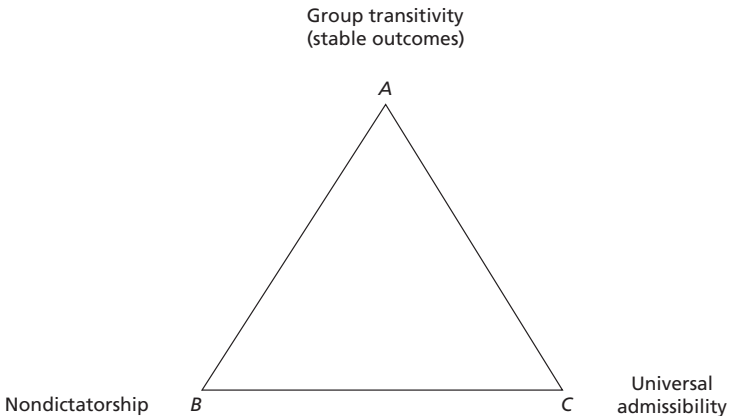


Consequences of Democratic Institutions

Majoritarian or consensus democracy?

FIGURE 11.10

Arrow's Institutional Trilemma



Every decision-making mechanism must grapple with the trade-offs posed by Arrow's Theorem, and every system of government represents a collection of such decision-making mechanisms.

Constitution writers have responded to Arrow's institutional 'trilemma' in one of two ways:

1. **Majoritarian vision:** Concentrate power in the hands of the majority.
2. **Consensus vision:** Disperse power to as many people as possible.

Majoritarian vision of democracy

- Two alternative teams of politicians compete for the support of voters.
- The team selected by a majority of the voters is given unfettered control over policy.
- It must implement the policies that it ran on during the election campaign.

In the **delegate model of representation**, representatives have little autonomy and are mandated to act as faithful agents of their particular constituents.

In the **trustee model of representation**, representatives are free to use their own judgement when making policy. They are supposed to promote the collective good and act in the national interest rather than in the interests of any particular constituency.

Majoritarian vision of democracy

- Citizens know which team is responsible for policy outcomes.
- They can use their evaluations of the policy record when deciding whether to reward or punish the incumbent in the following election.
- Citizens only get to exert influence at election time.

Majoritarian vision of democracy

- Policy should be determined only by the majority.
- The involvement of the minority in the policy-making process is considered illegitimate.

Power is to be concentrated in the hands of a single majority team of politicians.

Consensus vision of democracy

- During elections, citizens are to choose representatives from as wide a range of social groups as possible.
- These representatives are advocates who bargain on your behalf in the promotion of the common good.
- Trustee model of representation.

Consensus vision of democracy

- Elections should produce a legislature that is a miniature reflection of society as a whole.
- Elections are not designed to serve as some sort of referendum on the set of policies implemented by the government.
- Citizens exert influence over the policymaking process *between* elections through the ongoing bargaining of their elected representatives.

Consensus vision of democracy

- Policy should be determined by as many citizens (and their representatives) as possible.
- Citizens with majority preferences do not have a privileged status.
- Restrictions placed on the ability of the majority to ride roughshod over the preferences of the minority.

Power is to be dispersed among as many people and groups as possible.

TABLE 16.1**Institutions and the Majoritarian-Consensus Dimension**

Institution	Majoritarian	Consensus
Electoral system	Majoritarian	Proportional
Party system	Two parties	Many parties
Government type	Single-party majority	Coalition/minority
Federalism	Unitary	Federal
Bicameralism	Unicameral	Bicameral
Constitutionalism	Legislative supremacy constitution	Higher law constitution
Regime type	Parliamentary	Presidential

What do these different visions of democracy mean for political representation?

Formalistic representation has to do with how representatives are authorized and held accountable.

Descriptive representation addresses the extent to which representatives resemble and 'stand for' their constituents.

Symbolic representation focuses on the symbolic ways that representatives 'stand for' the citizens.

Substantive representation emphasizes how representatives 'act for' the people and promote their interests.

Authorization and accountability are treated differently in the majoritarian and consensus visions of democracy.

