Institutional Veto Players
Federalism, bicameralism, constitutionalism.
It is useful to distinguish between federalism in structure (de jure federalism) and federalism in practice (de facto federalism).

- De jure federalism $\Rightarrow$ Federalism.

- De facto federalism $\Rightarrow$ Decentralization.
Federalism has three structural components.

1. Geopolitical division
2. Independence
3. Direct governance
A **federal state** is one in which sovereignty is constitutionally split between at least two territorial levels so that independent governmental units at each level have final authority in at least one policy realm.

States that are not federal are known as **unitary states**.
<table>
<thead>
<tr>
<th>Country</th>
<th>Regime</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Argentina</td>
<td>Democracy</td>
<td>1990–2000</td>
</tr>
<tr>
<td>2 Australia</td>
<td>Democracy</td>
<td>1990–2000</td>
</tr>
<tr>
<td>3 Austria</td>
<td>Democracy</td>
<td>1990–2000</td>
</tr>
<tr>
<td>4 Belgium</td>
<td>Democracy</td>
<td>1994–2000</td>
</tr>
<tr>
<td>5 Bosnia &amp; Herzegovina</td>
<td>Dictatorship</td>
<td>1990–2000</td>
</tr>
<tr>
<td>6 Brazil</td>
<td>Democracy</td>
<td>1990–2000</td>
</tr>
<tr>
<td>7 Canada</td>
<td>Democracy</td>
<td>1990–2000</td>
</tr>
<tr>
<td>8 Czechoslovakia</td>
<td>Democracy</td>
<td>1990–1992</td>
</tr>
<tr>
<td>9 Ethiopia</td>
<td>Dictatorship</td>
<td>1995–2000</td>
</tr>
<tr>
<td>10 Germany</td>
<td>Democracy</td>
<td>1990–2000</td>
</tr>
<tr>
<td>11 Malaysia</td>
<td>Dictatorship</td>
<td>1990–2000</td>
</tr>
<tr>
<td>12 Mexico</td>
<td>Dictatorship</td>
<td>1990–1995</td>
</tr>
<tr>
<td>13 Micronesia</td>
<td>Democracy</td>
<td>1990–2000</td>
</tr>
<tr>
<td>14 Nigeria</td>
<td>Democracy</td>
<td>1999–2000</td>
</tr>
<tr>
<td>15 Pakistan</td>
<td>Democracy</td>
<td>1990–1999</td>
</tr>
<tr>
<td>16 Russia</td>
<td>Democracy</td>
<td>1992–2000</td>
</tr>
<tr>
<td>17 South Africa</td>
<td>Democracy</td>
<td>1993–2000</td>
</tr>
<tr>
<td>18 Switzerland</td>
<td>Democracy</td>
<td>1990–2000</td>
</tr>
<tr>
<td>19 USSR</td>
<td>Dictatorship</td>
<td>1990–1991</td>
</tr>
<tr>
<td>20 United Arab Emirates</td>
<td>Dictatorship</td>
<td>1990–2000</td>
</tr>
<tr>
<td>21 United States of America</td>
<td>Democracy</td>
<td>1990–2000</td>
</tr>
<tr>
<td>22 Venezuela</td>
<td>Democracy</td>
<td>1990–2000</td>
</tr>
<tr>
<td>23 Yugoslavia</td>
<td>Dictatorship</td>
<td>1990–1991</td>
</tr>
<tr>
<td>24 Yugoslavia (Serbia &amp; Montenegro)</td>
<td>Dictatorship</td>
<td>1992–2000</td>
</tr>
</tbody>
</table>

Source: Data are from Bednar (2009); the coding for regime type is from the Polity IV data set (Marshall, Gurr, and Jaggers 2016).

Note: All of these countries satisfy the criteria of (a) geopolitical division, (b) independence, and (c) direct governance.

