

Colonial Legacy, Neoliberal Policies and Democratic Collapse

- A Case Study Based on Venezuela

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Abstract: Why do some countries fail to avoid democratic collapse even after the establishment of a democratic system? This paper aims to explain why emerging democracies suffer democratic collapse, using Venezuela as a typical case, and tries to construct a colonial legacy-neoliberal policy analytical framework, hypothesizing that the colonial legacy and the neoliberal policies adopted by the ruling party will have an impact on democratic collapse. It is found that the political, social, and cultural heritage inherited from the colonial period affects a country's informal system and political culture, which in turn increases the probability of democratic collapse. Neoliberal policies adopted by a country's ruling party can exacerbate economic inequality and social divisions, which in turn may cause democratic collapse. This paper bridges the gap between the existing explanations of democratic collapse and, on the basis of the existing structural explanations, focuses on the impact of informal institutions on democratic collapse, suggesting that factors such as patronage and hierarchy in informal institutions may increase the risk of democratic collapse. In terms of actor factors, focusing on political parties and policies rather than elite individuals, it is suggested that the adoption of neoliberal policies by the ruling party in emerging democracies increases the probability of democratic collapse.

Keywords: Venezuela, Colonial Legacy, Neoliberal Policy, Democratic Collapse

1. Introduction and Study background

Since the "third wave of democratization", only a few have established consolidated democracies. The previous transition paradigm placed too much emphasis on democratic transition rather than democratic consolidation, and the democratization process was not a one-time event, but rather a tortuous journey of "two steps forward and one step back". Among the many countries in transition, only about half of the "third wave" cases have achieved democratic consolidation, while the other part of the countries are in the predicament of democratic decline or even democratic collapse.

As of 2018, Latin America, the region with the most successful third-wave democratization process, has maintained democracies in 17 third-wave countries, except for Cuba, which was not involved in the third wave. Venezuela is the only isolated case where democracy has collapsed rather than consolidated. It is widely believed that the creation of the "Punto Fijo system" at the end of 1958

was the beginning of democratization in Venezuela, after the country was freed from its colonial yoke. In the process of consolidating democracy in Venezuela, the charisma leader, Hugo Rafael Chávez Frías, gained political power through elections, and then expanded his popularity base through the propagation of inflammatory rhetoric and radical policies through the mass media, which led to his victory in the next and many more elections. Since his election in 1998, Chávez has won four consecutive presidential elections in Venezuela, sitting firmly in the presidency for a total of 15 years, from 1998 to 2013. According to the PolityV database, Venezuela's Democracy Index declined from 1998 and has been less than or equal to a score of 6 from 2001 to the present, and was even negative from 2009-2012. It is therefore easy to see the democratic collapse in Venezuela. [1] (See figure 1.)

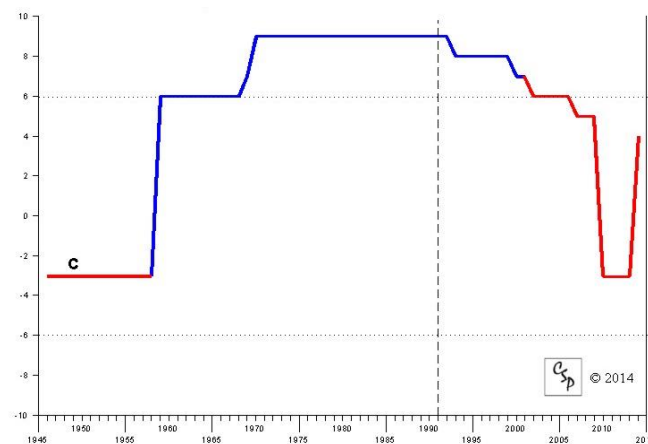


Figure 1: Authority Trends, 1946-2013: Venezuela

Democratic collapse refers to the reversal of a country's transition from democracy to non-democracy or anarchy. [2] In terms of the theory of democratic collapse, academics generally use a structural or an actor-based approach.

One of them is economic factors. According to Lipset, economic development expands the size of the middle class group. [3] Countries with a poor level of economic development have factors such as the difficulty of forming an effective civil society, and the difficulty of forming a democratic political culture, all of which constrain the development of democratic politics.

