

# Consequences of Democratic Institutions

## Impact of democratic institutions:

1. Democracy and political representation
2. Economic Policy
3. Ethnic Conflict
4. Democratic Survival

Majoritarian or Consensus Democracy?

## Two different visions of democracy:

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.
- The winning team implements the policies it ran on during the election campaign.

## 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

- Power is concentrated in the hands of a single majority team of politicians.
- The involvement of the minority in the policy-making process is considered illegitimate.

## Majoritarian vision of democracy

- Power is shared **over time** as different majorities compete and alternate in power.
- **Self-imposed constraints** – the winning team must make compromises and exercise self-control so that the minority doesn't withdraw from participating in democratic institutions and engage in violence.



## Consensus vision of democracy

- During elections, citizens are to choose representatives from as wide a range of social groups as possible.
- Elections should produce a legislature that's a miniature reflection of society as a whole.
- Elections aren't designed to serve as some sort of referendum on the set of policies implemented by the government.

## Consensus vision of democracy

- Representatives are agents who bargain on behalf of the citizenry.
- Citizens exert influence over the policy making process *between* elections through the ongoing bargaining of their elected representatives.

## Consensus vision of democracy

- Citizens with majority preferences don't have a privileged status.
- All groups, including minorities, should have the power to influence policy in direct proportion to their electoral size.
- Power is to be shared not only over time but also at **each moment in time**.

## Consensus vision of democracy

- An important objective is to prevent a 'tyranny of the majority.'
- Constrained government must be **compelled** through an external system of checks and balances and the use of anti-majoritarian institutions.

**Majoritarian democracies** have few veto players and so it's easier to change the status quo.

**Consensus democracies** have many veto players and so it's harder to change the status quo.

**Which is better for protecting minorities?**

## 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

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*Note:* There are two sets of institutions—the top set and the bottom set. The institutions in each set are causally related.

# Political Representation

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.



# Formalistic Representation

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

## Authorization

In majoritarian systems, it's 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 don't always live up to these ideals in practice.

**Accountability** refers to the extent to which it's 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's 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

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

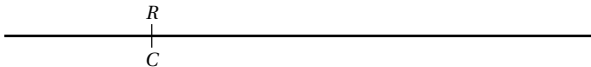
Substantive representation can be evaluated in terms of **ideological congruence** or **ideological responsiveness**.

**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.

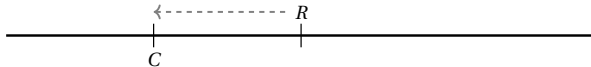
**Ideological responsiveness** has to do with how representatives change their behavior to become more congruent with the interests of the people over time.

## Ideological Congruence and Responsiveness

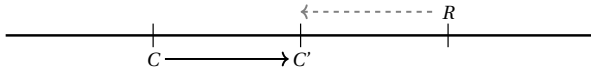
(a)



(b)



(c)



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

**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 promote stereotyping that facilitates discrimination. It's often accompanied by the policing of group norms and the 'punishment' of group members who break those norms.

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 2023 was 25.6%.
- The countries with the highest levels of women's representation are:

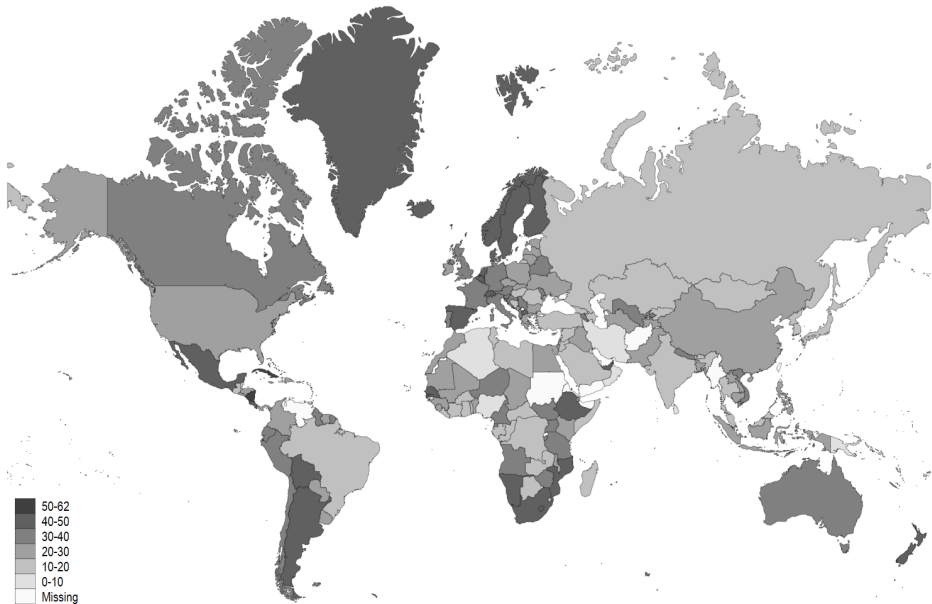
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- The countries with the lowest levels of women's representation are: Papua New Guinea (1.7%), Vanuatu (1.9%), Oman (2.3%), Kuwait (3.1%), and Nigeria (3.9%).





