. Inequality is not addressed in the long term, since the wealth remains in the hands of the ruling elite and was only redistributed to the politically connected.

Uruguay and Botswana have notably demonstrated that protecting and enforcing property rights contributes to economic growth and consequent poverty reduction, and plays a key role in nullifying the temptation for redistributive populism to arise within the system through providing a vital check on government power. While inequality is not radically reduced, power and opportunities for upward mobility are more widely distributed, alongside sustained political stability.

5.4 Responding to the research question

The research question posed in Chapter 1 was: Is redistributive populism a sustainable, long-term policy path for economic growth, poverty and inequality reduction, and democratic consolidation, or is protecting and enforcing property rights, a better alternative to achieve these aims?

It was found in both cases of redistributive populist regimes examined, namely Venezuela and Zimbabwe, that increased state nationalisation, overregulation of the economy, mismanagement, corruption and expropriation created high-risk environments for domestic and foreign investors, which led to extended periods of economic contraction, capital flight, food and foreign exchange shortages and hyperinflation. Initial improvements in poverty reduction, specifically through better access to healthcare and education, were observed in both countries, but proved to be short lived as the trends stagnated and eventually regressed, as a result of the fundamental populist focus on quick solutions for urgent problems which prioritise the short-term impact.

In Zimbabwe, it was observed that the poverty rate remained above 70% after its radical redistributive policy path was initiated. In neither of these two cases was a radical reduction in inequality observed as a consequence of the initiation of a radical redistributive policy path. Finally, regarding democratic consolidation, both cases demonstrated a substantial regression in liberal democratic institutions, with increased authoritarianism, use of violence by the state and repression of the opposition by the populist regimes. It is of great importance in this context to note that this similar trend was in both cases followed by persistent economic contraction, which resulted in a notable decline in support for democracy as the most preferable political system.

In answering the research question, this thesis found that in the cases of both Venezuela and Zimbabwe, redistributive populism did not produce long-term, sustainable economic growth, reduction of poverty and inequality, or democratic consolidation.

In stark contrast to this, the two cases of regimes that protected and enforced property rights, namely Uruguay and Botswana, demonstrated substantial and sustained trends of poverty reduction over

approximately the same time period as when the redistributive populist cases were implementing their radical redistributive policy paths. Sustained economic growth in Uruguay and Botswana during this time has been notably more stable and positive, creating a revenue stream which the governments of both countries reinvested in improving infrastructure, as well as increasing welfare spending, with a specific focus on education and healthcare, which enabled a steady decline in poverty levels.

It was noted that Uruguay has made minimal headway in reducing inequality, but nevertheless has the lowest Gini coefficient in the region. Botswana's inequality levels also remain amongst some of the highest in the world; however, its improvement in this variable in the 21st century have been marginally better than those of the two redistributive populist cases examined over the same period.

Finally, it has been demonstrated that as far as democratic consolidation is concerned, both Uruguay and Botswana are internationally recognised for their exceptional liberal democratic institutions and stable democracies. These institutions have in both cases almost all maintained high index ratings or improved their ratings over the same time period during which those same institutions substantially regressed in both Venezuela and Zimbabwe. It was shown that support for democracy as the most preferable political system has remained high in both Uruguay and Botswana, maintaining some of the highest levels of support indicated on their respective continents. The fact that in every Afrobarometer survey since the first one in 1999, a higher percentage of Botswana respondents have supported democracy than their counterparts in Zimbabwe is indicative of Botswana's superior level of democratic consolidation. In the 2016/17 AmericasBarometer survey, the last one to include both Uruguay and Venezuela, this was confirmed when Uruguay demonstrated the highest support (82.4%) for democracy out of the 29 countries surveyed across the Americas.

After careful consideration of the analytical deductions made after having examined the four case studies, it has become clear that protecting and enforcing property rights did produce notably better long-term, sustainable economic growth, poverty reduction and democratic consolidation than redistributive populism. As far as reduction of inequality is concerned, however, it must be noted that the improvements in all four case studies were minimal. Perhaps the nature and sources of inequality require further engagement. Inequality appears to be a persistent reality irrespective of the policy or the regime type, but is there perhaps a 'fairer' state of inequality; where wealth and opportunity for upward mobility are more widely distributed than merely being kept in the hands of the ruling elite? As this thesis has demonstrated, the redistributive populist regimes of Venezuela and Zimbabwe merely changed the identity of the elites by predominantly redistributing wealth to the politically connected.