The second is the factor of inequality. Robert Alan Dahl points out that "in a society that has achieved a system of open debate, extreme inequality increases the likelihood that competitive politics will be replaced by hegemonic politics." [4] When the interests of only one or a few groups in a country are met, there is a risk of democratic collapse. Deeper inequality leads to the enlargement of poor groups and stronger desire for a policy of redistribution.

Thirdly, there is the factor of social division. Seymour Martin Lipset argues that there are four lines of social division in Western democracies, namely regional division, religious secular division, sectoral division, and class division.[5] The more complex the language, religion, race and ethnicity within a political system, the more difficult it will be to reach a compromise and agreement, which will also lead to the collapse of democracy.

Finally, there is the factor of political system. Linz believe that a presidential system is more likely to lead to the collapse of democracy than a parliamentary system [6]. According to Giovanni Sartori, a polarized multi-party system "is an unhealthy state for a country and hardly a viable system." [7] A polarized multi-party democracy is more likely to collapse than a moderate multi-party system and a two-party system.

This paper argues that for countries with a colonial history, institutional choices since democratization need to look deeper into the historical legacy of the early colonial period. The

colonial legacy influences the political system and hence the success or failure of democratic consolidation. Among the structural factors, less scholarly attention has been paid to informal institutions. Beyond the formal institutional design of the political system, there exists a plethora of informal institutional arrangements with institutional characteristics, not only in transition countries but also in developed countries.

Informal institutions are "socially shared rules, often unwritten, created, communicated and enforced outside officially recognized channels". [8] Max Weber argued that "customary institutions, non-state actors in the traditional state are an obstacle to the development of the modern state, and that the strengthening of formal institutions and the establishment of a hierarchical system is the way to the modern state." [9] The presence of informal institutions in the political system may affect the stability of democracies, and inappropriate informal institutions may increase the risk of democratic collapse.

The actor perspective of democratic collapse examines two main paths: strategic choices within elites and elite-mass interaction patterns. Political actors include all groups and individuals involved in the functioning of the political system, such as elites and masses. The choices made by political actors may increase or decrease the likelihood that a country's polity will be stabilized or sustained. The dynamic explanation focuses on the actions of individual elites and pays less attention to the impact of policies adopted by the ruling party on the collapse of democracy. This paper argues that explanations of democratic collapse need to focus equally on the impact of policies.

Daron Acemoglu, Simon Johnson, and James A. Robinson argued that the different colonial policies adopted by the European colonizers in the colonies would in turn produce different forms of institutional settings, which in turn shaped the different types of states. [10] The colonial state and its institutional setup would continue to have an impact after the independence of the colonies. The mode of rule during the colonial period had an impact on authoritarian rule after independence. According to Almond, "Political culture is the political attitudes and feelings prevailing in a nation at a particular time. It is shaped by the course of the nation's historical and present social, political and economic activities." [11] And the political culture of populism and patronage inherited from the colonial history are important triggers for the collapse of democracy.

Therefore, the first hypothesis of this paper is that, in democracies, the centralized, viceregal system of the colonial period influences the institutional design of the democratization period, making political power less constrained and ultimately more likely to lead to democratic collapse; that the informal system of the colonial period, patronage, is more likely to lead to social ossification and corruption, which, in turn, increases the risk of democratic collapse; and that cultural heritage of the colonial period influences the democratization period's. The cultural heritage of the colonial period influences the political culture during the period of democratization, making it more likely that people will vote for authoritarian leaders, which ultimately leads to the collapse of democracy.

Since the late twentieth century, a wave of neo-liberal reforms centered on the liberalization and privatization of the market economy has emerged globally. Neo-liberal policies mainly include initiatives such as the reduction of government control over the social and economic spheres, the free of capital, and the adjustment of the redistribution system in favor of the affluent. However, it has seriously led to uneven income distribution, which in turn affects the polarization of the rich and the poor, and may ultimately lead to class confrontation. The relationship between the polarization of the rich and the poor and class struggle can be traced as far back as Aristotle, "In all city-states all the citizens may be divided into three parts - the very rich, the very poor, and an intermediate class between the two. The only way to form the best polity is to base it on the middle class. The middle class is more stable than any other class." [12] When there is a large gap between the rich and the poor of the party in a political system, it is difficult for the middle class to reach a certain number and power, and social conflicts will intensify, and the resistance between the rich and the poor leads

to a higher degree of social instability. According to Huntington, the middle class has a conservative tendency and is a stabilizing force in favor of democratic politics.[13] Combined with the above discussion on the causes of democratic collapse, it follows that when the contradiction between the rich and the poor class becomes more significant, the greater the risk of democratic collapse.