Women's Legislative Representation, 2023

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's 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

## Autocratic genderwashing

Many dictatorships use reserved seats to guarantee legislative seats to female candidates.

Including women in visible political roles can help authoritarian elites obtain international and domestic support.

**But** the strategic use of women's descriptive representation also occurs in democracies.

There's 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

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 aren't.

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

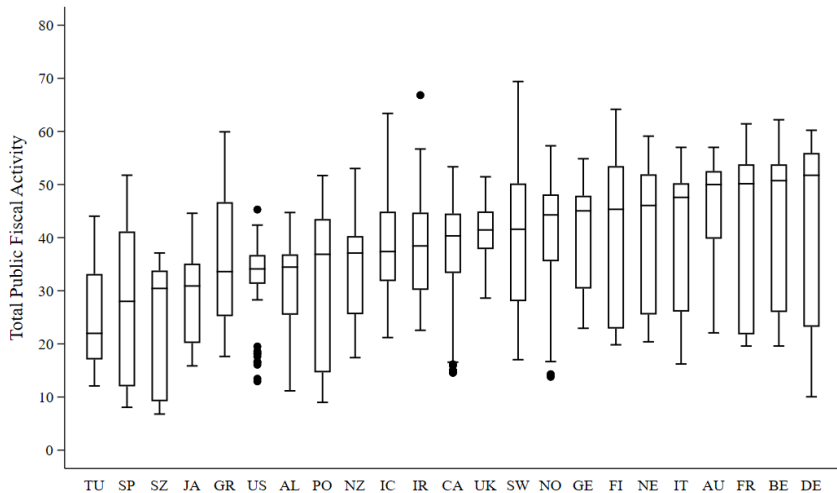
# Political Institutions and Fiscal Policy

**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.

## Total Public Fiscal Activity, 1950-2021



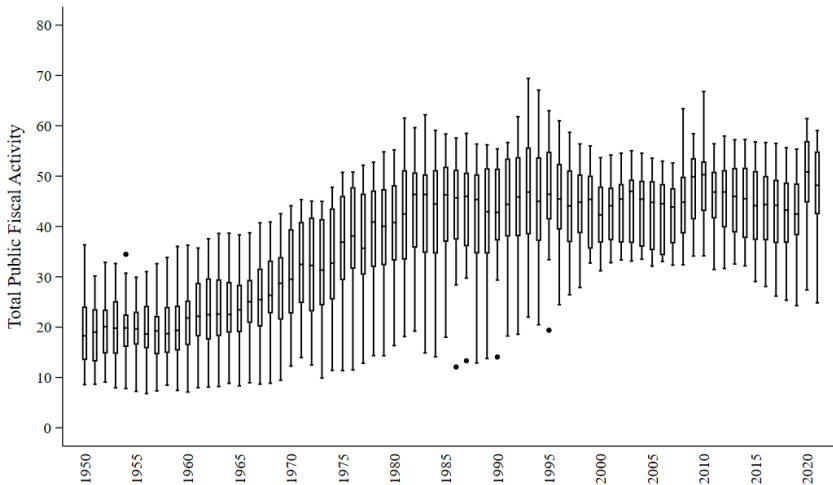
What explains this cross-national variation in fiscal activity?

# Economic and Cultural Determinants

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.

## Total Public Fiscal Activity by Year, 1950-2021





Does income inequality matter?

## Meltzer-Richard Model

- Citizen preferences regarding fiscal policy depends on their level of income.
- The government taxes all individuals at the same rate.
- The government takes the tax revenue and divides it equally among all members of society.

## Meltzer-Richard Model

- Citizens with below average income will be net recipients.  
They will prefer higher tax rates.
- Citizens with above average income will be net contributors.  
They will prefer lower tax rates.
- Tax preferences depend on one's position in the income distribution.

