

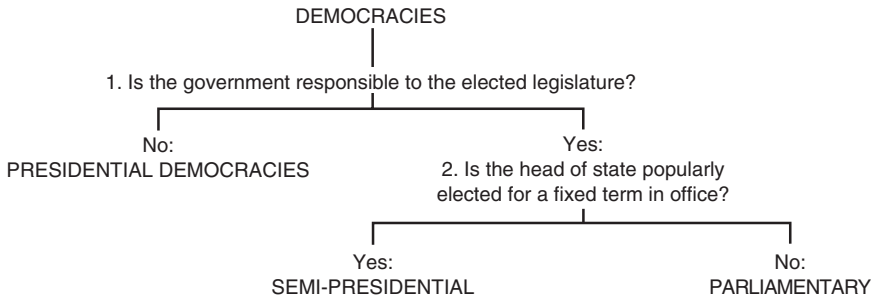
Parliamentary, Presidential and Semi-Presidential Democracies

Classifying Democracies

Democracies are often classified according to the form of government that they have:

- Parliamentary
- Presidential
- Semi-Presidential

Classifying Parliamentary, Presidential, and Semi-Presidential Democracies



Legislative responsibility refers to a situation in which a legislative majority has the constitutional power to remove a government from office *without cause*.

A **vote of no confidence** is initiated by the legislature – the government must resign if it fails to obtain a legislative majority.

A **constructive vote of no confidence** must indicate who will replace the government if the incumbent loses a vote of no confidence.

A **vote of no confidence** is initiated by the legislature – the government must resign if it fails to obtain a legislative majority.

A **constructive vote of no confidence** must indicate who will replace the government if the incumbent loses a vote of no confidence.

A **vote of confidence** is initiated by the government – the government must resign if it fails to obtain a legislative majority.

The defining feature of **presidential democracies** is that they don't have legislative responsibility.

Parliamentary and semi-presidential democracies both have legislative responsibility.

In addition to legislative responsibility, semi-presidential democracies also have a head of state who's popularly elected for a fixed term.

A head of state is **popularly elected** if they're elected through a process where voters either (1) cast a ballot directly for a candidate or (2) cast ballots to elect an electoral college, whose sole purpose is to elect the head of state.

To serve a **fixed term** means the head of state serves for a fixed period of time before they need to be reappointed and can't be removed in the meantime.

In a democracy, the head of state is either a monarch or a president.

Presidents can exist in presidential, semi-presidential, and parliamentary democracies.

Monarchs only exist in parliamentary democracies – they don't serve fixed terms and they're not directly elected.

Presidential: Democracies in which the government doesn't depend on a legislative majority to exist are presidential.

Parliamentary: Democracies in which the government depends on a legislative majority to exist and in which the head of state isn't popularly elected for a fixed term are parliamentary.

Semi-Presidential: Democracies in which the government depends on a legislative majority to exist and in which the head of state is popularly elected for a fixed term are semi-presidential.

Democracy Type, 2021

| Parliamentary | Presidential | Semi-Presidential |
|--|---|---|
| Albania, Andorra, Antigua and Barbuda, Australia, Bahamas, Barbados, Belgium, Belize, Bhutan, Canada, Denmark, Dominica, Estonia, Germany, Greece, Grenada, Guyana, Hungary, India, Israel, Italy, Jamaica, Japan, Kiribati, Kosovo, Latvia, Lesotho, Liechtenstein, Luxembourg, Malaysia, Malta, Marshall Islands, Mauritius, Moldova, Nauru, Nepal, Netherlands, New Zealand, Norway, Pakistan, Papua New Guinea, San Marino, Solomon Islands, Spain, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Sweden, Trinidad and Tobago, Tuvalu, United Kingdom, Vanuatu | Argentina, Benin, Bolivia, Brazil, Burundi, Chile, Colombia, Comoros, Costa Rica, Cyprus, Dominican Republic, Ecuador, El Salvador, Ghana, Guatemala, Honduras, Indonesia, Kenya, Liberia, Malawi, Maldives, Mexico, Micronesia, Nicaragua, Nigeria, Palau, Panama, Paraguay, Philippines, Seychelles, Sierra Leone, South Korea, Suriname, Switzerland, Turkey, United States, Uruguay, Zambia | Armenia, Austria, Bulgaria, Cape Verde, Croatia, Czechia, East Timor, Finland, France, Georgia, Guinea-Bissau, Iceland, Ireland, Kyrgyzstan, Lithuania, Madagascar, Mongolia, Montenegro, North Macedonia, Peru, Poland, Portugal, Romania, São Tomé and Príncipe, Senegal, Serbia, Slovakia, Slovenia, Sri Lanka, Taiwan, Tunisia, Ukraine |

Governments in Parliamentary Democracies

The **government in a parliamentary democracy** comprises a prime minister and the cabinet.