Authorization

- In majoritarian systems, it is majority support that authorizes political actors to wield power.
- In consensus systems, power is to be distributed among political actors in direct proportion to their electoral size.

The two systems do not always live up to these ideals in practice.

Accountability refers to the extent to which it is possible for voters to sanction parties for the actions they take while in office.

Retrospective voting occurs when voters look at the past performance of incumbent parties to decide how to vote in the current election.

Accountability tends to be high in majoritarian systems and low in consensus systems.

Clarity of responsibility is the extent to which voters can identify exactly who it is that is responsible for the policies that are implemented.

Clarity of responsibility is a necessary condition for accountability.

Clarity of responsibility tends to be high in majoritarian systems and low in consensus systems.

Substantive representation occurs when representatives take actions in line with the substantive and ideological interests of those they represent.

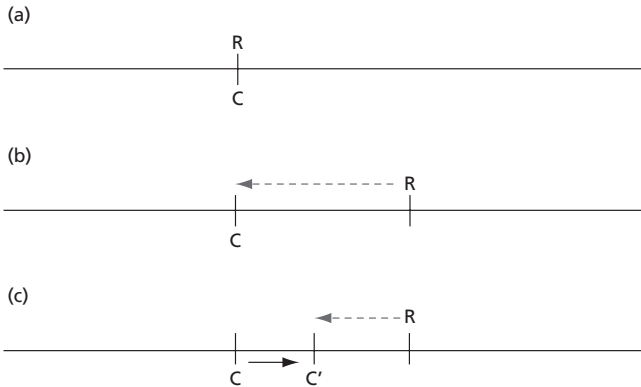
Substantive representation can be evaluated in terms of ideological congruence or ideological responsiveness.

Ideological congruence has to do with the extent to which the actions of the representatives are in line with the interests of the people at a fixed point in time.

Ideological responsiveness has to do with how representatives change their behavior to become more congruent with the interests of the people over time.

FIGURE 16.1

Ideological Congruence and Responsiveness



Majoritarian and consensus systems differ in how they think about ideological congruence.

Majoritarian systems want congruence with the majority, usually represented by the preference of the median voter.

Proportional systems want congruence with the full distribution of voter preferences.

Empirically, the ideological congruence of governments with their citizens is very similar in majoritarian and consensus systems.

Theoretically, majoritarian systems should exhibit higher levels of ideological responsiveness.

The incentives and ability to be responsive should be higher in majoritarian systems.

However, few empirical studies have examined this issue.

Descriptive representation has to do with whether representatives resemble and therefore 'stand for' their constituents.

It calls for representatives who share the same characteristics, such as race, gender, religion, and class, as those they represent.

Descriptive representation is valued more highly in consensus democracies than in majoritarian democracies.

Two potential arguments for descriptive representation:

1. Descriptive representation is valuable in its own right – it signals a policy of recognition and acceptance, and it promotes a sense of fairness and legitimacy.
2. Descriptive representation can be a pathway to improved substantive representation.

Critics of descriptive representation argue that it can promote **group essentialism**, the idea that all members of a group share an essential identity that only they can have and understand.

Group essentialism can be divisive and causes people to ignore the heterogeneity that exists within groups.

Descriptive representation of women

- The average level of women's legislative representation in the world in 2016 is 20.9%.
- In only two countries, Rwanda (63.8%) and Bolivia (53.1%), do women comprise a legislative majority.
- Democracies have a slightly higher percentage of women's representation (22.3%) than dictatorships (18.8%).
- Women's representation in the U.S. in 2017 is 19.4%.



Gender distortions can arise in each stage of the political recruitment process.

1. Set of eligible candidates
2. Only some aspire to compete for office
3. Only some are nominated by a political party
4. Only some are elected

Most studies find that proportional electoral rules help the election of women candidates.

There is mixed evidence as to whether open list or closed list PR systems are best.

Over the last two decades, gender quotas have played a significant role in increasing the share of women legislators around the world.

- Reserved legislative seats
- Legislated candidate quotas
- Voluntary political party quotas

There is some evidence that the descriptive representation of women improves the substantive representation of women.