## Meltzer-Richard Model

- The median voter sets the tax rate.
- Historically, the median voter has an income less than the average income earner.
- The median voter will want a positive tax rate.

## Meltzer-Richard Model

- The more income inequality, the further is the median voter's income below the income of the average income earner.
- Thus, the desired tax rate increases with income inequality.
- This implies that government fiscal activity increases with the level of income inequality in a country.

## Empirical evidence

- Rich people tend to prefer smaller tax and redistribution systems than poor people.

## Empirical evidence

- Rich people tend to prefer smaller tax and redistribution systems than poor people.
- The **problem** is that income inequality isn't strongly associated with fiscal activity in the real world.

Why?

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 voter turnout, such as compulsory voting, voter registration rules, and the proportionality of the electoral system, will affect fiscal activity.



So far, we've assumed that voter preferences are automatically and directly translated into fiscal policy.

In the real world, voter preferences are refracted through political institutions before they're translated into policy outcomes.

Voter preferences are typically aggregated through **political parties**.

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.

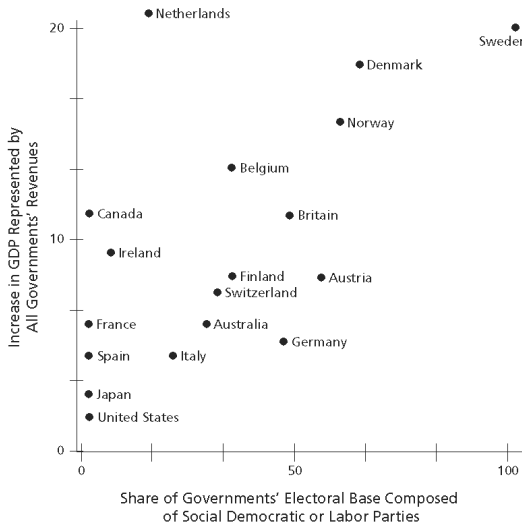
The main prediction of the partisan model is that changes in the partisan control of the government will lead to predictable changes in fiscal policy.

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

The partisan model doesn't receive much support *within* countries, but it does *between* countries.

- Left-wing and right-wing governments in the same country tend to implement similar fiscal policies.
- However, some countries have many more left-wing governments than right-wing governments and vice versa.
- Countries with more left-wing governments tend to have larger tax and redistribution systems.

## Partisan Composition of Government and the Expansion of the Public Economy, 1960-1975



But why do some countries have more left-wing governments and some countries have more right-wing governments?

Some evidence that voter preferences and culture differ across countries.

## Poverty: Europe vs America

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

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Source: World Values Survey data from 1981–1997 as reported in Alesina, Glaeser, and Sacerdote (2001, table 13).

# Electoral Laws and Fiscal Policy

**Electoral rules** also influence the types of partisan governments we get and hence the type of fiscal policy we see.



Proportional electoral systems are associated with greater fiscal activity.

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

Why?

Majoritarian electoral systems encourage the election of right-wing governments, whereas proportional systems are more open to left-wing governments.

## Number of Years with Left and Right Governments

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

*Source:* Iversen and Soskice (2006, fig. 1).

*Note:* Data are from seventeen advanced industrialized democracies; centrist governments have not been included.

## Two potential stories

- The first focuses on the **political geography** of where left-wing and right-wing voters live.
- The second has to do with how the **government formation process** in proportional and majoritarian countries affects voter behavior.

# Political Geography Story

The geographic clustering of left-wing support places left-wing parties at an electoral disadvantage in majoritarian systems.

The electoral system influences not only the probability of left-wing parties gaining power but also how they behave once in power.

This is because the *marginal constituency median voter* in a majoritarian system is likely to be more right-wing than the *national median voter* in a proportional system.

# Government Formation Story

Due to the nature of the party system and the government formation process, voters are simply more likely to support right-wing governments in majoritarian systems and left-wing governments in proportional systems.

Should a left-wing government come to power in a majoritarian system, it's likely to engage in less redistribution than it would if it came to power in a proportional system.

# Electoral Laws, Federalism, and Ethnic Conflict

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



How common is ethnic conflict?