The United Arab Emirates (UAE) is an example of a federal dictatorship. The UAE comprises seven emirates in the Middle East—Abu Dhabi, Ajman, Dubai, Fujairah, Ra’s al-Khaimah, Sharjah, and Umm al-Quwain. The seven emirates are shown in Map 15.1. Originally, the seven emirates were known as the Trucial States, and they formed part of a
British protectorate along with Bahrain and Qatar. Following Britain’s decision to withdraw from the Gulf in 1968, the seven Trucial States, along with Bahrain and Qatar, began negotiations to form a federation of Arab Emirates. Bahrain and Qatar ultimately decided to go their separate ways, but six Trucial States went on to form the United Arab Emirates in December 1971; the seventh Trucial State—Ra’s al-Khaimah—joined in February 1972 (Peterson 1988). The provisional constitution of the UAE, which only became permanent in 1996, established a federal form of government (Peck 2001). This essentially involved constructing federal authorities above the preexisting local governments in each of the seven emirates. The federal nature of the UAE is guaranteed in Articles 116 and 122 of the constitution.

**Map 15.1** The Federal States of the United Arab Emirates

- Abu Dhabi
- Ajman
- Dubai
- Fujairah
- Ra’s al-Khaimah
- Sharjah
- Umm al-Quwain
These articles state that all powers that are not explicitly given to the federal authorities in the constitution belong to the individual emirates. Whereas the United Arab Emirates is an example of a federal dictatorship, Brazil is an example of a federal democracy. Brazil has a long history with federalism dating back to the 1891 constitution of the Old Republic (1889–1930). The existing federal arrangements date to the 1988 constitution, which was written following the reemergence of democracy from military dictatorship in 1985. Most federal countries have two different levels of territorial units. Brazil is unusual in that it has three—federal, state, and municipal. At the federal level, executive power is in the hands of the president. At the state level, there are twenty-six states based on historical borders that have developed over centuries and a "federal district" that comprises Brazil’s capital, Brasília. As Map 15.2 illustrates, the federal district is in the state of Brazil.

- Federal (1)
- State (26)
- Municipal (5,560)
Devolution ≠ Federalism

**Devolution** occurs when a unitary state grants powers to subnational governments but retains the right to unilaterally recall or reshape those powers.

Regional governments in a unitary state do not have a constitutional right to any of their powers.
Like the UK, India also has many characteristics of a federal state. For example, it has two different levels of government—national and state. At present, twenty-nine states have their own local governments. There are also seven union territories, which differ from states in that they do not have their own local governments and are, instead, governed directly by the national government. Map 15.3 shows the states and union territories of India.

Article 246 of the Indian constitution divides political authority between policy areas that are the exclusive concern of the national government (Union List) and policy areas that are the exclusive concern of the state governments. India clearly satisfies two of the criteria for a federal state:

- Article 3 gives the national legislature the power to change state boundaries and to create new states from existing ones.

- Article 356 allows the president to take over a state’s executive and rule directly through an appointed governor.
Federal states can be congruent or incongruent.

- **Congruent federalism** exists when the territorial units of a federal state share a similar demographic makeup with one another and the country as a whole.

- **Incongruent federalism** exists when the demographic makeup of territorial units differs among the units and the country as a whole.
Federal states can be symmetric or asymmetric.

• **Symmetric federalism** exists when the territorial units of a federal state possess equal powers relative to the central government.

• **Asymmetric federalism** exists when some territorial units enjoy more extensive powers than others relative to the central government.
Whether a state is federal or unitary is ultimately a constitutional issue.

Whether a state is decentralized or not is about where policy is actually made.
Decentralization refers to the extent to which actual policymaking power lies with the central or regional governments.

Most political scientists see decentralization as a revenue issue.