However, the strength of the empirical evidence is contested.

Symbolic representation focuses on the symbolic ways that representatives 'stand for' the citizens.



Symbolic representation constructs boundaries that allow us to see who and what is being represented.

Symbolic representation challenges the notion that there are constituencies out there waiting to be represented.

It suggests that representatives 'create' constituencies for themselves to represent through the symbolic claims they make about their constituents.

If constituencies are constructed, then symbolic representation is a process by which certain groups or identities are deemed worthy of representation and others are not.

In addition to identifying who is worthy of representation, the constitutive process of symbolic representation also identifies who can appropriately represent particular groups.

Political institutions and fiscal policy

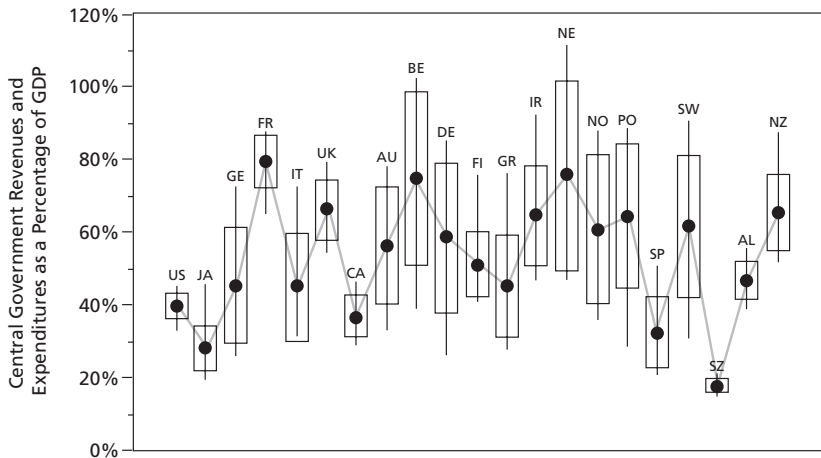
Fiscal policy involves the manipulation of tax and spending decisions to accomplish governmental goals.

Political economy model.

- Economic policy is typically made by elected officials who may have goals other than stable growth.
- Economic policies tend to have distributional consequences.

FIGURE 16.2

Total Public Fiscal Activity in Twenty-One OECD Countries, 1947–1997

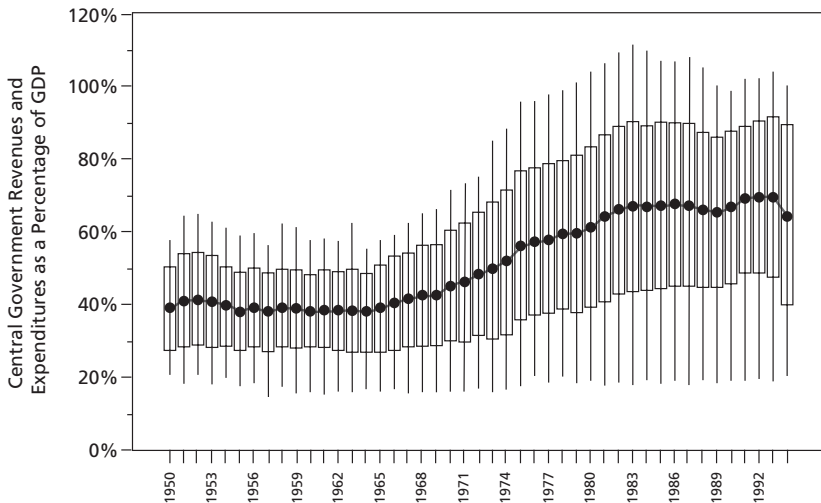


Total public fiscal activity is often interpreted as the 'size of government' because it gives an indication of the ratio of total government economic activity to overall activity in the country.

Wagner's Law states that the size of government grows as countries become more industrialized.

FIGURE 16.3

Total Public Fiscal Activity by Year in Twenty-One OECD Countries, 1947–1997



What explains this cross-national variation in fiscal activity?

One possibility is that citizens in different countries differ in their preferences for fiscal activity.

Meltzer-Richard Model

- Citizens should differ in their preferences for taxation.