The **prime minister** is the political chief executive and head of the government.

The **cabinet** is composed of ministers whose job it is to be in the cabinet and head the various government departments.

In a parliamentary democracy, the **executive branch** and the government are the same thing.

Australian Government, 2022

| Minister | Department | Minister | Department |
|------------------|--|------------------|--|
| Anthony Albanese | Prime Minister | Amanda Rishworth | Social Services |
| Richard Marles | Defence | Bill Shorten | National Disability Insurance Scheme / Government Services |
| Penny Wong | Foreign Affairs | Mark Dreyfus | Attorney General / Cabinet Secretary |
| Jim Chalmers | Treasurer | Brendan O'Connor | Skills and Training |
| Katy Gallagher | Finance / Women / Public Service | Jason Clare | Education |
| Don Farrell | Trade and Tourism / Special Minister of State | Julie Collins | Housing / Homelessness / Small Business |
| Tony Burke | Employment and Workplace Relations / the Arts | Michelle Rowland | Communications |
| Mark Butler | Health and Aged Care | Madeleine King | Resources / Northern Australia |
| Chris Bowen | Climate Change and Energy | Murray Watt | Agriculture, Fisheries and Forestry / Emergency Management |
| Tanya Plibersek | Environment and Water | Ed Husic | Industry and Science |
| Catherine King | Infrastructure, Transport, Regional Development and Local Government | Clare O'Neil | Home Affairs / Cyber Security |
| Linda Burney | Indigenous Australians | | |

Ministerial responsibility refers to the constitutional doctrine by which cabinet ministers must bear ultimate responsibility for what happens in their ministry.

Collective cabinet responsibility refers to the doctrine by which ministers must publicly support collective cabinet decisions or resign.

In a parliamentary democracy, voters do **NOT** elect governments.

Instead, voters elect representatives, who then bargain over who should go into government.

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Instead, voters elect representatives, who then bargain over who should go into government.

So, how do governments form?

Estonian Legislative Elections, 2011

| Party | Seats | Percentage |
|--|-------|------------|
| Reform Party (RE) | 33 | 32.7 |
| Centre Party (KE) | 26 | 25.7 |
| Pro Patria and Res Publica Union (IRL) | 23 | 22.8 |
| Social Democratic Party (SDE) | 19 | 18.8 |
| Total | 101 | 100 |

The head of state presides over the government formation process and invests a government with the constitutional authority to take office.

The extent to which the head of state is actively involved in the actual bargaining varies from country to country.

In some countries, the head of state is limited to simply swearing in the government proposed by party elites.

These countries are characterized by free-style bargaining.

In some countries, the head of state chooses a particular politician – a *formateur* – to initiate the government formation process.

A *formateur* is the person designated to form the government in a parliamentary democracy, and is often the PM designate.

Very few countries explicitly state how the *formateur* is to be chosen.

In some countries, the head of state is restricted to appointing an informateur.

An **informateur** examines politically feasible coalitions and nominates a formateur.

These countries are often constitutional monarchies.

Despite the discretion of some heads of state, the *first* formateur is usually the leader of the largest legislative party.

Once the formateur is chosen, they have to put a cabinet together that's acceptable to a legislative majority.

Since it's rare in a parliamentary democracy for a single party to control a legislative majority, the formateur must begin bargaining with other parties.

Once a cabinet has been formed, the support of a legislative majority may or may not have to be demonstrated by a formal investiture vote.

An **investiture vote** is a formal vote in the legislature to determine whether a proposed government can take office.

If the investiture vote fails, the government formation process starts again.

If the investiture vote succeeds (or there's no investiture vote), the head of state appoints the cabinet to office.

The government is then free to rule until (1) it's defeated in a vote of no confidence or (2) a new election is necessary.

A caretaker government occurs when an election is called or when an incumbent government either resigns or is defeated in a vote of no confidence.

A caretaker government remains in office until the next government formation process is completed.