The greater the share of all tax revenues going to the central government, the less decentralized the state.
In recognition of these difficulties, political scientists frequently use the percentage of all tax revenue that is collected by the central government as a measure of state centralization. This is often referred to as “fiscal (de)centralization.” The basic assumption underlying this measure is that governments need tax revenue in order to implement policies. Thus, the scope of policymaking activities at any one level of government will ultimately depend on the share of tax revenues that it collects. The higher the share of all tax revenues collected by the central government, the more centralized the state. The lower the share of all tax revenues collected by the central government, the more decentralized the state. In sum, although political scientists tend to see federalism as a constitutional issue, they tend to see decentralization as a budgetary one.

In Figure 15.1, we illustrate the share of tax revenue collected by the central government out of the total tax revenue collected by all levels of government for fifty-three countries.

- For a good discussion of various measures of federalism and decentralization, see Rodden (2004).

Source: Data are from Yusuf and the World Bank (1999, 216–217).

Note: With the exception of Japan, all data points are for 1997; Japan’s data point is for 1990. Tax revenue that is legally mandated to be transferred to regional governments through a revenue-sharing scheme is treated as belonging to the regional governments even if it is first collected by the central government. The names of some unitary countries have been omitted for visual clarity.
Of these fifty-three countries, thirteen are federal and forty are unitary. As we might expect, the average degree of revenue centralization is lower in federal states (74.6 percent) than in unitary ones (87.95 percent). In other words, federalism and decentralization tend to go together. It should be noted, however, that there is a substantial amount of variation in revenue centralization in both unitary and federal countries (Arzaghi and Henderson 2005). For example, some unitary states (China, Denmark, Finland, India, Japan, Sweden) are more decentralized than the average federal state. Indeed, China, where the central government collects only 48.6 percent of the country's tax revenue, is the most decentralized state in the whole sample. Similarly, some federal states (Belgium, Malaysia, South Africa) are much more centralized than the average unitary state. Fully 97.6 percent of the tax revenue collected in federal Malaysia is collected by the central government.

To summarize, federalism can be distinguished along two dimensions: federalism in structure (federal versus unitary) and federalism in practice (decentralized versus centralized). Whereas federalism in structure is a dichotomy—a country is either federal or unitary—decentralization is best thought of as a continuum, with some states being more decentralized than others. In Figure 15.2, we simplify the world somewhat and show it as a two-dimensional space with federalism in structure on the horizontal axis and federalism in practice on the vertical axis.
Coming-together federalism is the result of a bargaining process in which previously sovereign polities voluntarily agree to give up part of their sovereignty in order to pool together their resources and improve their collective security or achieve other, economic goals.

Holding-together federalism is the result of a process in which the central government of a polity chooses to decentralize its power to subnational governments in order to diffuse secessionist pressures.
Potential advantages of federalism.

- Closer match between policy and citizen preferences.

- Greater government accountability by bring the government closer to the people.

- Competition among states creates an incentive for good government.

- Policy experimentation.

- System of checks and balances.
Potential disadvantages of federalism.

- Unnecessary duplication and contradictory policies.
- Increases collective action problems in policy formulation.
- Competition leads to downward harmonization.
- Competition amplifies pre-existing inequalities.
- Facilitates blame shifting and credit claiming, thereby reducing government accountability.
A **unicameral legislature** is one in which legislative deliberation occurs in a single assembly.

A **bicameral legislature** is one in which legislative deliberation occurs in two distinct assemblies.

About 40% of the world’s countries have bicameral legislatures.
Bicameral systems can be congruent or incongruent.

- **Congruent bicameralism** occurs when two legislative chambers have a similar political composition.

- **Incongruent bicameralism** occurs when the two legislative chambers differ in their political composition.

The level of congruence depends on how the membership of the two chambers is selected and whom that membership is supposed to represent.
There are four methods of selecting members of the upper house:

1. Heredity
2. Appointment
3. Indirect elections
4. Direct elections
Members of the lower chamber in almost all countries are supposed to represent all citizens equally.

The most common role for the upper chamber is to represent the citizens of subnational geographic units.

- This is always the case in federal states, but is also the case in some unitary states.
The fact that citizens are often distributed in an unequal manner across the different subnational geographic units frequently leads to malapportionment.