The government taxes all individuals at the same rate, t ,

$$T_i = y_i t,$$

and provides the same subsidy, s to everyone.

The net benefit, B , from the tax and transfer system is

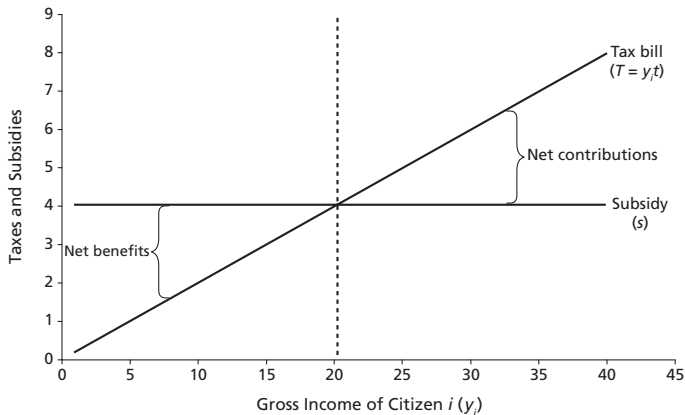
$$B_i = y_i + s - y_i t.$$

If an individual's income is unrelated to the tax rate, then she will be concerned only with the net effect of the tax and transfer regime:

$$s - y_i t.$$

FIGURE 16.4

The Relationship between Income, Taxes, and Government Subsidies in a Hypothetical Tax and Transfer System (Thousands of Dollars)



Those with above average income (the rich) are net contributors, and those with below average income (the poor) are net recipients.

All voters with below average income will like redistributive tax and transfer systems.

Thus, preferences over redistribution are a function of one's income.

Income inequality produces systems where the median voter (median income earner) is poorer than the average income earner.

As a result, the median voter is always a net recipient of redistributive taxation.

The more income inequality in society, the more enthusiastic the median voter is for a large tax and redistribution system.

The Meltzer-Richard model provides an explanation – different levels of income inequality – for the observed variation in cross-national fiscal activity.

The problem is that income inequality is not strongly associated with fiscal activity in the real world.

One explanation has to do with the assumption that all income earners vote.

- Empirically, high income earners tend to vote more than low income earners.
- Some evidence that the link between inequality and fiscal activity is strongest when turnout is high.

This means that institutions that influence turnout will affect fiscal activity.

Empirically, we find that voter turnout and fiscal activity are both higher in PR countries.

The Meltzer-Richard model also assumes that preferences are automatically translated into fiscal policy.

But preferences are aggregated through institutions before determining policy.

So, we should probably look at institutions.

The **partisan model of macroeconomic policy** argues that left-wing parties represent the interests of low-income voters and that right-wing parties represent the interests of high-income voters.

The main prediction of the partisan model is that changes in the partisan control of the government will lead to predictable changes in fiscal policy.

Perhaps the preferences of the poor are translated into fiscal policy only where strong left parties exist to represent their interests.

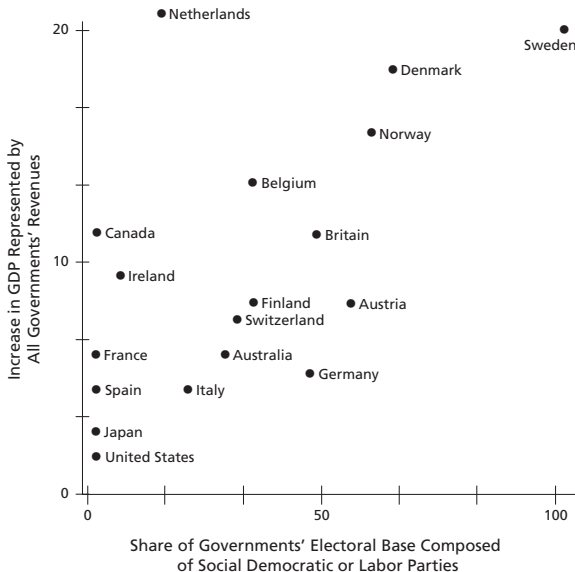
The partisan model does not receive much support *within* countries, but it does *between* countries.

