

Institutional Veto Players

Federalism, bicameralism, constitutionalism.

Federalism

It's useful to distinguish between federalism in structure and federalism in practice.

- Federalism in structure \Rightarrow **Federalism.**
- Federalism in practice \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 aren't federal are known as **unitary states**.



Brazil.

- Federal (1)
- State (26)
- Municipal (5,570)

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 don't have a constitutional right to any of their powers.

India is an example of a unitary country that has devolved power to subnational governments.

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.

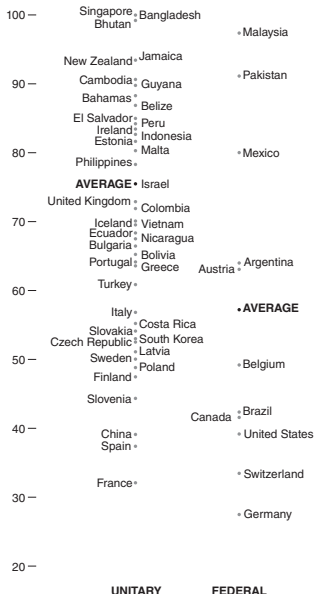
Whether a state is **decentralized** or not is about where policy is actually made.

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

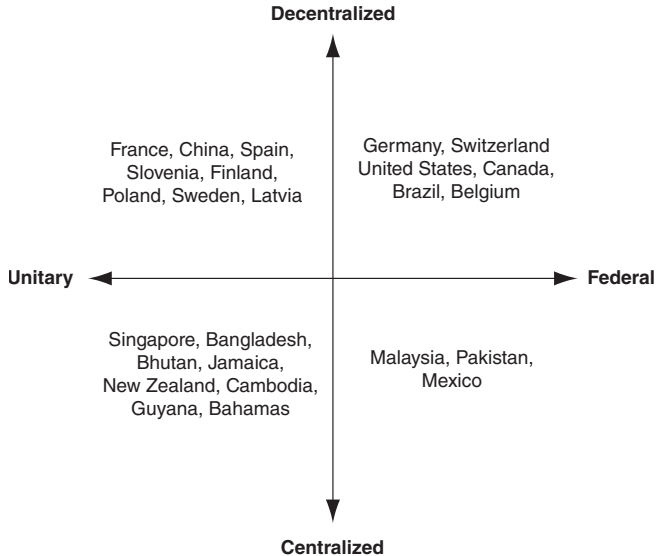
Most political scientists see decentralization as a revenue issue.

The greater the share of all tax revenues going to the central government, the less decentralized the state.

Central Government's Share of Tax Revenue



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 bringing 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.

Bicameralism

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.

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 are usually 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 isn't 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.

Malapportionment in Upper Chambers, 2019

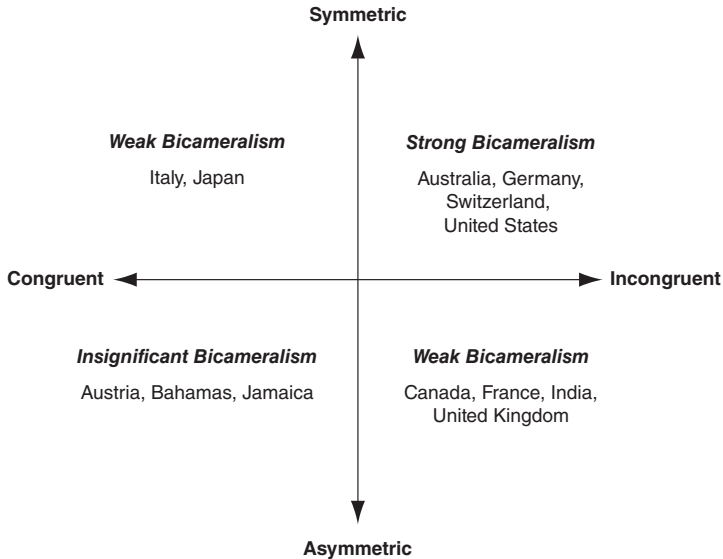
	Seats held by the percentages of the most favorably represented citizens (percentages)			
	10	20	30	50
United States	39.3	53.9	65.5	82.4
Switzerland	39.3	53.1	63.0	80.6
Australia	33.1	49.6	58.9	73.2
Canada	37.3	46.1	50.6	65.7
Germany	26.0	43.4	55.5	74.4
India	13.7	25.1	36.3	56.2
Austria	12.2	22.6	32.3	52.9
Belgium	11.2	21.2	31.1	50.7

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.