In most countries, there's a strong norm that caretaker governments won't make important policy changes.

Estonian Legislative Elections, 2011

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| Total | 101 | 100 |

What will the government be?

Potential Estonian Governments, 2011

| Party | Seats | Percentage | Surplus seats |
|---------------------|-------|------------|---------------|
| RE + KE + IRL + SDE | 101 | 100 | 50 |
| RE + KE + SDE | 78 | 77.2 | 27 |
| RE + KE + IRL | 82 | 81.2 | 31 |
| RE + IRL + SDE | 75 | 74.3 | 24 |
| KE + IRL + SDE | 68 | 67.3 | 17 |
| RE + KE | 59 | 58.4 | 8 |
| RE + IRL | 56 | 55.4 | 5 |
| RE + SDE | 52 | 51.5 | 1 |
| KE + IRL | 49 | 48.5 | -2 |
| KE + SDE | 45 | 44.6 | -6 |
| IRL + SDE | 42 | 41.6 | -9 |
| RE | 33 | 32.7 | -18 |
| KE | 26 | 25.7 | -25 |
| IRL | 23 | 22.8 | -28 |
| SDE | 19 | 18.8 | -32 |



The leader of the Reform Party (RE), Andrus Ansip, was appointed the formateur because he controlled the largest party.

Let's eliminate all potential governments that don't include the RE and that don't control a legislative majority.

Potential Majority Estonian Governments including RE, 2011

| Party | Seats | Percentage | Surplus seats |
|---------------------|-------|------------|---------------|
| RE + KE + IRL + SDE | 101 | 100 | 50 |
| RE + KE + SDE | 78 | 77.2 | 27 |
| RE + KE + IRL | 82 | 81.2 | 31 |
| RE + IRL + SDE | 75 | 74.3 | 24 |
| RE + KE | 59 | 58.4 | 8 |
| RE + IRL | 56 | 55.4 | 5 |
| RE + SDE | 52 | 51.5 | 1 |

What do politicians want?

What do politicians want?

An **office-seeking politician** is interested in the intrinsic benefits of office.

A **policy-seeking politician** wants to shape policy.

In an **office-seeking world**, a formateur can get other parties to join the government only by giving them office.

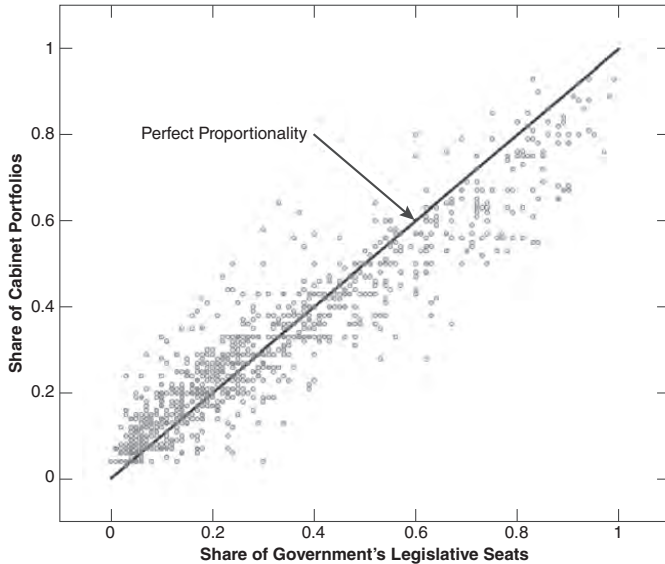
Strong empirical evidence that a formateur has to give large parties more office than small parties.

Gamson's Law states that cabinet portfolios will be distributed among government parties in strict proportion to the number of seats each party contributes to the government's legislative seat total.

Example

- Party A (80 seats) and Party B (40 seats) form a government (120 seats).
- Party A should receive $\frac{80}{120} = \frac{2}{3}$ of the cabinet portfolios.
- Party B should receive $\frac{40}{120} = \frac{1}{3}$ of the cabinet portfolios.

Portfolio Allocation in 23 European Countries, 1945-2018



An implication is that you won't want more parties in government than is strictly necessary to obtain a legislative majority.

A **minimal winning coalition** (MWC) is one in which there are no parties that aren't required to control a legislative majority.

A second implication is that you'll choose the smallest minimal winning coalition.

A **least minimal winning coalition** is the MWC with the lowest number of surplus seats.