Therefore, the second hypothesis proposed in this paper is that in democratic countries, the adoption of neo-liberal policies by the ruling party will aggravate social inequality, which will intensify class antagonisms and lead to class struggle, thus causing democratic collapse.

In summary, this paper proposes a colonial heritage-neoliberal policy analysis framework (see Figure 2) to explain how democracy collapses, using the collapse of democracy in Venezuela as a case study.

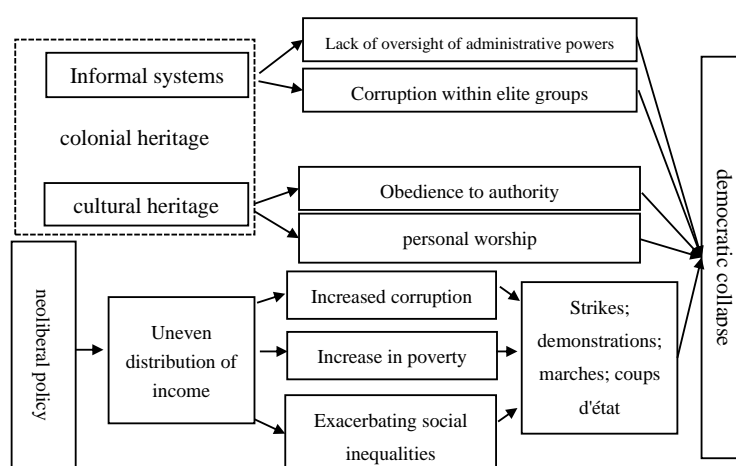


Figure 2: colonial heritage-neoliberal policy analysis framework

The informal institutional legacy of the colonial legacy leads to factors such as corruption within the elite group, fragmentation between the elite and the masses, lack of oversight of presidential power, and party fragmentation, which in turn leads to the collapse of democracy. The adoption of neo-liberal policies by the ruling party leads to unequal distribution of income, which in turn fuels corruption, increases the number of poor people, and intensifies social inequality, which in turn leads to a series of strikes and demonstrations or even coups d'état, which undoubtedly increases the likelihood of the collapse of democracy.

2. Case Background

Modern Venezuela is a country formed by the union of six colonial provinces in the north of South America after they became independent. The political system of the colony was established by the crown. A tightly centralized system of power was established in the Spanish colonies. The centralized body was the Court of Prosecution, which consisted of judges and was dedicated to the supervision of the colonies. Within each viceroyalty of the colony was a viceroy as the center of power. Each administrative unit under the viceroy was governed by a local governor. The colonial municipal councils were the basic governing organizations of the cities, but because of the strict control exercised by the Spanish crown, they were not able to reflect the views of the people in practice. The municipal councils were generally in the hands of a few large landowners and were characterized by a clear oligarchy. With the creation of the Captaincy General of Venezuela, legislative, judicial and military powers were gathered together in the hands of the Venezuelan Governor.

The gran hacienda system was the land system of the Spanish American colonies. The owners of large Spanish estates legally occupied illegally acquired land. In the 17th and 18th centuries, due to

the death of too many Indians, the hacienda owners turned to private hire to solve the labor problem, and many Indians fled to the haciendas in order to get rid of the increasingly burdensome obligations of the villages and communities, thus establishing the system of debt peonage. The owners ensured that laborers were tightly bound to the large estate system by paying poll taxes, paying wages in advance, and ceding the use of small parcels of land to laborers. While the great manor was the center of local political power, it was also a miniature society within itself. The lord of the manor held supreme authority by virtue of his possession of the land, and some of the lords of the manor served in both the local administration and the judiciary. The members of the great estates were all subject to a patriarchal rule of "patronage and authority". This was not just a relationship of subordination, but more of an ethical relationship of kinship. The hierarchical and patriarchal nature of the manor system has been preserved in the course of subsequent history.