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 18th century saw an emphasis on the representation of the people as a whole rather than as a set of competing social classes.

Bicameralism increasingly became seen as a way for federal states to represent their constituent territorial units.

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

The upper chamber would represent the territorial dimension of the people's will.

Some unitary states have retained an upper legislative chamber.

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

Those in the upper chamber are thought to have characteristics of value – wisdom, age, knowledge – that those in the lower chamber may not.

This incongruence is achieved by appointing people to the upper chamber.

Two basic arguments in favor of bicameralism.

1. **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.
2. **In unitary countries**, bicameralism is primarily defended as an institutional means for improving the quality of legislation.

Constitutionalism

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's written in a single document.

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

Only Israel, New Zealand, and the UK 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. **Legislative supremacy constitution:** No constitutional review, no bill of rights, and not entrenched.
2. **Higher law constitution:** Constitutional review, 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 aren't part of the regular judicial system.

When constitutional review is conducted by ordinary judges from the regular judicial system, it's commonly referred to as **judicial review**.

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).

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.

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:

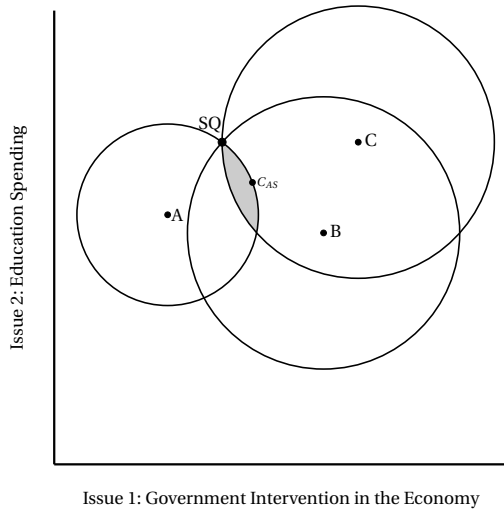
1. Greater policy stability
2. Smaller policy shifts
3. Less variation in the size of policy shifts
4. Weaker agenda-setting powers

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.

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.

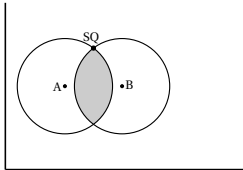
Agenda-Setting Power

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

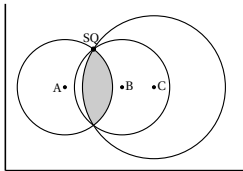
When the winset is large, an agenda-setting veto player has the possibility to move policy far from where the other veto players would move it if they were the agenda setter.

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.

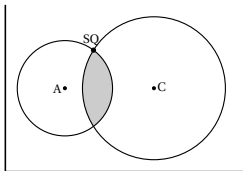
(a) Two veto players A and B



(b) Three veto players A , B , and C



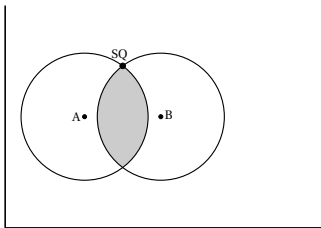
(c) Two veto players A and C



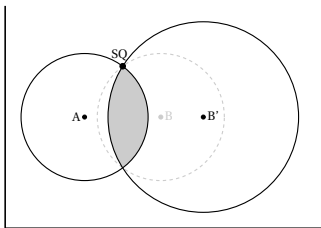
Number of veto players

- 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.

(a) Similar ideological positions



(b) Dissimilar ideological positions



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.