## Actual and Potential Violence in 36 Sub-Saharan African Countries, 1960-1979

Type of communal violence	Number of incidents for all countries and years <sup>a</sup>	Country mean of incidents per year <sup>b</sup>	Number of potential incidents for all countries and years <sup>c</sup>	Country mean of potential incidents per year <sup>d</sup>	Ratio of all actual incidents to all potential incidents <sup>e</sup>
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

*Source:* Fearon and Laitin (1996, 717), based on data from Morrison, Mitchell, and Paden (1989).

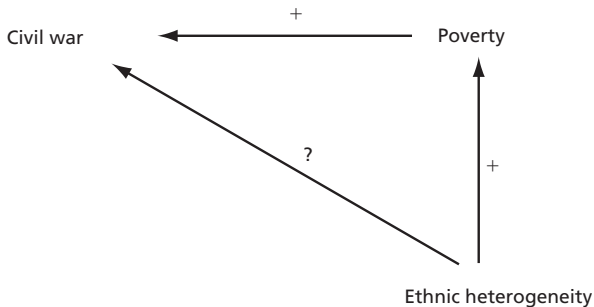
*Note:* See Fearon and Laitin (1996) for how the number of ethnic groups is determined.

Ethnic conflict is rare, while ethnic cooperation is common.

What matters most for civil wars are factors that favor insurgency: poverty, oil-dependence, political instability, and rough terrain.

Ethnic diversity isn't directly related to civil war onset.

**But** maybe ethnic diversity affects civil wars indirectly through poverty.



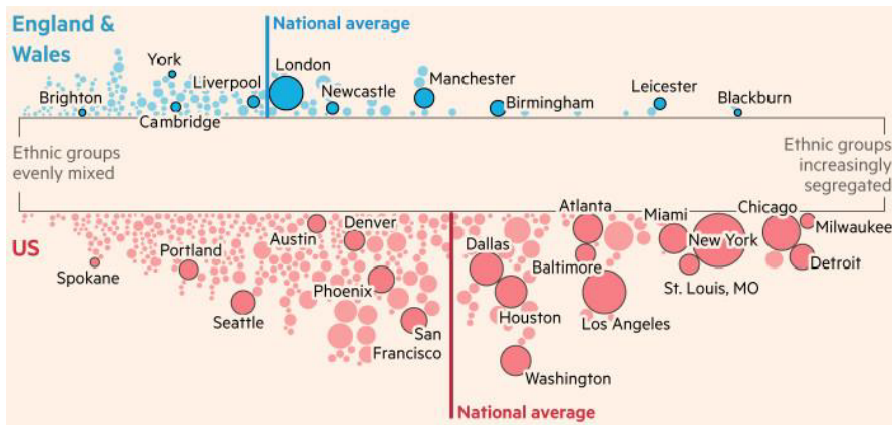
**Diversity penalty:** Ethnic diversity is associated with lower public goods provision.

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

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

Some evidence that it maybe ethnic segregation rather than ethnic diversity that lowers economic growth and public goods provision.

## Racial and Ethnic Segregation in US and British Cities, 2023



# Electoral Laws and Ethnic Conflict

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).

# Federalism and Ethnic Conflict

Many scholars argue 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 in some situations.

- 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.

Federalism is a form of **power-sharing agreement**.

Sufficient power must be transferred to the regions so they can punish the central government if it reneges on its promise of political decentralization.

**But** if too much power is transferred to the regions, they may wish to use their improved bargaining position to renegotiate the original power-sharing arrangement, possibly with violence.

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.



# Presidentialism and Democratic Survival

Historically, democracy has been more stable in parliamentary regimes than presidential ones.

## The perils of presidentialism

- Concentration of power over policy
- Inexperienced leaders
- Difficulty in making policy quickly
- Low clarity of responsibility

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're incapable of reaching an agreement on new policy.

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

Why are presidential democracies more unstable than parliamentary ones?

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.

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

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

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



# 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?

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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				

## Democratic Survival in 53 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%

## Military Coups in 53 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%

## Democratic Underachievers and Overachievers by Regime Type

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

Empirical evidence that parliamentary democracies live longer than presidential ones.

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

Empirical evidence that parliamentary democracies live longer than presidential ones.

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

The problem is that there's 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 a vote of no confidence.
2. There's a greater chance of gridlock in presidential regimes because divided government is possible.
3. Presidential elections tend to produce politically inexperienced candidates.

Legislative fragmentation exacerbates these problems.

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 it difficult to do.

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

## 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

## Consolidated Democracies by Regime Type and Party System Size

	Effective number of legislative parties	
Constitution	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's 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.