5.5 Discussion of problems

Lack of transparency in the case of Venezuela and Zimbabwe posed difficulties during the research process. For perspective, Transparency International (2019) ranked Venezuela as the least transparent country in Latin America and the Caribbean, and 173rd out of 180 countries globally. Venezuela is notably ranked lower in regards to transparency than North Korea at 172nd. When Chávez was elected in 1999, Venezuela ranked 75th in the world in regards to transparency. In 2019, Zimbabwe was ranked 158th out of 180 countries globally for transparency, compared to 45th in 1999.

By contrast, Transparency International (2019) ranked Uruguay and Botswana as the most transparent countries on their respective continents. Uruguay ranks 21st globally, and Botswana 34th. In 1999, Uruguay was ranked 41st globally, putting it only 4 places above Zimbabwe at the time, and Botswana was ranked 24th. Since, Uruguay has improved by 20 places, and Botswana's rank has remained relatively steady, moving from 24th to 34th. During the same period, Zimbabwe's position worsened by 113 places and Venezuela's by 98.

The refusal of the redistributive populist regimes examined to release data pertaining to variables such as inflation or the Gini coefficient during certain stages of the period under investigation was therefore a research obstacle that had to be overcome. This was achieved through utilizing alternative sources of data regarding these variables, such as where researchers had independently calculated inflation rates for the periods when they were not officially published. Therefore the timeline overview of poverty and inequality trends in those two cases are not as detailed in some regards as the significantly more transparent Uruguay and Botswana regimes.

5.6 Summary of contributions

This exploratory thesis studied the gaps in the literature identified in the literature review, such as the one identified by Leblang (1996:6,9), namely, an analysis of the protection and enforcement of property rights as a determining factor of economic growth. Leblang proposed comparing the economic growth rates of countries which protect property rights with countries that do not. Huang and Singh (2015:142) identified a similar gap in the literature regarding the impact of protecting property rights on poverty reduction, through comparing countries on a case-by-case basis. Finally, this thesis contributes to filling a gap noted by Boone (2009:184) regarding the indispensable role the securing of property rights plays as the most desirable path to strengthen democratic values in a time of rising redistributive populism. This thesis goes further than merely analysing cases where property rights were protected as its aim was to address these gaps identified in the literature through

contrasting this position with the consequences in countries where radical erosion of property rights had occurred as a result of redistributive populist policies.

Finally, this thesis enables deeper insight into, and contributes towards, the ongoing discussion on the impact of these two different policy paths of redistributive populism or enforcing and protecting property rights on the variables of economic growth, reducing inequality and poverty, and democratic consolidation. These insights can be applied and explored in future academic studies and literature, as well as hopefully being of practical value in the realm of politics, when choices have to be made between these policies to achieve certain goals. South Africa is a country where the ruling party is experiencing dwindling support and is proposing redistributive populist policies on property rights, which makes it a good example where the findings of this thesis can be used to caution against such considerations.

5.7 Suggestions for future research

With the evidence collected and the conclusions drawn in this study, a number of future research options became evident. A notable conclusion of this thesis was that neither redistributive populism, nor the protection of property rights appeared to meaningfully reduce inequality in any of the countries examined. Inequality was the variable which remained the most constant across all cases, regardless of the policy path. Therefore, there is room for further research into why neither of the policy paths were able to substantially reduce the Gini coefficient, as opposed to significantly varying results in regards to sustained economic growth, poverty reduction and democratic consolidation. Additionally, further research is needed into the nature and sources of inequality.

Furthermore, alternative policy paths can be examined in regards to their impact on the variables studied in this thesis, as well as by contrasting their effect on the selected variables with either the redistributive populist or property rights protection approach. The influence of the two policy paths examined in this thesis on other economic and social variables can be explored as well.

Finally, the literature on the importance of taking the cultural, social and/or religious context of a country into account when formulating policies or reforms regarding property rights was outlined in Chapter 2 and substantiated by the case of Botswana in this thesis. However, there remains room for further research into the role cultural and communal institutions play in regards to property rights, and how to harmonise property rights policies with these institutions to help mitigate resistance to or rejection of such reforms.

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