Perhaps the partisan composition of governments reflects cross-national differences in voter preferences.

- Perhaps some countries have more left-wing preferences and, as a result, have more left-wing governments and fiscal activity.

FIGURE 16.5

**The Partisan Composition of Government and
the Expansion of the Public Economy, 1960–1975
(Percentages)**



But what evidence is there that voter preferences actually do vary across countries?

Let's compare the U.S. and Europe in terms of their attitudes towards the poor.

TABLE 16.2**European and American Attitudes toward the Poor (Percentages)**

Item	European Union	United States
Believe poor are trapped in poverty	60	29
Believe luck determines income	54	30
Believe the poor are lazy	26	60
Identify themselves as on the left of the political spectrum	30	17

The differing attitudes towards the poor are not just because there are more left-wing voters in Europe.

Right-wing voters in Europe also have more charitable attitudes towards the poor.

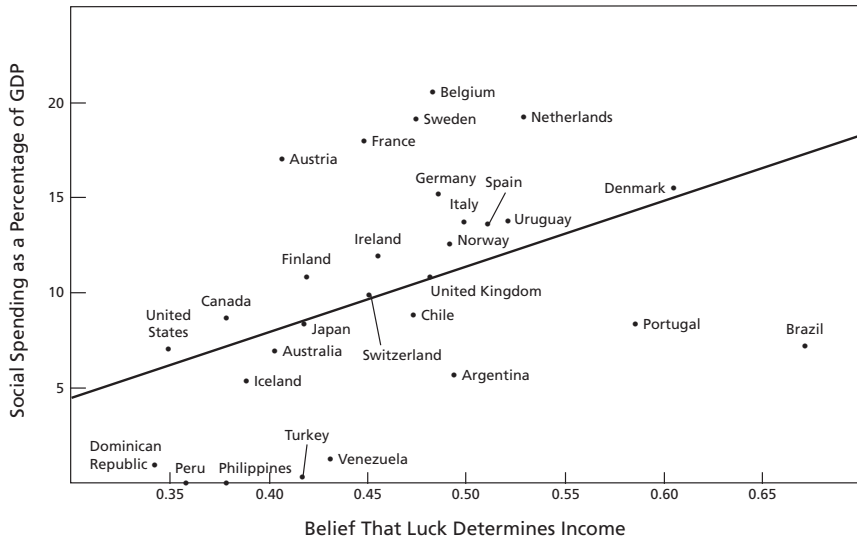
Why?

Possible explanations

1. Political debate about the poor may be framed differently in countries with a large number of left-wing voters.
2. Europe has Christian Democratic parties – socially conservative but interventionist on social welfare policy.

FIGURE 16.6

Relationship between Social Spending and the Belief That Luck Determines Income



How do political institutions – electoral laws – influence fiscal policy?

Proportional representation countries have higher fiscal activity.

- More public goods
- Larger and more redistributive welfare states
- Larger overall size of government

But why?

1. Proportional representation leads to redistribution by facilitating the election of left-wing governments.

Two potential stories

- Left-wing parties draw their support from a concentrated geographic base and are, therefore, hurt by the disproportionality of SMDP electoral laws.
- PR facilitates coalition bargaining between centrist and left-wing parties, whereas SMDP creates incentives for the middle class to ally with right-wing voters.

TABLE 16.3**Electoral Systems and the Number of Years with Left and Right Governments, 1945–1998**

Electoral system	Government partisanship		Proportion of left governments
	Left	Right	
Proportional	342	120	0.74
Majoritarian	86	256	0.25

2. Proportional representation leads to more redistribution through its effect on the size of electoral districts.

Legislators in SMDP systems vote for lavish levels of spending because the benefits can be concentrated in their districts while the costs are shared with the entire nation.

Legislators in (large magnitude) PR systems 'internalize' the cost of such spending and are, therefore, less likely to spend money on concentrated benefits.

To the extent that projects producing broader benefits are more redistributive than projects producing concentrated benefits, PR systems will be associated with higher levels of redistribution.

A **common pool resource problem** exists when actors can consume some commonly held resource and pay only a share of the costs.