Three minimal winning coalitions:

1. RE + KE (8 surplus seats)
2. RE + IRL (5 surplus seats)
3. RE + SDE (1 surplus seat)

The least minimal winning coalition:

1. RE + KE (8 surplus seats)
2. RE + IRL (5 surplus seats)
3. RE + SDE (1 surplus seat)

In a **policy-seeking world**, a formateur can get other parties to join the government only by giving them policy concessions.

It's likely that a formateur will have to give more policy concessions to large parties than small parties.

An implication is that you'll want to form coalitions with parties that are located close to you in the policy space.

- A **connected coalition** is one in which the member parties are located directly next to each other in the policy space.

A second implication is that you'll choose the connected least minimal winning coalition.

Estonian Party Positions, 2011



The least **connected** minimal winning coalition:

1. RE + KE (8 surplus seats)
2. RE + IRL (5 surplus seats)
3. RE + SDE (1 surplus seat)

A **single-party majority government** comprises a single party that controls a majority of the legislative seats.

A **minimal winning coalition** (MWC) is one in which there are no parties that aren't required to control a legislative majority.

A **single-party minority government** comprises a single party that doesn't command a majority of the legislative seats.

A **minority coalition government** comprises multiple governmental parties that don't together command a majority of the legislative seats.

A **surplus majority government** comprises more parties than are strictly necessary to control a majority of the legislative seats.

| Country | Single-party majority | Minimal winning coalition | Single-party minority | Minority coalition | Surplus majority | Total |
|----------------|-----------------------|---------------------------|-----------------------|--------------------|--------------------|------------|
| Albania | 1 | 1 | 0 | 2 | 7 | 11 |
| Belgium | 3 | 16 | 2 | 4 | 16 | 41 |
| Czechia* | 0 | 5 | 2 | 3 | 0 | 10 |
| Denmark | 0 | 4 | 15 | 20 | 0 | 39 |
| Estonia | 0 | 10 | 2 | 2 | 1 | 15 |
| France* | 0 | 0 | 0 | 7 | 14 | 21 |
| Germany | 1 | 22 | 3 | 0 | 5 | 31 |
| Greece | 11 | 4 | 1 | 0 | 3 | 19 |
| Hungary | 1 | 3 | 1 | 0 | 6 | 11 |
| Italy | 0 | 4 | 14 | 11 | 31 | 60 |
| Latvia | 0 | 6 | 0 | 7 | 10 | 23 |
| Liechtenstein | 2 | 1 | 0 | 0 | 3 | 6 |
| Luxembourg | 0 | 20 | 0 | 0 | 1 | 21 |
| Malta | 9 | 0 | 0 | 0 | 0 | 9 |
| Moldova* | 3 | 3 | 1 | 3 | 0 | 10 |
| Netherlands | 0 | 13 | 0 | 3 | 10 | 26 |
| Norway | 3 | 5 | 16 | 7 | 1 | 32 |
| San Marino | 0 | 3 | 0 | 0 | 3 | 6 |
| Slovakia* | 0 | 3 | 1 | 1 | 1 | 6 |
| Spain | 4 | 0 | 8 | 0 | 0 | 12 |
| Sweden | 2 | 6 | 18 | 4 | 0 | 30 |
| Turkey* | 13 | 5 | 4 | 4 | 2 | 28 |
| United Kingdom | 24 | 1 | 2 | 0 | 0 | 27 |
| Total | 77 (15.6%) | 135 (27.3%) | 90 (18.2%) | 78 (15.8%) | 114 (23.1%) | 494 |

A minority government must always have an implicit majority in the legislature.

In some countries, we know who makes up the implicit majority because parties publicly state they'll support the government in any no confidence vote.

In other countries, the government doesn't rely on specific 'support' parties, but instead builds legislative majorities on an ad hoc basis.

Minority governments aren't anti-democratic.

They have the support of a legislative majority like all parliamentary governments.

Minority governments occur quite frequently and aren't always short-lived.

They're quite common in some countries: Denmark (89.7%), Sweden (73.3%), Norway (71.9%).

Minority governments are more likely in corporatist countries.

Corporatist interest group relations occur when key social and economic actors, such as labor, business, and agriculture groups, are integrated into the formal policymaking process.

Pluralist interest group relations occur when interest groups compete in the political marketplace outside of the formal policymaking process.

Minority governments are more likely when opposition influence is strong.

