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## Factors Influencing Political Stability in South America: The Roles of Rule of Law, Regulatory Quality, Control of Corruption, and Government Effectiveness

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**Abstract:** Political stability in South America varies significantly across countries and is closely linked to differences in governance quality and institutional capacity. This study aims to analyze the relative influence of the rule of law, regulatory quality, control of corruption, and government effectiveness on political stability across 12 South American countries. The research employs an explanatory quantitative design using cross-national secondary data, analyzed through descriptive statistics, correlation analysis, and multiple linear regression. The findings indicate that all governance dimensions are positively associated with political stability; however, only the rule of law shows a statistically significant effect when all variables are analyzed simultaneously. Other dimensions lose significance, suggesting overlapping roles and potential institutional substitution. These results demonstrate a hierarchical relationship among governance dimensions. The study concludes that strengthening legal institutions and law enforcement is the most critical factor in sustaining long-term political stability in South America.

**Keywords:** Political stability, Governance, Rule of law, South America, Institutional quality.

### INTRODUCTION

South America is a region that, in recent decades, has often been characterised by fluctuating political dynamics, ranging from rapid changes of government to polarisation of electoral competition to waves of social mobilisation that collectively affect the continuity of public policy and the resilience of institutions (Lombana-coy et al., 2025). In this context, Political stability does not simply mean the absence of crises or open conflicts; rather, it is an institutional condition that enables the government to carry out its mandate effectively,

maintain policy predictability, and minimise the risk of political disruption that affects socio-economic activities (Alkhaldeh, 2025). Comparative political and public administration literature increasingly emphasises that variations in interstate political stability are rooted not only in economic cycles or regime configurations, but also in the quality of governance (Governance) that shapes the legitimacy and capacity of the state (Onafowora & Owoye, 2024; Khasawneh et al., 2025). In particular, the Rule of Law strengthens certainty and enforcement of rules, Regulatory Quality determine the coherence and credibility of the regulatory framework, control of corruption limits the abuse of authority that erodes public trust, and government effectiveness reflects administrative capacity in designing and implementing public policies and services services (Khasawneh et al., 2025; Mas'ud et al., 2021). Because these four dimensions represent the institutional foundations that can mediate state-citizen relations and manage conflicts on a rule-based basis, a comparative examination of their roles is essential to understanding why political stability in South America varies sharply across countries (Alkhaldeh, 2025; Lombana-coy et al., 2025).

Although political stability in South America is often explained by economic shocks, electoral polarisation, and regime configurations, variations in stability across countries suggest patterns that cannot be fully accounted for by these macro factors alone (Bhujabal et al., 2024; Radulović, 2020). The difference in the state's ability to maintain political order, mitigate the escalation of conflicts, and maintain policy continuity suggests that institutional issues, especially the quality of governance, have a more decisive role than is often assumed (Bhujabal et al., 2024). However, the existing literature still leaves essential gaps. First, many studies emphasise macro determinants and discuss governance normatively without adequate comparative testing of their relative contribution (Poniatowicz et al., 2020). Second, empirical evidence for South America remains often fragmented across case studies or obscured by "Latin America" generalisations in aggregate, so that intra-regional heterogeneity is poorly mapped (Lakha et al., 2024). Third, studies using governance indicators tend to be partial and rarely test Rule of Law, Regulatory Quality, control of corruption, and government effectiveness simultaneously in one analytical framework, even though the overlap and complementarity between these dimensions have the potential to determine the outcome (Khasawneh et al., 2025; Tekdemir & Yesil 2025). Thus, a more integrated analysis is needed to assess the relative weight of each governance dimension in explaining variation in political stability across South America.

Responding to this need, this study offers novelty by comparative testing that integrates the four pillars of governance into a single model to identify the most dominant dimensions of political stability in South America. Practically, the findings are expected to provide an evidence-based basis for prioritising institutional reforms, whether strengthening the rule of law, improving the quality of regulations, controlling corruption, or improving the effectiveness of public administration as a prerequisite for sustainable political stability and continuity of the development agenda. Based on this framework, this research was formulated through two research questions: **(RQ1)** to what extent is the rule of law, regulatory quality, control of corruption, and government effectiveness associated with variations in political stability in South American countries? and **(RQ2)** Among the four dimensions of governance, which dimension is the most dominant in explaining political stability in South America?