**Malapportionment** occurs when the distribution of political representation between constituencies is not based on the size of each constituency’s population.

In a malapportioned system, the votes of some citizens weigh more than the votes of others.
the smallest unit and working our way to the right, we identify those units that together comprise 10 percent, 20 percent, 30 percent, and 50 percent of the country's overall population. We then determine the percentage of upper chamber seats that are allocated to these regions. These are the percentages shown in Table 15.2. As an example, consider the case of the United States. Table 15.2 indicates that the smallest states that together comprise 10 percent of the national population control 39.7 percent of the seats in the US Senate. In other words, these states receive almost four times the amount of representation in the Senate as their population sizes would imply they should. The smallest states, which together constitute 20 percent of the overall US population, control 55 percent of the Senate seats—an overall majority. The other percentages in Table 15.2 can be interpreted in a similar way. As you can see, there is a great deal of variation in the level of malapportionment seen in upper chambers around the world. Countries like the United States and Switzerland exhibit very high levels of malapportionment, whereas countries like Austria and Belgium exhibit low levels.

In sum, the degree of congruence in a bicameral system depends on whether the two legislative chambers employ similar methods for selecting their members and on whether the two chambers represent the same set of citizens. On the whole, congruent bicameralism is relatively rare (Lijphart 1999).

### Table 15.2 Malapportionment in Upper Chambers, 1996

<table>
<thead>
<tr>
<th>Country</th>
<th>10</th>
<th>20</th>
<th>30</th>
<th>50</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>39.7</td>
<td>55.0</td>
<td>67.7</td>
<td>83.8</td>
</tr>
<tr>
<td>Switzerland</td>
<td>38.4</td>
<td>53.2</td>
<td>64.7</td>
<td>80.6</td>
</tr>
<tr>
<td>Venezuela</td>
<td>31.6</td>
<td>47.2</td>
<td>60.0</td>
<td>77.5</td>
</tr>
<tr>
<td>Australia</td>
<td>28.7</td>
<td>47.8</td>
<td>58.7</td>
<td>74.0</td>
</tr>
<tr>
<td>Canada</td>
<td>33.4</td>
<td>46.3</td>
<td>55.6</td>
<td>71.3</td>
</tr>
<tr>
<td>Germany</td>
<td>24.0</td>
<td>41.7</td>
<td>54.3</td>
<td>72.6</td>
</tr>
<tr>
<td>India</td>
<td>15.4</td>
<td>26.9</td>
<td>37.4</td>
<td>56.8</td>
</tr>
<tr>
<td>Austria</td>
<td>11.9</td>
<td>22.5</td>
<td>32.8</td>
<td>52.9</td>
</tr>
<tr>
<td>Belgium</td>
<td>10.8</td>
<td>20.9</td>
<td>31.0</td>
<td>50.9</td>
</tr>
</tbody>
</table>

Source: Data are from Lijphart (1999, 208).
Bicameral systems can be symmetric or asymmetric.

- **Symmetric bicameralism** occurs when the two legislative chambers have equal or near equal constitutional power.

- **Asymmetric bicameralism** occurs when the two legislative chambers have unequal constitutional power.
likely to conflict with the lower chamber as a result of its differing political composition (incongruent), the upper chamber is not expected to play a significant role in the policymaking process because its constitutional powers are weak (asymmetric).

Why Bicameralism?

As Tsebelis and Money (1997, 17) explain, the origins of bicameralism can be traced back to ancient Greece. Rather than a “simple government” in which the interests of only one social class—the one (monarchy), the few (aristocracy), or the many (people)—would be represented, many Greek philosophers, such as Aristotle and Plato, preferred a “mixed government” that would represent all social classes. In practice, mixed governments in ancient Greece saw the aristocracy and the people represented in separate adviser-legislative councils. One of the purported benefits of a mixed government was that it would maintain a balance of power in which no single social class could gain control of the state for itself. By the eighteenth century, most people had come to see the Greek notion of mixed government as entailing a bicameral legislature in which the aristocracy would deliberate in one chamber and the common people in another. A class-based bicameral legislature, along with a

![Figure 15.3 Two Dimensions of Bicameralism](image)

Source: Based on information in Lijphart (1999, 212).
Bicameralism can find its origins in the concept of mixed government outlined in ancient Greece.