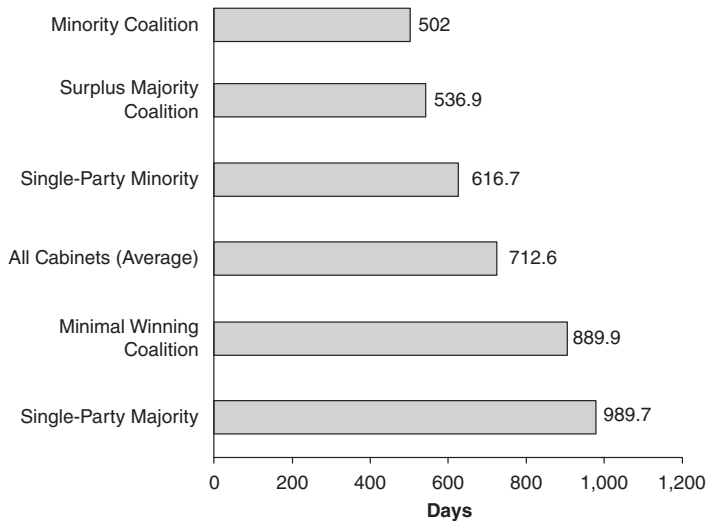
They're less likely when there's a formal investiture vote.

They're more likely when there's a 'strong' party.

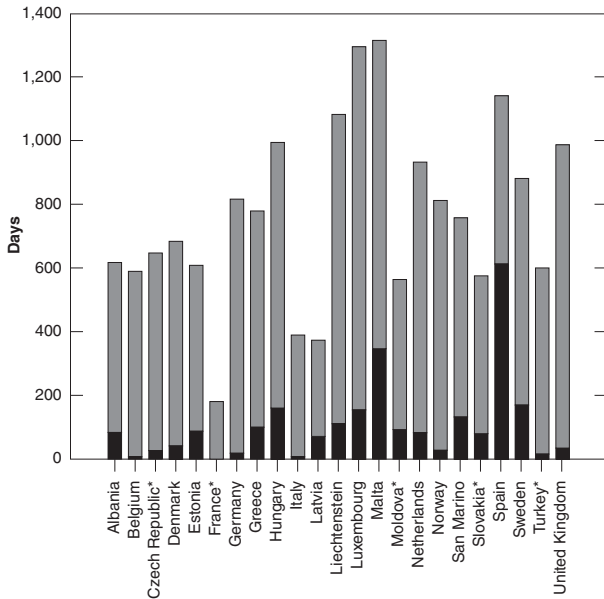
There are various reasons why a surplus majority government might form.

- They may occur in times of crisis such as after a war.
- They may form because a surplus majority is required to change the constitution.
- There are strategic reasons for forming surplus majority governments.

Government Duration in Days in 23 European Countries, 1945-2018



Minimum (Black) and Average (Gray) Government Duration



Governments in Presidential Democracies

The **government in a presidential democracy** comprises the president and the cabinet.

The **president** is the political chief executive and head of state.

The **cabinet** is composed of ministers whose job it is to be in the cabinet and head the various government departments.

In a presidential democracy, the **executive branch** and the government are the same thing.

The government formation process is different in presidential democracies.

- The government can't be dismissed by a legislative majority.
- The president is always the formateur and their party is always in government.
- The reversion point during negotiations is the president's party in power on its own.

A portfolio coalition doesn't imply a legislative coalition.

Minority governments are more frequent in presidential democracies.

A minority government that enjoys the implicit support of a legislative majority can exist in both presidential and parliamentary democracies.

A minority government that doesn't have the implicit support of a legislative majority can exist only in presidential democracies.

Government Types in Latin American Presidential Democracies, 1953-2011

| Country | Single-party majority | Minimal winning coalition | Single-party minority | Minority coalition | Surplus majority | Total |
|--------------------|-----------------------|---------------------------|-----------------------|--------------------|------------------|-------|
| Argentina | 4 | 2 | 8 | 3 | 0 | 17 |
| Bolivia | 2 | 2 | 2 | 6 | 1 | 13 |
| Brazil | 0 | 0 | 0 | 6 | 10 | 16 |
| Chile | 0 | 1 | 0 | 2 | 4 | 7 |
| Colombia | 1 | 1 | 0 | 0 | 10 | 12 |
| Costa Rica | 6 | 0 | 9 | 0 | 0 | 15 |
| Dominican Republic | 5 | 0 | 7 | 0 | 0 | 12 |
| El Salvador | 2 | 3 | 7 | 1 | 0 | 12 |
| Honduras | 5 | 0 | 3 | 0 | 0 | 8 |
| Nicaragua | 1 | 0 | 2 | 0 | 0 | 3 |
| Panama | 0 | 1 | 1 | 3 | 3 | 8 |
| Uruguay | 2 | 4 | 1 | 0 | 1 | 8 |
| Venezuela | 2 | 1 | 5 | 3 | 3 | 14 |
| Total | 30 | 15 | 45 | 24 | 32 | 146 |