## Literature Review

### Conceptualization of Political Stability

In comparative political literature, political stability is understood as an institutional condition that enables the political system to maintain order and sustain governing capacity, rather than merely the absence of crises (Mahmood et al., 2025). It encompasses three core

dimensions: (1) institutional resilience, referring to the ability of executive, legislative, judicial, and bureaucratic institutions to function consistently amid political competition; (2) low levels of political violence, indicating that conflicts are resolved through institutional mechanisms rather than coercion; and (3) policy continuity and predictability, reflecting the state's capacity to maintain stable policy direction (Rico et al. 2025; Barberia, et al.,2025). Importantly, political stability is not synonymous with democratic quality. While it can emerge from rule-based legitimacy in democratic systems, it may also persist under coercive control in non-democratic regimes, potentially producing fragile “pseudo-stability” due to limited accountability (Suárez-pizzarello et al., 2025). Consequently, stability should be analyzed not only as “order,” but as an institutional outcome shaped by underlying governance mechanisms. In practical terms, political stability reduces political risk, enhances policy effectiveness, and strengthens public trust. However, it may also constrain political contestation if achieved through restrictions on civil liberties. Therefore, understanding political stability requires a governance-oriented perspective, particularly in regions such as South America, where variations in institutional capacity and rule enforcement remain significant.

### **Theoretical Perspective: Governance as a Determinant of Stability**

Within institutional theory, governance refers to the quality of the “rules of the game” and the state's capacity to formulate, coordinate, and enforce policies effectively (Arif & Dutta, 2024). In this framework, political stability is not merely shaped by economic cycles or electoral dynamics, but rather emerges from two interrelated dimensions: state legitimacy and capacity (Alkhaldeh, 2025). From a legitimacy perspective, high-quality governance strengthens public trust through fair procedures, consistent rule enforcement, and constraints on abuse of power, thereby encouraging compliance and reducing the likelihood of conflict escalation outside institutional channels (Arif & Dutta, 2024; Rodriguez-Saavedra et al., 2025). From a capacity perspective, effective governance enhances policy implementation, service delivery, and crisis responsiveness, thereby reinforcing performance legitimacy and reducing grievances that may trigger instability (Mini et al., 2025; Alkhaldeh, 2025). Mechanistically, governance contributes to stability by reducing uncertainty, lowering transaction costs, and ensuring regulatory and legal predictability. However, the governance–stability relationship is not strictly linear and may involve endogeneity. Stability can facilitate institutional improvement, while governance reforms may generate short-term instability due to elite resistance and political realignment (Ham & Elsas 2024). Moreover, governance dimensions often overlap conceptually, requiring careful interpretation when assessing their relative influence. Thus, governance should be understood as a multidimensional, mechanism-driven determinant of political stability, in which the rule of law, regulatory quality, corruption control, and government effectiveness interact to shape legitimacy, compliance, and state capacity.

### **Rule of Law and Political Stability**

Within the governance stability framework, the rule of law is a central institutional pillar linking the quality of governance to political stability, as it ensures that power is exercised in a predictable, accountable, and rule-based manner (Ramanujam & Farrington, 2023). A strict rule of law provides credible legal mechanisms for resolving disputes, thereby reducing incentives for coercion, violence, and destabilizing mobilization (Aguerre & Bonina, 2024). Mechanistically, the rule of law enhances stability by reducing policy uncertainty, limiting arbitrariness and the abuse of authority, and safeguarding rights, thereby keeping political contestation within institutional channels. However, this relationship is not automatic. The rule of law often overlaps with other governance dimensions, raising concerns

of conceptual redundancy and multicollinearity in empirical analysis (Lombana-coy et al., 2025). Moreover, formal legal strength may not reflect effective implementation, potentially masking inequality and latent grievances. In addition, accountability reforms can generate short-term instability due to elite resistance before producing long-term stabilizing effects (Kouba, 2022; Oliveira & Mourao, 2021). Thus, the rule of law should be understood not merely as a legal indicator, but as a core institutional mechanism shaping state credibility, compliance, and the capacity to manage conflict particularly relevant in heterogeneous contexts such as South America.

