

# 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 15.1****Federal Countries, 1990–2000**

	Country	Regime	Years
1	Argentina	Democracy	1990–2000
2	Australia	Democracy	1990–2000
3	Austria	Democracy	1990–2000
4	Belgium	Democracy	1994–2000
5	Bosnia & Herzegovina	Dictatorship	1990–2000
6	Brazil	Democracy	1990–2000
7	Canada	Democracy	1990–2000
8	Czechoslovakia	Democracy	1990–1992
9	Ethiopia	Dictatorship	1995–2000
10	Germany	Democracy	1990–2000
11	Malaysia	Dictatorship	1990–2000
12	Mexico	Dictatorship	1990–1995
		Democracy	1996–2000
13	Micronesia	Democracy	1990–2000
14	Nigeria	Democracy	1999–2000
15	Pakistan	Democracy	1990–1999
16	Russia	Democracy	1992–2000
17	South Africa	Democracy	1993–2000
18	Switzerland	Democracy	1990–2000
19	USSR	Dictatorship	1990–1991
20	United Arab Emirates	Dictatorship	1990–2000
21	United States of America	Democracy	1990–2000
22	Venezuela	Democracy	1990–2000
23	Yugoslavia	Dictatorship	1990–1991
24	Yugoslavia (Serbia & Montenegro)	Dictatorship	1992–2000

MAP 15.1

The Federal States of the United Arab Emirates



## United Arab Emirates

- Abu Dhabi
- Ajman
- Dubai
- Fujairah
- Ra's al-Khaimah
- Sharjah
- Umm al-Quwain

MAP 15.2

Brazil's States and Federal District



## Brazil.

- Federal (1)
- State (26)
- Municipal (5,560)



## Devolution $\neq$ 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.

## India

MAP 15.3 India's States and Union Territories



- 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.

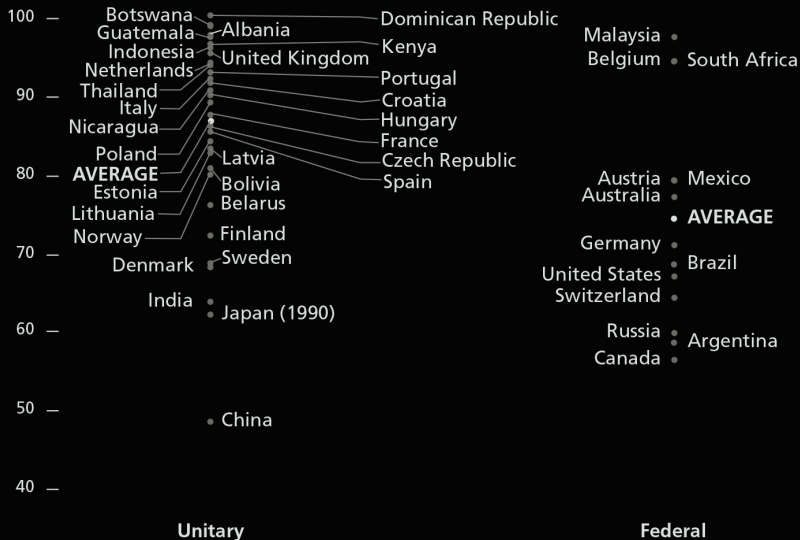
**Decentralization** refers to the extent to which actual policymaking power lies with the central or regional governments.

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.

**FIGURE 15.1**

## Revenue Centralization: Central Government's Share of Tax Revenue



**FIGURE 15.2**

## Two Dimensions of Federalism





**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.



**TABLE 15.2****Malapportionment in Upper Chambers, 1996**

Seats held by the percentages of the most favorably  
represented citizens (percentages)