In a pure office-seeking world, you wouldn't see coalition governments in presidential democracies.

In a world in which the president cares about policy as well, you might see coalition governments.

The extent to which a president is willing to form a coalition depends on their legislative powers.

Governments in presidential democracies have more nonpartisan ministers.

- A **nonpartisan minister** is someone who does not come from the legislature.

Presidents allocate cabinet portfolios in a less proportional way than prime ministers.

Government Composition in Presidential and Parliamentary Democracies

| Democratic system | Average percentage of nonpartisan ministers | Average proportionality of cabinet portfolio allocation |
|-------------------|---|---|
| Parliamentary | 2.12 | 0.90 |
| Presidential | 29.17 | 0.65 |

Some presidential cabinets look more like parliamentary ones than others.

This has to do with the legislative powers of the president.

Presidents with relatively weak decree power, whose parties in the legislature are small, and whose parties exhibit low levels of party discipline, are more likely to appoint cabinets that look like those in parliamentary democracies.

Governments in Semi-Presidential Democracies

There are two types of semi-presidential democracy.

1. In a **premier-presidential system**, the government is responsible to the legislature but not the president.
2. In a **president-parliamentary system**, the government is responsible to the legislature and the president.

The **government in a semi-presidential democracy** comprises a prime minister and the cabinet.

The **prime minister** is the political chief executive and the **president** is the head of state.

In a semi-presidential democracy, the **executive branch** comprises the president and the government.

In a president-parliamentary democracy, there's no guarantee the president and prime minister will come from the same party.

Cohabitation – a president from one political bloc and a prime minister from another – occurs when the party of the president doesn't control a majority in the legislature and isn't represented in the cabinet.

Cohabitation \neq divided government.

Periods of cohabitation can be characterized as an effective system of checks and balances.

However, cohabitation can also be characterized by bitter and violent conflict when the political actors involved share starkly different ideologies and goals.

A Unifying Framework:
Principal-Agent and Delegation Problems

Parliamentary, presidential, and semi-presidential democracies can be viewed as different systems of delegation.

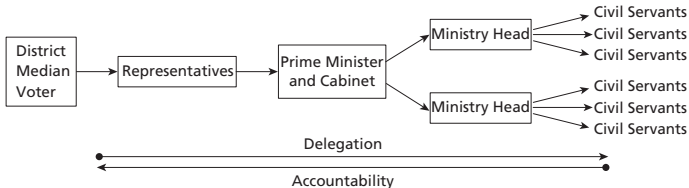
Delegation is an act where one person or group, called the **principal**, relies on another person or group, called an **agent**, to act on their behalf.

Shift from direct democracy to representative democracy.

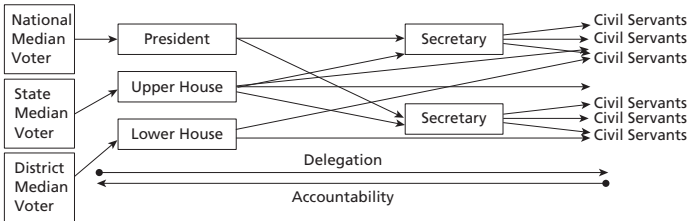
- **Direct democracy** is a form of government in which people collectively make decisions for themselves.
- **Representative democracy** is a form of government where citizens delegate power to elected individuals to represent them and act on their behalf.

Delegation in Parliamentary and Presidential Democracies

a. Single-Chain Delegation Model of a Parliamentary System



b. Multiple-Chain Delegation Model of a US-style Presidential System



Delegation has a number of potential advantages for the principal.

It allows principals to accomplish desired ends with reduced personal cost and effort.

It allows principals to benefit from the expertise and abilities of others.

But delegation can be perilous as it always involves a transfer of power.

There's always a danger the agent will **shirk** and not do what the principal wants.