H1: A higher level of rule of law is associated with a higher level of political stability

### **Regulatory Quality and Political Stability**

In governance literature, regulatory quality refers to the state's ability to design and implement coherent, predictable, and credible regulations that reduce uncertainty and policy volatility key drivers of political instability (Bhujabal et al., 2024; Phuc, 2025). Beyond a pro-market orientation, it reflects consistency in the rules of the game, procedural certainty, and the state's capacity to sustain policy commitments over time (Lopes et al., 2023). Mechanistically, regulatory quality enhances political stability by lowering transaction costs, strengthening government credibility, and mitigating distributional conflicts through transparent and inclusive policy design (Tekdemir & Yesil, 2025; Ha & Nguyen, 2023). However, this relationship is contingent. Technocratically sound regulations may lose legitimacy if perceived as inequitable or socially exclusionary, potentially triggering political contestation (Husnain et al., 2024). Moreover, regulatory quality overlaps with other governance dimensions, particularly government effectiveness and the rule of law, as effective regulation depends on consistent enforcement capacity. Consequently, its independent effect may weaken in multivariate analyses when mediated by these institutional factors (Mehmood et al., 2023). Thus, regulatory quality should be understood not only as policy design quality, but as the credibility and social acceptance of regulatory frameworks that anchor political predictability, especially in politically dynamic contexts such as South America.

H2: Higher levels of regulatory quality are associated with higher levels of political stability

### **Control of Corruption and Political Stability**

Within the governance stability framework, control of corruption is a key determinant of political stability, as corruption undermines legitimacy, distorts public policy, and generates distributional conflicts that fuel social discontent (Mabizela, 2024; Tsheola et al., 2023; Raza et al., 2022). High levels of corruption foster patronage-based resource allocation, widening the gap between institutional promises and citizens' experiences, thereby eroding political trust and increasing the likelihood of protest and delegitimization (Ramjit, 2024; Heersink & Jenkins, 2024; Motswaledi & Marumo, 2025). Mechanistically, weak corruption control reduces stability by weakening accountability, impairing policy effectiveness through rent-seeking, and intensifying elite competition over resources, which may escalate into political crises (Mahmood et al., 2021; Röell et al., 2025; Raza et al., 2022). However, this relationship is not strictly linear. In some contexts, systemic corruption may generate short-term "pseudo-stability" through patronage and co-optation, although such stability is inherently fragile and unsustainable. Moreover, corruption control is closely intertwined with the rule of law, raising concerns of overlapping variance in empirical models. As a result, its independent effect may appear weaker when tested simultaneously with other governance dimensions. Therefore, corruption control should be understood as part of broader institutional integrity that underpins rule-based legitimacy and sustainable political stability.

H3: Higher levels of control of corruption are associated with higher levels of political stability

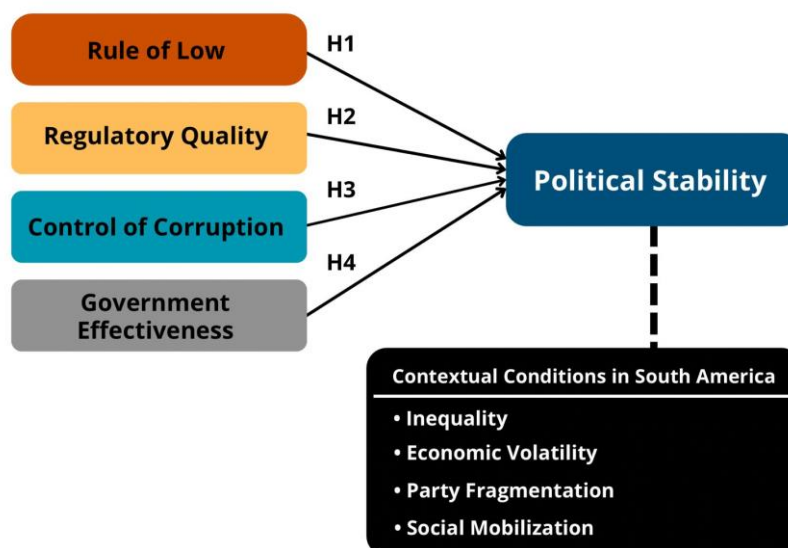
### Government Effectiveness and Political Stability