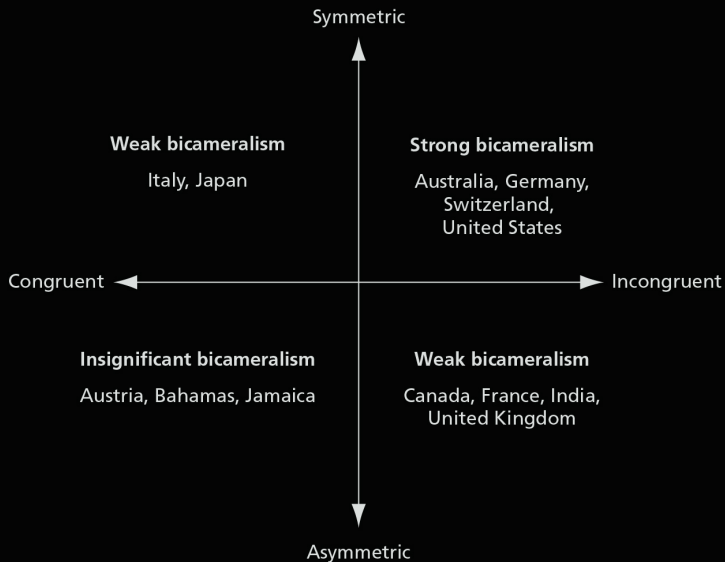
	10	20	30	50
United States	39.7	55.0	67.7	83.8
Switzerland	38.4	53.2	64.7	80.6
Venezuela	31.6	47.2	60.0	77.5
Australia	28.7	47.8	58.7	74.0
Canada	33.4	46.3	55.6	71.3
Germany	24.0	41.7	54.3	72.6
India	15.4	26.9	37.4	56.8
Austria	11.9	22.5	32.8	52.9
Belgium	10.8	20.9	31.0	50.9

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.

**FIGURE 15.3**

## **Two Dimensions of Bicameralism**



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 18<sup>th</sup> 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 uncoded.

- 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 uncoded 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**.

**Table 15.3****Legislative Supremacy Constitution versus  
Higher Law Constitution**

Characteristic	Legislative supremacy	Higher law
Entrenched	No	Yes
Constitutional review	No	Yes
Bill of rights	No	Yes

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**

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

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

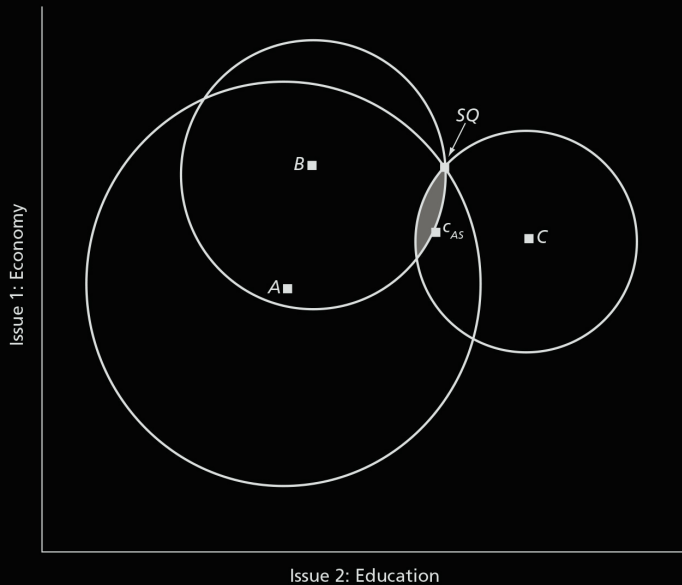
## Reminder

- 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.

**FIGURE 15.4**

**An Application of Veto Player Theory**



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.

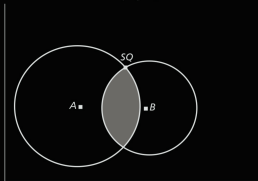


Veto player theory shows that an increase in the number of veto players either decreases the size of the winset or leaves it the same.

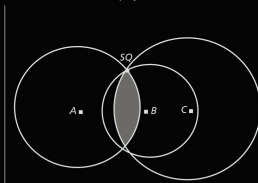
FIGURE 15.5

The Number of Veto Players and the Size of the Winset

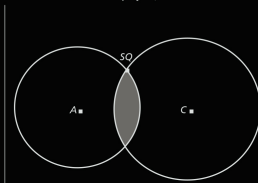
a. Two veto players,  $A$  and  $B$



b. Three veto players,  $A$ ,  $B$ , and  $C$



c. Two veto players,  $A$  and  $C$

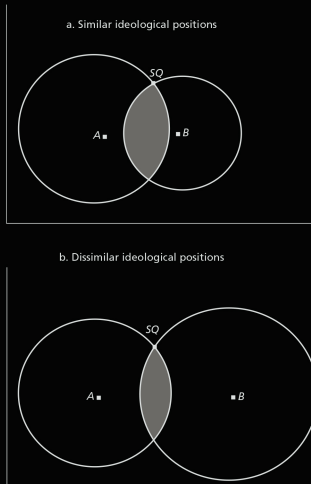


## Number of veto players

- 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.

FIGURE 15.6

**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.