The process of democratization in Venezuela began in 1958 with the signing of the Punto Fijo Agreement, a compromise between the Venezuelan political parties after independence. Since 1973, votes have been concentrated in two camps: the Partido de Acción Democrática and the Partido Social Cristiano. Since the formation of the two-party system, the winning party in Venezuela has not won the election because its policies are more trusted by the people or more conducive to development, but rather because the other party is divided and conflicted. The fact that the rotation of the two major parties is not the result of a change in policy also means that there is no essential difference between the two parties in terms of ideology and the policies they pursue.

Venezuela's ruling party tends to formulate policies based on the consciousness of the elite, and it is difficult for the general public to participate in democratic politics. The only thing the people can do is to use their votes to support and deny a party - but the new parties and leaders that are elected will repeat the same mistakes.

In 1989, Carlos Andrés Pérez Rodríguez of the Partido de Acción Democrática took office as President for the second time. In order to face the deterioration of the economic situation and the huge external debt caused by the bottoming out of oil prices, he proposed the Economic Adjustment Plan, later shortened to the "Economic Package". It included neo-liberal economic measures such as unification of the exchange rate, reform of the tariff system, liberalization of prices and interest rates, encouragement of private investment, and reduction of state subsidies. The Government had been forced to allow a sharp devaluation of the bolivar, to allow prices to soar by decree or by default, and to scale back State subsidies in most areas.

According to Pérez, the purpose of privatization is to seek the democratization of capital and ownership and to increase economic efficiency, with the long-term goal of drawing as many new social strata into production as possible and freeing the State from burdensome corporate affairs. Privatization changed the original composition of capital, increasing the share of foreign and private capital and contracting State capital.

Along with Pérez's neoliberal policies, Venezuela was plunged into a period of chaos. Frequent strikes, demonstrations, and protests ensued, and countless people died in their struggle against the government. Rafael Caldera won the presidential elections in December 1993, and although some measures were implemented, he eventually lost the 1998 presidential elections to Hugo Chávez in the face of severe economic distress and a social situation characterized by high levels of polarization and unemployment, as well as a crisis of confidence caused by corruption.

3. Case Analysis

If the collapse of democracy is compared to an explosion, the colonial legacy is the gunpowder buried in the political system, and the policies are the fuse. This section takes as its starting point the colonial legacy and the policies of the ruling party, and analyzes how the gunpowder that had already been planted was "lit" before the entry of the authoritarian leader Chávez into the political arena.

3.1. How the colonial legacy led to the collapse of democracy

For Venezuela, the authoritarian and centralized system established by the Spanish colonizers has influenced the design of the system since the sixteenth century: the viceroyalty, the caudillo system and the subsequent dictatorships and presidents have all maintained the core elements of the old system. On the other hand, it has also influenced the political culture of the people: the inertia of the old system produces stereotypes that make it difficult for people to adapt to democracy. The center of political power in Venezuela has always been in the hands of an individual, whether it was under the caudillo rule after independence or under the presidential system since democratization. The president's immense power and the lack of oversight and accountability for political power have made it easier for politicians seeking personal gain to be active in Venezuela's political arena. As both head of state and head of government, the president wields great political power. This has led to spirited partisanship.

The ideologies of the two parties were not so different, even as the ideological differences within the parties were severe. In many cases, the winner of a general election does not win the hearts and minds of the people because he or she pursues policies supported by the people, but often because the failures of the incumbent government have led to disappointment of the people who have to vote for other parties. The political power is unchecked, which leads to corruption. This led to the emergence of social movements and social protests, and during Pérez's second term countless students, workers took to the streets in strikes, and even the army staged two coups against the government.

When President Chávez came to power, it was also because of the unlimited power that he expanded presidential powers with impunity, including the extension of terms and limits, the change from a bicameral to a unicameral system, the creation of the mandated legislative power, and so on. An important aspect of the continuation of democratic politics under the compromise-based Punto Fijo system was the inter-party compromises and concessions. When this tolerance turns into an intensified struggle, any political leader who is not "ethical" is likely to destroy democracy.