In comparative public administration, government effectiveness refers to the state’s capacity to design coherent policies, coordinate bureaucratic actors, and implement public programs reliably, thereby strengthening political stability through performance legitimacy (Kirby, 2021; Arif & Dutta, 2024). Effective governance enhances service delivery, crisis responsiveness, and policy consistency, thereby reducing public dissatisfaction, increasing institutional trust, and limiting the likelihood of protest mobilization (Alkhaldeh, 2025; Arif & Dutta, 2024; Ikenaga & Chima, 2021). Mechanistically, government effectiveness contributes to stability by improving service quality, strengthening implementation capacity, and fostering bureaucratic coordination that reduces policy volatility. However, this relationship is conditional. Administrative effectiveness alone does not guarantee sustainable stability without support from the rule of law and accountability, as technocratic efficiency may coexist with arbitrariness or unequal policy distribution (Alkhaldeh, 2025; Khasawneh et al., 2025). Moreover, government effectiveness often overlaps with other governance dimensions, particularly regulatory quality, potentially weakening its independent effect in multivariate analyses. Therefore, it should be understood not only as administrative capacity, but as part of a broader institutional framework that determines whether political stability is driven by performance or anchored in rule-based governance.

H4: Higher levels of government effectiveness are associated with higher levels of political stability

### Conceptual Framework

Based on a synthesis of the literature on political stability and governance, this study develops a conceptual framework that positions political stability as an institutional outcome shaped by governance quality. The four dimensions of governance, rule of law, regulatory quality, control of corruption, and government effectiveness, are understood as institutional pillars that form legitimacy, compliance with the rules of the game, and state capacity to manage conflicts and maintain policy predictability. This framework departs from the assumption that short-term political dynamics alone determine variation in political stability across countries. Still, the quality of the institutions that govern how power is exercised and policies are implemented. Thus, this conceptual framework is used to illustrate the theoretical relationship between the dimensions of governance and political stability, as well as to provide the basis for formulating research questions and selecting the empirical models used in this study.



This conceptual framework shows that political stability in South America is directly influenced by the quality of governance, as measured by the rule of law, regulatory quality, control of corruption, and government effectiveness. These four dimensions are assumed to have a positive relationship with political stability through strengthening rule certainty, institutional legitimacy, and state capacity. However, this relationship does not take place in a vacuum; it can be shaped by regional contextual conditions such as inequality, economic volatility, party fragmentation, and social mobilisation. Thus, this image synthesises the main theoretical relationships underlying the empirical research model.

## **METHOD**

### **Research Design.**

This study uses an explanatory quantitative research design with a cross-national comparative approach to analyse the influence of governance dimensions on political stability in South American countries (Zhao & Du, 2025; Handoyo, 2024). This design aims to test hypotheses derived from the theoretical framework by explaining variation in political stability across countries in terms of differences in governance quality (Pinilla-Rodríguez & Hernández-Medina, 2024). The comparative approach was chosen because it is well-suited to capturing the institutional heterogeneity that characterises the South American region.

### **Data and Sample Collection Techniques**

The unit of analysis in this study is the country, with coverage of 12 South American countries, namely Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Suriname, Uruguay, and Venezuela. This study uses only secondary data sourced from recognised international databases to ensure methodological consistency and cross-country comparability. Data on political stability and governance dimensions were obtained from the Worldwide Governance Indicators (WGI) published by the World Bank (<https://www.worldbank.org/en/publication/worldwide-governance-indicators/interactive-data-access>). In contrast, the E-Government Index data was obtained from the United Nations E-Government Knowledgebase (<https://publicadministration.un.org/egovkb/en-us/Data-Center>). All variables were taken in the same observation year to minimise temporal bias.

### **Operational Variables and Definitions**

The dependent variable in this study is political stability, measured using the Political Stability and Absence of Violence/Terrorism indicator from WGI, which reflects perceptions of the likelihood of political instability and politically motivated violence.

Independent variables include four dimensions of governance, namely rule of law, regulatory quality, control of corruption, and government effectiveness, all of which are measured using WGI standard scores, where higher values indicate better governance quality. In addition, the E-Government Index is used as an indicator of the government's digital governance capacity.