- Mixed government calls for different institutions to represent the interests of the different social classes.

- By creating a system of checks and balances, mixed government was supposed to prevent one social class from dominating all of the others.
The rise of republicanism in the 18th century saw an emphasis on the representation of the people as a whole rather than as a set of competing social classes.
Bicameralism increasingly became seen as a way for federal states to represent their constituent territorial units.

- The lower chamber would represent the popular dimension of the people’s will.

- The upper chamber would represent the territorial dimension of the people’s will.
Some unitary states have retained an upper legislative chamber.

- In most cases the power of the upper chamber has been significantly weakened.

Members of the upper chamber have characteristics of value – wisdom, age, knowledge – that members of the lower chamber may not have.

- This incongruence is achieved by appointing people to the upper chamber.
Two basic arguments in favor of bicameralism.

- **In federal countries**, bicameralism is primarily defended as an institutional means for protecting the federal system and promoting the distinct preferences of different territorial units.

- **In unitary countries**, bicameralism is primarily defended as an institutional means for improving the quality of legislation.
Constitutionalism refers to the commitment of governments to accept the legitimacy of, and be governed by, a set of authoritative rules and principles that are laid out in a constitution.

A system of constitutional justice comprises the set of institutions and procedures that are established to protect constitutional rules and principles.
A *constitution* provides the formal source of state authority.

In addition to establishing the structure, procedure, powers, and duties of governmental institutions, more recent constitutions also contain a list of guaranteed rights.
Constitutions can be codified or uncodified.

- A **codified constitution** is one that is written in a single document.

- An **uncodified constitution** is one that has several resources, which may be written or unwritten.

Only three countries – Israel, New Zealand, and the United Kingdom – have an uncodified constitution.
Constitutions can be entrenched or unentrenched.

• An entrenched constitution can be modified only through a special procedure of constitutional amendment.

• An unentrenched constitution has no special amendment procedure and can be modified at any point in time with the support of a legislative majority.
Historically, we can identify two ideal types of constitutions.

1. A **legislative supremacy constitution** has no constitutional review, has no bill of rights, and is not entrenched.

2. A **higher law constitution** has constitutional review, has a bill of rights, and is entrenched.
Constitutional review is the authority of an institution to invalidate legislation, administrative decisions, judicial rulings, and other acts of government that violate constitutional rules, such as rights.
Constitutional review is exercised by judges sitting on special tribunals – constitutional courts – that are not part of the regular judicial system.

When constitutional review is conducted by ordinary judges from the regular judicial system, it is commonly referred to as judicial review.
in countries with legislative supremacy constitutions have their source in the ordinary statutes passed by the legislature, not in the constitution. The constitutions of the United Kingdom and New Zealand are examples of legislative supremacy constitutions.

Higher Law Constitution

According to higher law constitutions, the state can do legal wrong and must therefore be constrained in what it can and cannot do. The notion of legislative supremacy is rejected. Higher law constitutions typically contain a bill of rights that allows nonstate actors to challenge state actions that violate individual and minority rights. They also establish a mechanism—constitutional review—for defending the supremacy of the constitution and the rights that it contains. Constitutional review is the authority of an institution to invalidate acts of government, such as legislation, administrative decisions, and judicial rulings that violate constitutional rules (Stone Sweet 2000, 21). As we will see, constitutional review can be exercised by judges sitting on special tribunals—constitutional courts—that are not part of the regular judicial system, as in most European countries, or by ordinary judges in the regular judicial system, as in the United States. When constitutional review is conducted by ordinary judges from the regular judicial system, it is more commonly referred to as judicial review. By allowing constitutional review, higher law constitutions signal that constitutional laws are superior to “ordinary” laws passed by the legislature. In recognition of the special status of constitutional law, higher law constitutions are entrenched and stipulate special amendment procedures for modifying constitutional provisions. The differences between legislative supremacy constitutions and higher law constitutions are summarized in Table 15.3.