The traditional values inherited by the Spanish colonizers on this continent continue to deeply influence the way of thinking and the choices of behavior of Latin Americans who have emerged from colonial rule. Venezuelans are deeply influenced by the Catholic ethic, which, on the one hand, restricts the education of the general population and, on the other hand, gives the elite, who can interpret the Bible, an unsurpassed authority. This has resulted in a never-ending quest for political power by those in power on the one hand, and the forced submission of the general population to authority on the other. Venezuela's indigenous value system has had difficulty accepting and adapting to democracy.

The influence of the hierarchical and patriarchal system of the colonial period, especially under the great estates, is far-reaching. The elite and hierarchical concepts inherited from the colonial period led to a stratified and rigid social situation during the period of democratization. On the one hand, there was poor class mobility among the population, making it difficult for anyone to move from the "poor" to the "rich". On the other hand, people's awareness of political participation was weak, and few people cared about democratic politics; most people cared about their own interests. The elites and the masses are divided from each other and there are sharp contradictions. Every president claims to represent the "poor", but in reality it is just a slogan to get votes. Secondly, the long history of colonial and authoritarian rule and only a few decades of democratic politics have made it difficult to foster a sense of democracy among the population. Democracy as a value is less desirable than equality in Venezuela and even in Latin America.

Institutional roots in the relationship between estate owners and workers under the hacienda system and cultural roots in the patronizing traditions of the suzerain state, which emphasized the legitimacy of authoritarian rule and the obligation of the elite to care for the population, were also a major cause

of the collapse of democracy in Venezuela. Under the system of the grand haciendas, estate owners provided security, work, and access to land for various classes of laborers, who received these benefits in exchange for their loyal obedience and labor to the grand hacienda owners. Each large estate was then a well-defined society with a network of patronage relationships. This master-servant, patronage and dependency relationship laid the foundations of a political culture that has survived democratization. Populist regimes have always been strongly characterized by clientelism, which means that the regime tends to give only positions and benefits to its political supporters, and that it is only through loyalty and obedience to the regime that the people can obtain the economic and political resources they need.

It means that the regime tends to give its political supporters only positions and benefits, and that only through loyalty and obedience can people obtain the economic and political resources they need. The president and the government are accountable to interest groups, not to voters. Election bribery is not uncommon. This relationship has led to the persistence of nepotism and interests within the government. On the other hand, it has led to a corrupt and ossified political system in which Venezuelan society is not as mobile as it should be, with the political and economic elites at the top controlling and exchanging power and property for it, and the poor and unemployed at the bottom making it difficult for people to participate in politics. The party system has become a machine for the use of power for personal gain, and party leaders have come to rely on strength and resources rather than judgment and experience in the development of the country. The people also did not believe that the Government cared about their welfare and were skeptical of its ability to solve Venezuela's problems and make positive and effective changes.

The fact of social inequality and social rigidity have not been effectively ameliorated and have been inherited over a long period of history. The colonial legacy, including racism, social discrimination, and political arrogance, has continued. Hierarchical societies based on skin color during the colonial period created hatred and divisions between groups of people, which were not conducive to solidarity between the lower and middle classes and cooperation and mobility between the upper and lower classes. At the end of the twentieth century, when oil prices had slumped and the economic crisis was spreading rapidly, social inequalities were particularly acute: deep-rooted social and economic inequalities; extreme poverty; lack of access to basic health care, education, social security and housing; absurd ways of distributing resources; and high unemployment and joblessness were among the dilemmas Venezuela had to contend with. A very small number of people controlled a very large amount of resources, while a very large number of people were living in poverty. The middle and lower classes had no financial resources and had taken to the streets. Even if they have a job, it is difficult to support their families. The rich upper class are far away from it all, isolated in the country clubs of Caracas. This undoubtedly intensified social tensions and led to social protests.

Beginning in February 1989, Venezuela entered a period of social instability marked by frequent strikes, demonstrations, and student marches; in May 1989, June 1990, March 1991, November and December 1991, and January 1992, there were several social protests.