### **Data Analysis Techniques**

Data analysis is carried out in several stages. First, descriptive statistics are used to describe variations in political stability and governance indicators between countries (Barbu & Boitan, 2020). Second, a Pearson correlation analysis was conducted to identify bivariate relationships among variables and detect potential multicollinearity (Lyulyov, 2023). Third, this study uses multiple linear regression with Ordinary Least Squares (OLS) (Kartiko, 2024; Alkhaldeh, 2025) to test the simultaneous influence of the governance dimension on political stability and to determine the most dominant factors. The OLS approach was chosen

because it aligned with the research objectives, which emphasised the estimation of direct relationships and the comparison of the strength of influence between variables (Lubinga & Mazenda, 2024).

To guarantee the reliability of the regression results, a series of diagnostic tests was performed. Multicollinearity was assessed using Variance Inflation Factors (VIFs) and tolerance values (Tedoldi et al., 2025; Tenekedjiev et al., 2021). In addition, the assumptions of residual normality, linearity, and homogeneity were examined. All statistical analysis was carried out using SPSS software (Koirala et al., 2025). This study uses secondary data that is open and accessible to the public, so that it does not involve human subjects directly and does not raise research ethical issues related to confidentiality, consent, or participant risk.

## RESULTS AND DISCUSSION

### Descriptive Analysis

Table 1. Descriptive Statistic

| Countries in South America | N  | Minimum  | Maximum  | Red      | Standard Deviation |
|----------------------------|----|----------|----------|----------|--------------------|
| E-Government Index         | 12 | 53603.00 | 90059.00 | 74618.00 | 12561.28           |
| Political Stability        | 12 | 36.17    | 87.72    | 61.19    | 13.17              |
| Government Effectiveness   | 12 | 29.98    | 72.52    | 50.99    | 11.57              |
| Regulatory Quality         | 12 | 35.08    | 67.45    | 51.62    | 9.08               |
| Rule of Law                | 12 | 19.03    | 73.32    | 48.81    | 14.13              |
| Control of Corruption      | 12 | 15.73    | 78.78    | 40.73    | 17.66              |

Source: SPSS Analysis

Note: N = number of South American countries (Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Suriname, Uruguay, Venezuela). Political Stability is a dependent variable. Government Effectiveness, Quality of Regulation, Rule of Law, and Corruption Control represent the dimensions of governance. The E-Government Index reflects the development of national digital governance (as compiled from the UN e-government dataset used in this study). All values are reported as shown in the SPSS output and rounded to 2 decimal places.

Based on Table 1 (Descriptive Statistics), the research sample comprises 12 South American countries with wide variations in indicators of political stability and governance. The political stability score has an average of 61.19 (SD = 13.17) and a range of 36.17–87.72, indicating marked heterogeneity across countries, ranging from relatively vulnerable to more stable contexts. In the dimensions of governance, government effectiveness and regulatory quality showed relatively moderate averages and were quite close (Mean = 50.99, SD = 11.57; Mean = 51.62, SD = 9.08), while rule of law shows greater variation (Mean = 48.81, SD = 14.13) which may reflect differences in law enforcement capacity and consistency of legal institutions in the region. Interestingly, the control of corruption has the lowest average (40.73) and the highest standard deviation (17.66), indicating that corruption could be the most problematic and unevenly distributed governance dimension in South America. Meanwhile, the E-Government Index shows an average of 74,618 (SD = 12,561) with a range of 53,603–90,059, which shows the disparity in digital government capacity between countries; this variation is relevant to be read as an indicator of administrative readiness and digital-based public services, although it does not automatically have direct implications for political stability. Overall, this descriptive pattern reinforces the argument that political stability in South America occurs within an inhomogeneous institutional landscape, so empirical testing of the relative weight of each governance dimension is essential to explain differences in stability between countries more precisely.