- They consume more than they would if they had to pay the full social cost of the resource.

Fiscal policy is a common pool resource problem if each legislator has an incentive to maximize government spending in her own district, while the costs of paying for that spending are spread across society as a whole.

3. Proportional representation affects government spending and debt through its effect on the composition of governments.

A common pool resource problem exists *in the cabinet*, with each minister trying to maximize the size of his own ministry's budget while shifting the costs onto the government as a whole.

This problem is less severe in single-party majority governments (common in SMDP systems) than in coalition governments (common in PR systems).

Countries with more parties in government will have higher spending and more debt.

Proportional representation increases the number of partisan veto players.

- The oil shocks of the 1970s caused all governments to increase spending and debt levels.
- Countries with lots of veto players (more parties in government) were unable to reduce their spending and debt levels after the oil shocks had dissipated.
- Countries with few veto players (fewer parties in government) were able to reduce their spending and debt levels.

Are there institutional choices that might encourage democratic consolidation in ethnically divided countries?

How common is ethnic conflict?

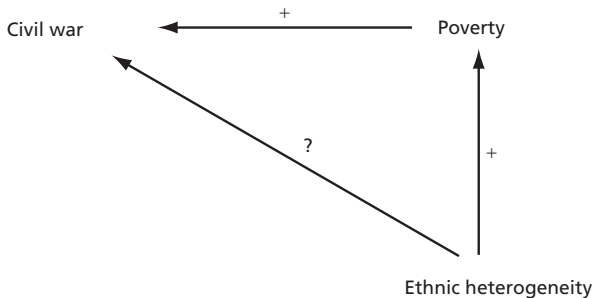
TABLE 16.4**Actual and Potential Communal Violence in Thirty-Six Sub-Saharan African Countries, 1960–1979**

Type of communal violence	Number of incidents for all countries and years ^a	Country mean of incidents per year ^b	Number of potential incidents for all countries and years ^c	Country mean of potential incidents per year ^d	Ratio of all actual incidents to all potential incidents ^e
Ethnic violence	20	0.03	38,383	59	0.0005
Irredentism	29	0.04	18,757	26	0.0015
Rebellion	27	0.04	18,757	26	0.0014
Civil war	52	0.10	18,757	26	0.0028

Ethnic conflict is rare, while ethnic cooperation is common.

FIGURE 16.7

Possible Causal Paths by Which Ethnic Heterogeneity Encourages Civil War



Ethnically heterogeneous African countries have lower economic growth than ethnically homogeneous African countries.

Governments may derive less satisfaction from providing public goods when there is ethnic heterogeneity.

Governments in ethnically diverse U.S. cities provide fewer public goods than those in ethnically homogeneous U.S. cities.

If ethnic identity is primordial, then the best one can do is guarantee the representation of minorities.

- Scholars in this tradition take ethnic divisions as given and want to establish power-sharing arrangements that guarantee minority participation (**consociationalism**).

Consociationalism is a form of government that emphasizes power sharing through guaranteed group representation.

- Proportional representation
- Federalism
- Other guarantees of group representation

Confessionalism is a form of government that emphasizes power sharing by different religious communities through guaranteed group representation.

If ethnic identity is malleable, then institutions will determine the extent to which politics is organized along ethnic lines.

- Scholars in this tradition think interethnic compromise can be encouraged through the adoption of the right institutions.

Some scholars argue that majoritarian institutions that create incentives for inter-ethnic cooperation, such as the alternative vote, can reduce ethnic conflict.

The alternative vote (AV) is an instant runoff system that requires a candidate to win a majority of all votes cast in a district.

The choice between PR and AV is the choice between replicating ethnic divisions in the legislature hoping that legislators will cooperate after the election (PR) and creating institutional incentives that seek to weaken or even transcend the political salience of ethnicity altogether (AV).

Traditionally, scholars have argued that **incongruent and asymmetric federalism** can reduce ethnic conflict and dampen secessionist demands by:

- Bringing the government closer to the people.
- Increasing opportunities to participate in government.
- Giving groups discretion over their political, social, and economic affairs.