The cultural heritage of the Catholic ethic and indigenous culture, which emphasizes unity of faith, obedience to authority, the maintenance of hierarchical order, elitism, individualism, etc., has fostered a political culture of personal worship of leaders. Venezuelans are deeply influenced by the Catholic ethic, which on the one hand restricts the education of the general population and on the other hand can explain the unsurpassable authority of the Biblical elite. Venezuelans favor Karisma-style leaders and are susceptible to their demagoguery and mesmerization. Latin Americans still aspire to messianism and place great hope in messianic caudillos, believing that only they can bring peace, prosperity, and the elimination of the major conflicts that plague these countries. After the failed coup attempt against the government in 1992, which was organized by the armed forces of Maracaibo, Valencia and Caracas, one of the military officers who led the coup - Hugo Chávez - made a speech

via a television broadcast in which he claimed that he came from the underprivileged class of Venezuelans, and that the coup was an attempt to solve the unsatisfactory political status quo, to clean up corruption and eradicate the misery that the politicians had brought to the country. After the attempted coup, Chavez's name was remembered and supported by many Venezuelans.

After his release, he ran in the 1998 presidential election and won. Chavez won the election by portraying himself as the embodiment of the people, promoting policies of social equality and "Bolivarianism", which won him the support of a very large majority of the population. After winning the election, Chávez relied on an extra-constitutional referendum process to elect a Constitutional Assembly. The Constitutional Assembly, in which Chavez's supporters held a 94% majority, soon announced the re-establishment of democracy in Venezuela, purged the courts, drafted a new constitution, closed down the parliament, and organized new elections. The basic rules of democratic institutions and procedures were arbitrarily changed, which ultimately led to the collapse of democracy.

3.2. How neoliberal policies lead to the collapse of democracy

President Pérez's neo-liberal reforms during his second term offended many people, and the economic crisis spread into a political crisis in Venezuela. The neoliberal policies did not benefit Venezuela as Pérez claimed, but rather intensified social tensions in the country. President Pérez's restructuring policy was characterized by the fast-tracking of domestic economic restructuring in parallel with the reform of the foreign trade system and tariff reform. This has had a great impact on the enterprises and the urban middle- and low-income classes that have grown up with state subsidies. Although the Pérez government took some social remedial measures such as agricultural subsidies, food subsidies and milk subsidies. However, it has not been able to address the pressures caused by this shock, and the gap between rich and poor in Venezuelan society is enormous. As a result of the elimination of State protection and subsidies, together with inflationary factors and unemployment, Venezuela's per capita income tended to fall during that period, and the number of poor people increased. In the 1990 census, 44.3 percent of the population was in extreme poverty and 36.3 percent in relative poverty. [14] Perez came to power with the support of the middle class, which was weakened by neoliberal policies. At the same time, the weakness of the middle class made it difficult to be a moderating force between the poor and the rich, and strikes and coups broke out.

In the shift to neo-liberal policies, the phenomenon of rent-seeking power has also contributed to corruption. The privatization of state-owned enterprises was accompanied by large-scale property transfers and concentration of power. There was a quid pro quo relationship between government officials in the Perez administration and the business elite, which engaged in corrupt behavior by acquiring state assets through illegal means. The government's reduced ability to regulate the market also provided opportunities for corrupt behavior, and public resources were more likely to be misused, thus plunging the Peres government and Peres personally into huge corruption charges. Corruption erodes public trust and the legitimacy of government is questioned. Even the legitimacy of democracy is questioned: every government claims to be eradicating the elements of corruption that have long been embedded in the political system; and many governments and presidents have claimed to represent the interests of the poor as a way to gain votes. In practice, however, corruption has not been alleviated.

Neo-liberal policies have at the same time offended a large number of groups in the political system, mainly the lower and middle classes, and this has led to resistance from the lower classes. The poorest social groups lacked the necessities of life, and there was massive hoarding and shortages of food, and a clearly unjustified increase in public transportation fares and gasoline prices. The discontent generated by unemployment, poverty, and the economic crisis was given vent to by the population in the form of movements and protests, with the military and the civilian population

joining forces against the government. In February 1992, a total of 17 troops took part in the coup d'état, which was suppressed, and in November 1992, the senior generals of the army and the navy, as well as a handful of civilian leftists, organized a second coup d'état, with a televised call for a popular uprising. Although the popular uprising did not take place, the population did not support the Pérez government and democratic institutions either. At the same time, the government took repressive measures against social movements and protests in the lower and middle classes, restricting the political freedoms of citizens and resorting to violence in order to maintain the stable functioning of power. This repressive behavior further exacerbated social tensions and political instability, and further weakened the legitimacy of the democratic system. The lower and middle classes were also united by the impact of neoliberal policies.