## Correlation Analysis

**Table 2. Correlations Analysis**

| Variables                   | 1      | 2       | 3       | 4     | 5       | 6     |
|-----------------------------|--------|---------|---------|-------|---------|-------|
| 1. E-Government Index       | 1.000  |         |         |       |         |       |
| 2. Political Stability      | 0.387  | 1.000   |         |       |         |       |
| 3. Government Effectiveness | -0.003 | 0.239   | 1.000   |       |         |       |
| 4. Regulatory Quality       | 0.101  | 0.165   | 0.843** | 1.000 |         |       |
| 5. Rule of Law              | 0.663* | 0.859** | 0.392   | 0.398 | 1.000   |       |
| 6. Control of Corruption    | 0.626* | 0.761** | 0.421   | 0.332 | 0.928** | 1.000 |

\* Correlation is significant at the 0.05 level (2-tailed).  
 \*\* Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Analysis

Based on Table 2 (Pearson Correlation Matrix), there is a prominent pattern of relationships between the dimensions of governance and political stability in 12 South American countries. Bivariately, political stability was positively correlated with strict and significant rule of law ( $r = 0.859, p < 0.01$ ) and control of corruption ( $r = 0.761, p < 0.01$ ), indicating that countries with more vigorous certainty/law enforcement and more effective corruption control tended to show higher levels of political stability. In contrast, the correlations between political stability and government effectiveness ( $r = 0.239$ ) and regulatory quality ( $r = 0.165$ ) were relatively weak and insignificant, suggesting that administrative capacity and regulatory quality at least in bivariate analyses were not directly related to variation in political stability in this sample. Interestingly, the E-Government Index showed a moderate positive correlation with stability ( $r = 0.387$ ), but it was not significant. In contrast, the correlation with the rule of law ( $r = 0.663, p < 0.05$ ) and control of corruption ( $r = 0.626, p < 0.05$ ) was significant; This pattern is consistent with the interpretation that the development of digital government has the potential to be more closely associated with strengthening institutional quality (law enforcement and corruption control) than directly producing political stability. At the same time, the correlation matrix also showed very high correlations among governance predictors especially between the rule of law and control of corruption ( $r = 0.928, p < 0.01$ ) and between government effectiveness and regulatory quality ( $r = 0.843, p < 0.01$ ). This finding is methodologically crucial because it indicates the potential for multicollinearity, so that, at the regression stage, the coefficients of each governance indicator can become unstable or lose significance even when the bivariate correlation is strong. Thus, this table substantively affirms the centrality of the "legal-institutional integrity" dimension (rule of law and corruption control) to political stability in South America, while demanding a more parsimonious modelling strategy or resilience test to ensure that the relative weight of each governance dimension can be interpreted credibly.

## Regression Analysis

**Table 3. Regression Analysis**

| Model Summary   |          |                   |                            |
|---|----------|-------------------|----------------------------|
| R   | R Square | Adjusted R Square | Std. Error of the Estimate |
| .937a   | .878     | .776              | 6.229833432                |
| a. Predictors: (Constant), E-Government Index, Government Effectiveness, control of corruption, Regulatory Quality, Rule of law |          |                   |                            |

Source: SPSS Analysis

Based on the Summary Model, the regression model that includes the E-Government Index, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of

Corruption explains a very high proportion of the variation in political stability across 12 South American countries. A value of  $R = .937$  indicates a strong correlation between the model's predicted values and the actual values of the dependent variable. In contrast,  $R$  Square =  $.878$  suggests that about 87.8% of the variation in political stability can be explained by the combination of predictors in the model. After accounting for the number of predictors and sample sizes, the Adjusted  $R$  Square =  $.776$  remains relatively high, indicating that the model's explainability is not solely an artefact of adding variables. However, this correction also warns of the risk of overfitting, given the limited sample size ( $N=12$ ) relative to the number of predictors. The Std. The estimated error of 6.23 reflects the average magnitude of the model's prediction error for the political stability score, indicating that the model can produce predictions close to the observed values. Overall, this summary of the model supports the argument that the governance dimension along with the e-government indicator has a strong empirical relationship with political stability in South America, but further interpretation still needs to consider the limitations of the sample size as well as the potential overlap between governance indicators that may affect the stability of the coefficient at the regression analysis stage.