A **principal-agent**, or **delegation, problem** refers to the difficulties that arise when a principal delegates authority to an agent who (1) potentially has different goals than the principal and (2) can't be perfectly monitored.

We can think of delegation outcomes in terms of (1) agency loss or (2) whether delegation is successful.

Agency loss is the difference between the actual consequence of delegation and what the consequence would have been had the agent been perfect.

- A **perfect agent** is one that does what a principal would have done had the principal been the agent.
- Agency loss describes the delegation outcomes from the principal's perspective.

Delegation is considered **successful** if the delegation outcome improves the principal's welfare relative to what would have happened if the principal had chosen not to delegate.

The principal's inaction is often called the status quo or reversion point.

Did delegation make the principal better off compared to the SQ?

Principal-Agent Game

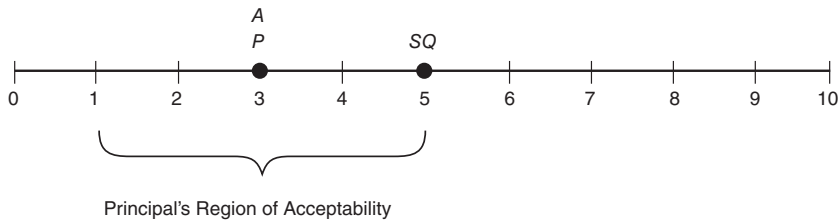
- Two actors: principal and agent.
- Single-peaked preferences on a one-dimensional policy space that runs from 0-10.
- The ideal points for the principal and agent are P and A .
- The status quo is SQ .

The agent proposes a policy on the 0-10 scale.

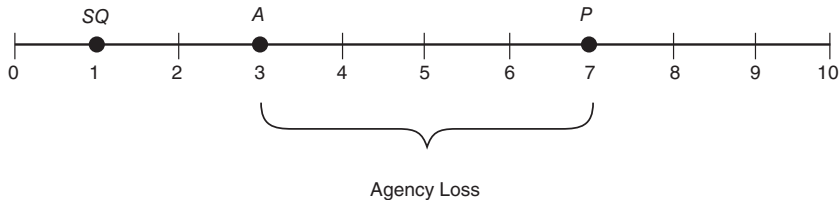
If the principal accepts the policy, the new policy is implemented.

If the principal rejects the policy, the status quo policy remains in place.

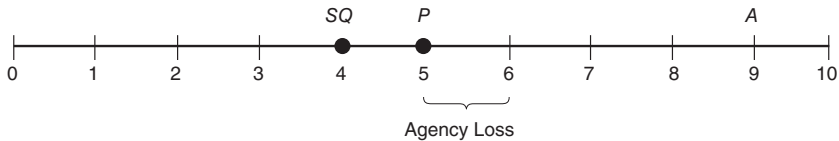
The principal and agent share the same preferences:



The principal and agent have different preferences I:



The principal and agent have different preferences II:



These hypothetical scenarios show that the principal may suffer varying amounts of agency loss when policymaking power is delegated to an agent.

However, they also show that the principal is often better off delegating than maintaining the status quo.

The power of the agent isn't unconditional.

Principal-agent problems often arise due to incomplete and asymmetric information.

- **Adverse selection** occurs when the agent has attributes that are hidden from the principal. **Types** are unobserved.
- **Moral hazard** occurs when the agent has the opportunity to take actions that are hidden from the principal. **Actions** are unobserved.

Principals generally adopt ex ante or ex post mechanisms to gain information about their agents.

1. Ex ante mechanisms.
2. Ex post mechanisms.

Ex ante mechanisms help principals to learn about their agents before these agents are chosen.

These mechanisms are useful if principal anticipates adverse selection problems.

There are two general categories of ex ante mechanisms

- Screening
- Selection

Ex post mechanisms are used to learn about the actions of agents after they've occurred.

These mechanisms are useful if principal anticipates moral hazard problems.

There are two general categories of ex post mechanisms

1. In a **fire alarm system**, the principal relies on information from others to learn about what the agent is doing.
2. In a **police patrol system**, the principal monitors the actions of their agents themselves.

Delegation problems are greater in presidential democracies than in parliamentary ones.

Presidential democracies have a complex multiple chain delegation process and transactional executive-legislative relations.

Parliamentary democracies have a simple single chain delegation process and hierarchical executive-legislative relations.