After his arrest in the coup attempt, Chavez, one of the coup organizers, was remembered by the nation through a televised speech. Chávez portrayed himself as a fighter from the poorer classes who wanted to tear down the old system and build a new one because he was unhappy with Venezuela's dismal political status quo, and when he was pardoned by the new president and released from prison in 1994, he was greeted by the public with a hero's triumph. In the 1998 elections, the people gave their votes unreservedly to Chavez. The people had lost hope in the democratic politics of two-party rule, and Chavez's background outside the two parties and from the lower middle class, and his campaign speeches against neo-liberal policies, social justice, equality and other concepts made him win this victory. It is fair to say that the Venezuelan lower and middle classes were so united in the face of a huge crisis that they elected Chávez while the elites were still mired in accusations of corruption and power struggles with each other, which in turn meant that democracy declined.

4. Conclusion and Discussion

The colonial legacy and the neoliberal policies adopted by the ruling party are validated in the case study as the central variables of the paper. Colonial legacy not only affects the design of a country's political system, but also the creation and perpetuation of informal institutions. In the case of Venezuela, the legacy of the political system inherited from the colonial period influences the institutional design of the country. Venezuela in the historical process chose to continue the centralized system and establish a presidential system because of path dependency. The abuse of power by the president became the trigger for the collapse of democracy. The legacy of social hierarchy inherited from the colonial period has created the social reality of a fragmented Venezuelan society, leading to poor mobility between the upper and lower classes, a rigid political system, and a lack of concern for the masses by the elite. The inability of the lower strata of society to have their interests met by elected leaders also fuels dissatisfaction with the democratic system of government. The cultural legacy of the colonial period has influenced the political culture of Venezuelans. Among other things, the culture of patronage that has persisted has led to a high level of nepotism and illicit dealings both within and outside the government, and to corruption that has been difficult to eradicate; and the culture of patriarchy has led Venezuelans to place their hopes in Charisma caudillo leaders, believing that there is a kind of extraordinary leader who can lead the people out of the crisis and into development. This culture of hope in authoritarian leaders has shaken the foundations of legitimacy in the democratic system. The adoption of neo-liberal policies by the ruling party was also an important influence on the collapse of democracy. In the case of Venezuela, neoliberal reforms were initiated in the face of a spreading economic crisis and a wave of neoliberalization. On the one hand, the neo-liberal reforms have widened the income gap between the rich and the poor in Venezuela, making the lower class unable to make ends meet and intensifying social tensions, which ultimately led to the occurrence of social movements and military coups. Neo-liberal policies intensified social tensions, plunged the country's economy into a depression, and led to a shift in popular support for

the extreme left-wing leader Chávez, whose rise to power signaled the collapse of the democratic system.

Previous structural factors have generally explained the collapse of democracy from the perspective of formal institutions. However, scholars have discussed less about the relationship between informal institutions and democratic collapse. Focusing on formal institutions alone cannot properly explain democratic collapse; informal institutions potentially influence polity stability and should be equally taken into account, as Robert D. Putnam finds that different governmental performance can be attributed to differences in civil society traditions. [15] These traditions are very stable over the centuries, i.e., differences in informal institutions affect differences in government performance. This paper adds to the less explored areas of scholarship by looking at formal institutions and focusing on the impact of informal institutions on democratic politics, suggesting that the existence of informal institutions is also an important factor in the consolidation of democracies, and that inappropriate informal institutions can lead to the collapse of democracy.

In terms of actor factors, academics often focus on the influence of individual elites at the micro level rather than policies at the meso level, suggesting that choices made by political actors may enhance or reduce the likelihood that a country's polity will stabilize or sustain itself. However, different policies pursued by the ruling party can also contribute to the stability or otherwise of a democracy. Neoliberal policies may intensify economic inequality and produce factors that are detrimental to democracies. Extreme inequality increases the likelihood that competitive politics will be replaced by hegemonic politics, which may ultimately affect the stability of democracies. The paper's explanation of how neoliberal policies cause democratic collapse likewise complements existing theories.

In sum, this paper constructs a more complete analytical framework that can help to fully understand the consolidation of emerging democracies at the theoretical level, and help emerging democracies to remove unfavorable factors to democratic politics at the practical level.

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