Recent studies, though, suggest that federalism may actually intensify ethnic conflict.

- It reinforces regionally-based ethnic identities.
- It provides access to political and economic resources that ethnic leaders can use to bring pressure against the state.
- It makes it easier for ethnic groups at the sub-national level to produce legislation that discriminates against regional minorities.

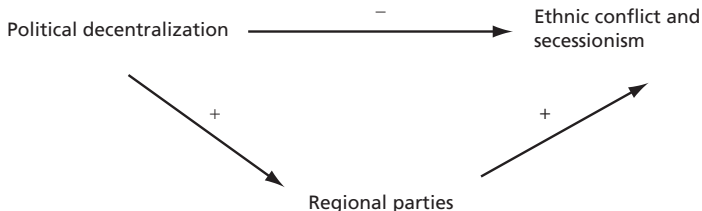
Why does federalism seem to be helpful in some contexts but not in others?

One suggestion is that political decentralization *reduces* ethnic conflict when regional parties are weak but that it *increases* conflict when regional parties are strong.

Regional parties can be weakened by adopting institutions such as presidentialism and cross-regional voting laws.

FIGURE 16.8

Political Decentralization and Ethnic Conflict



Whether federalism increases or decreases ethnic conflict depends on which causal path is strongest.

How do political institutions influence democratic survival?

Strong empirical evidence that the expected survival time of democracy in presidential systems is considerably shorter than it is in parliamentary systems

The perils of presidentialism

- Concentration of power over policy
- Inexperienced leaders
- Difficulty in making policy quickly
- Difficulty in locating responsibility for policy
- Difficulty in making comprehensive policy

But many of these outcomes are not unique to presidentialism

Difficulty in making policy quickly, locating responsibility for policy, and making comprehensive policy are also true of highly fractionalized parliamentary systems.

Immobilism describes a situation in parliamentary democracies in which government coalitions are so weak and unstable that they are incapable of reaching an agreement on new policy.

Presidentialism is often seen as a solution to these problems in parliamentary systems.

The essence of parliamentarism is mutual dependence.

- The government needs the support of a legislative majority to stay in power.

The essence of presidentialism is mutual independence.

- The president and legislature have their own fixed electoral mandates and their own sources of legitimacy.

Parliamentarism encourages reconciliation, while presidentialism encourages antagonism.

Why are presidential democracies more unstable than parliamentary ones?

If there is deadlock in a parliamentary democracy, you can solve this through the vote of no confidence.

If there is deadlock in a presidential democracy, there is no vote of no confidence.

- Actors may look to extra-constitutional means to solve the problem.

TABLE 16.5**Democratic Survival in Newly Independent States
after World War II****a. Form of Democracy Adopted**

	Parliamentary N = 41		Presidential N = 36	Semi-Presidential N = 3
Bahamas	Mauritius	Algeria	Madagascar	Lebanon
Bangladesh	Nauru	Angola	Malawi	Senegal
Barbados	Nigeria	Benin	Mali	Zaire
Botswana	Pakistan	Burkina Faso	Mauritania	
Burma	Papua New Guinea	Cameroon	Mozambique	
Chad	St. Lucia	Cape Verde	Niger	
Dominica	St. Vincent	Central African	Philippines	
Fiji	Sierra Leone	Republic	Rwanda	
The Gambia	Singapore	Comoros	São Tomé	
Ghana	Solomon Islands	Congo	Seychelles	
Grenada	Somalia	Cyprus	Syria	
Guyana	Sri Lanka	Djibouti	Taiwan	
India	Sudan	Equatorial Guinea	Togo	
Indonesia	Suriname	Gabon	Tunisia	
Israel	Swaziland	Guinea	Vietnam (N)	
Jamaica	Tanzania	Guinea Bissau	Vietnam (S)	
Kenya	Trinidad and Tobago	Ivory Coast	Yemen (S)	
Kiribati	Tuvalu	Korea (N)	Zambia	
Laos	Uganda	Korea (S)		
Malaysia	Western Samoa			
Malta				

How many were continuous democracies between 1980 and 1989?