**Table 4. The coefficients result**

|                          | Unstandardized Coefficients (B) | Std. Error | Standardized Coefficients (Beta) | t      | Sig. |
|--------------------------|---------------------------------|------------|----------------------------------|--------|------|
| (Constant)               | 53.594                          | 17.145     |                                  | 3.126  | .020 |
| Government Effectiveness | .121                            | .366       | .106                             | .330   | .753 |
| Regulatory Quality       | -.561                           | .439       | -.387                            | -1.279 | .248 |
| Rule of law              | 1.463                           | .406       | 1.570                            | 3.601  | .011 |
| control of corruption    | -.279                           | .327       | -.374                            | -.854  | .426 |
| E-Government Index       | .000                            | .000       | -.379                            | -1.787 | .124 |

a. Dependent Variable: political Stability

Source: SPSS Analysis

Based on the regression coefficient table, only the Rule of Law showed a positive and significant influence on political stability in 12 South American countries ( $B = 1,463$ ,  $SE = 0.406$ ,  $t = 3,601$ ,  $p = .011$ ). Substantively, these results indicate that any one-point increase in the rule of law is associated with an increase of about 1.46 points in political stability, after controlling for other predictors in the model. In contrast, Government Effectiveness ( $B = .121$ ,  $p = .753$ ) and Regulatory Quality ( $B = -.561$ ,  $p = .248$ ) were not significant, suggesting that policy implementation capacity or regulatory quality does not make a strong independent contribution to political stability in these specifications. Similar findings were also seen in the Control of Corruption ( $B = -.279$ ,  $p = .426$ ) and the E-Government Index ( $B \approx 0$ ,  $t = -1.787$ ,  $p = .124$ ), both of which were not significant at conventional levels. However, the direction of the negative coefficient at the standardised beta suggested the possibility of overlapping variance or suppression effects due to the high correlation between predictors. Thus, this table confirms that the legal-institutional dimension, especially the rule of law, emerges as the most robust explanation for political stability. In contrast, the other dimensions of governance and digital government capacity have not shown direct effects that are statistically significant when tested simultaneously, especially in small samples and with the potential for multicollinearity.

## Relative Importance of Governance Dimensions and Institutional Substitution

The regression results indicate that the governance dimension does not exert a uniform influence on political stability when analysed simultaneously. Although initial analyses show a positive relationship between political stability and various governance indicators, the whole model specification indicates that only specific dimensions retain statistical significance after controlling for other institutional variables (Ríos et al., 2025; Qiu et al., 2025). These findings confirm that governance's contribution to political stability is hierarchical, not merely accumulative.

In particular, the rule of law emerged as the most consistent predictor of political stability, even after incorporating regulation quality, corruption control, and government effectiveness into the model (Munzhelele, 2025; Ríos et al., 2025). On the contrary, the weakening of the significance of several other governance dimensions indicates the overlapping of institutional functions. This pattern aligns with the concept of institutional substitution, in which strong legal institutions can absorb or mediate the stabilising influence of other governance mechanisms.

These findings indicate that political stability in South America is primarily rooted in the quality of legal institutions, which serve as the foundation of rules-based governance. In contrast, other governance dimensions serve as supporting factors whose effectiveness depends on institutional strength. Empirical studies show that improvements in the rule of law and corruption control are significantly associated with higher governance quality and political-economic performance in the Latin American context (Valdiglesias, 2025). Other research highlights that formal institutional weaknesses are often associated with alternative governance beyond formal state mechanisms, thereby influencing political dynamics and social stability in many communities in the region (Uribe et al., 2025). In addition, the trend of democratic weakness, reflected in the deterioration of the rule of law in several Latin American countries, is also evident in the latest literature (Suárez-pizzarello et al., 2025).

## CONCLUSION

This study confirms that political stability in South America is an institutional outcome strongly influenced by the quality of governance, not merely by the absence of short-term conflicts. Empirical findings show that the dimensions of governance, especially the rule of law, government effectiveness, regulatory quality, and control of corruption, are positively and significantly correlated with political stability, even though with a non-uniform level of influence. This indicates that sustainable political stability relies more on a country's institutional capacity to enforce rules, ensure the effectiveness of policy implementation, and limit corrupt practices than on coercive control-based stabilisation strategies, which tend to result in pseudo- and fragile stability in the long term.

From a policy perspective, these findings imply that the agenda for strengthening political stability in the South American region needs to be directed towards structural and rules-based governance reforms. The government should prioritise enhancing the rule of law, increasing bureaucratic capacity, and improving the quality of regulations to create a credible and predictable policy environment. In addition, efforts to eradicate corruption are relevant not only as a normative agenda but also as a strategic instrument to reduce political risks and increase public trust in state institutions. Thus, effective political stabilisation policies should be understood as an integral part of long-term governance reform, not as a technocratic intervention separate from institutional and democratic dynamics.

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