Table 15.3  Legislative Supremacy Constitution versus Higher Law Constitution

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Legislative supremacy</th>
<th>Higher law</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrenched</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Constitutional review</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Bill of rights</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

The new constitutionalism describes a situation in which almost all countries now have a higher law constitution.
Despite the convergence on higher law constitutions, countries differ in their system of constitutional justice.

- Type of constitutional review
- Timing of constitutional review
- Jurisdiction of constitutional review
Type of constitutional review

- Abstract constitutional review involves the constitutional review of legislation in the absence of a concrete legal case.

- Concrete constitutional review involves the constitutional review of legislation with respect to a specific legal case.
Timing of constitutional review

• A priori constitutional review occurs before a law is formally enacted.

• A posteriori constitutional review occurs only after a law is formally enacted.
Jurisdiction of constitutional review

- Centralized constitutional review refers to a situation in which only one court can conduct constitutional review (European Model).

- Decentralized constitutional review refers to a situation in which more than one court can interpret the constitution (American model).
Table 15.5 The Geographic Distribution of Different Models of Constitutional Justice, 2010

<table>
<thead>
<tr>
<th>Region</th>
<th>American model</th>
<th>European model</th>
<th>Mixed</th>
<th>Other</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>5</td>
<td>33</td>
<td>3</td>
<td>1</td>
<td>2</td>
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<tr>
<td>Africa</td>
<td>13</td>
<td>28</td>
<td>1</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Middle East</td>
<td>2</td>
<td>5</td>
<td>0</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Asia and Southeast Asia</td>
<td>19</td>
<td>15</td>
<td>2</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>North America</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Central America and South America</td>
<td>13</td>
<td>8</td>
<td>8</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>89</td>
<td>14</td>
<td>22</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: Data are from Dr. Arne Mavči and are available at http://www.concourts.net.

Note: “Mixed” means some combination of the American and European models; “Other” means that the system of constitutional justice is unique or unclassifiable; “None” means that there are no mechanisms for constitutional review. Systems based on France are coded as European.

In Table 15.5, we illustrate the geographic distribution of the American and European models of constitutional justice around the world as of 2010. As you can see, the European model of constitutional justice is more popular than the American one, although there are clear regional differences. For example, the American model is predominant in Asia, North America, and Central and South America, whereas the European model is predominant everywhere else.

VETO PLAYERS

As we have noted in this chapter, political scientists sometimes distinguish between democracies by whether they are federal or unitary, bicameral or unicameral, and whether they accept constitutionalism or not. In effect, these political scientists see the world in terms of different institutional dichotomies. Recently, though, comparative scholars have begun to move away from this position and to recognize that these institutions are conceptually the same in that they all act as checks and balances on the political system. Put differently, they all affect the ease with which the political status quo in a country can be changed. This new approach to understanding political institutions is called veto player theory (Tsebelis 1995, 1999, 2002).

Veto player theory offers a way to think about political institutions in a consistent way across countries. In effect, veto player theory conceptualizes the institutional structure of a given country in terms of its configuration of veto players. A veto player is an individual or collective actor whose agreement is necessary for a change in the political status quo. There are two types of veto player. An institutional veto player is generated by a country’s constitution. A partisan veto player is generated by the way the political game is played.
Veto player theory offers a way to think about political institutions in a consistent way across countries.

It conceptualizes the institutional structure of a given country in terms of its configuration of veto players.
A veto player is an individual or collective actor whose agreement is necessary for a change in the political status quo.

- An institutional veto player is generated by a country’s constitution.

- A partisan veto player is generated by the way the political game is played.
Federalism, bicameralism, and constitutionalism can be conceptualized as different types of institutional veto players.