How many were continuous democracies between 1980 and 1989?

b. Continuously Democratic Countries, 1979–1989

	Parliamentary <i>N</i> = 15/41	Presidential <i>N</i> = 0	Semi-Presidential <i>N</i> = 0
Bahamas	Nauru		
Barbados	Papua New Guinea		
Botswana	St. Lucia		
Dominica	St. Vincent		
India	Solomon Islands		
Israel	Trinidad and Tobago		
Jamaica	Tuvalu		
Kiribati			

TABLE 16.6**Democratic Survival in Fifty-Three Non-OECD Countries, 1973–1989**

	Parliamentary	Presidential
Democratic for at least one year	28	25
Democratic for ten consecutive years	17	5
Democratic survival rate	61%	20%

TABLE 16.7**Military Coups in Fifty-Three Non-OECD Countries,
1973–1989**

	Parliamentary	Presidential
Democratic for at least one year	28	25
Number that experienced a coup	5	10
Coup susceptibility rate	18%	40%

TABLE 16.8**Democratic Underachievers and Overachievers by
Regime Type**

	Parliamentary	Presidential
Overachievers	31	10
Underachievers	6	12
Ratio of overachievers to underachievers	5.17	0.83

TABLE 16.9**Effect of Regime Type on Democratic Survival,
1946–1990**

Dependent variable: Probability that a country will be a democracy
this year if it was a democracy last year

Independent variables	Model 1	Model 2
Presidentialism	–0.58*** (0.14)	–0.32* (0.16)
GDP per capita		0.0002*** (0.00005)
Growth in GDP per capita		0.04*** (0.01)
Oil producer		–0.12 (0.28)
Constant	2.22*** (0.10)	1.29*** (0.18)
Number of observations	1,584	1,576
Log-likelihood	–170.85	–142.15

* $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$

Empirical evidence that parliamentary democracies live longer than presidential ones.

But maybe presidential democracies fail at higher rates because they are chosen in difficult times.

Empirical evidence that parliamentary democracies live longer than presidential ones.

But maybe presidential democracies fail at higher rates because they are chosen in difficult times.

The problem is that there is strong evidence that presidentialism is bad for ailing polities.

Presidential regimes can be a liability for three reasons:

1. They find it difficult to resolve deadlock or crisis situations because they lack of a vote of no confidence.
2. There is a greater chance of gridlock in presidential regimes because divided government is possible.
3. Presidential elections tend to produce politically inexperienced candidates.

These problems are exacerbated when there is legislative fragmentation.

1. Legislative fragmentation increases the likelihood of deadlock.
2. Legislative fragmentation increases the likelihood of ideological polarization, which makes solving deadlock situations more difficult.
3. Legislative fragmentation creates a need for coalition building, something inexperienced presidents will find difficult to do.

Presidentialism and multipartism have been called the 'difficult combination.'

TABLE 16.10**Presidential Regimes That Sustained Democracy from 1967 to 1992 and Their Party System Size**

Country (Year)	Effective number of legislative parties
Colombia (1986)	2.45
Costa Rica (1986)	2.21
United States (1984)	1.95
Venezuela (1983)	2.42

TABLE 16.11**Regime Type, Party System Size, and Democratic Consolidation, 1945–1992**

Regime type	Democratic success rate
Multiparty presidentialism	1/15, or 0.07
Two-party presidentialism	5/10, or 0.5
Parliamentarism	25/44, or 0.57

TABLE 16.12**Consolidated Democracies by Regime Type and Party System Size**

Constitution	Effective number of legislative parties	
	Fewer than three	Three or more
Parliamentary	23	11
Semi-presidential	0	2
Presidential	5	0

In recent years, a number of presidential democracies with multi-party systems have emerged in Eastern Europe and Latin America.

Many of these democracies appear quite resilient.

Could it be that the 'difficult combination' is no longer a problem?

Substantial evidence that it was difficult to consolidate multi-party presidential democracies in the past.

What is different now?

- Many of the countries that have become presidential recently are quite wealthy.
- Wealthy countries are more likely to survive as democracies.

This suggests that institutional choice is more important for poor countries than rich ones.