All three institutions place hurdles on the ability of political actors to change the status quo.
**Veto player theory** indicates that countries with many veto players who have conflicting preferences will be characterized by:

1. Greater policy stability

2. Smaller policy shifts

3. Less variation in the size of policy shifts

4. Weaker agenda-setting powers
Reminder

• An indifference curve is the set of points such that an individual is indifferent between any two points in the set.

• The winset of the status quo is the set of alternatives that can defeat the status quo point.

The winset of the status quo in veto player theory is the set of alternatives that all veto players prefer to the status quo.
In contrast, when the winset is small, policy is more stable, because there are few policy alternatives that can defeat the status quo. Second, the size of the winset determines the likely size of policy shifts. When the winset is small, policy shifts must necessarily be small; it is impossible to move policy very far from the status quo. When the winset is large, though, the possibility arises for more radical policy shifts. If we think that every policy alternative in a winset is equally possible, then it follows that the average size of policy shifts will increase with the size of the winset. Third, the size of the winset influences how much variation we are likely to see in the size of policy shifts. As we have already noted, policy shifts must be small when the winset is small. When the winset is large, however, policy shifts may be small or large. As a result, we are likely to observe more variation in the size of policy shifts the larger the size of the winset.

Fourth, the size of the winset affects the power of an agenda-setting veto player to influence the policy outcome. So far, we have assumed that all veto players are created equal.

Note: A, B, and C = three veto players; SQ = the status quo policy; cAS = the policy alternative that C would propose if she were the agenda setter; the three circles = the indifference curves of A, B, and C with respect to the status quo; the shaded area = the winset, assuming decisions are made by unanimity rule.
The size of the winset has a significant impact on policy outcomes.
Policy stability

- When the winset is small, policy stability is high because there are few policy alternatives that can defeat the status quo.

- When the winset is large, policy stability is low because there are many policy alternatives that can defeat the status quo point.
Size of Policy Shifts

- When the winset is small, policy shifts must necessarily be small.
- When the winset is large, the possibility arises for more radical shifts in policy.
Variance in the Size of Policy Shifts

- When the winset is small, policy shifts are always small.

- When the winset is large, policy shifts may be large or small.
Agenda-Setting Power

• When the winset is small, an agenda-setting veto player cannot move policy far from where other veto players would want to move it if they were the agenda setter.

• When the winset is large, an agenda-setting veto player has the possibility to move policy far from where the other veto players would move it if they were the agenda setter.
Veto player theory shows that an increase in the number of veto players either decreases the size of the winset or leaves it the same.
Number of veto players

- Veto player theory shows that an increase in the number of veto players either decreases the size of the winset or leaves it the same.
more similar ideal points than the two veto players in the second panel (b). As you can see, increasing the ideological distance between veto players—moving from the first panel (a) to the second panel (b)—shrinks the size of the winset, which makes policy change less likely.

This is a general result from veto player theory that always holds. Interestingly, this result sheds light on the alleged dangers of "ideological polarization." Many commentators have

Note: A, B = veto players; SQ = the status quo policy; the shaded area = the winset, assuming decisions are made by unanimity rule.

The Ideological Distance between Veto Players and the Size of the Winset

Ideological distance

- Veto player theory shows that increasing the ideological distance between veto players always shrinks the size of the winset.
The size of the winset in any particular situation is determined jointly by the number of veto players and the ideological distance between them.

In general, the size of the winset shrinks with increases in the number of veto players and the ideological distance between them.
Federalism, bicameralism, and constitutionalism can be reconceptualized in terms of veto player theory.
Countries with these types of institutions will be characterized by:

• Policy stability

• Small policy shifts

• Little variation in the size of policy shifts

• Weak agenda setting powers
Some more implications.

• Policy stability leads to government instability in parliamentary democracies.

• Policy stability leads to regime instability in presidential democracies.

• Policy stability encourages judicial and bureaucratic activism.