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Choosing Institutions for a Democratic Regime

In the post-war period, the process of decolonization and the collapse of Soviet communism have provided a number of candidates for democratic transitions. Prominent political scientists, such as Samuel Huntington, have sought to capture the dynamics of such a transition. Hellman considered the trade-off for economic adjustment policies (Hellman 203). A major breakthrough came some 15 years ago when Juan Linz re-injected consideration of democratic institutions into the debate. Over the subsequent decades a flurry of work has comparatively considered such aspects. Research has still concentrated on a relatively small number of states, with those in western Europe and dominated by European-settlers receiving the most attention. The strong test of institutional arguments will have to carry the analysis cross-civilizationally. Even if the discipline is lacking the level of empirical work which would be desirable, there remains a foundation of study on particular institutional types which permits comparative evaluation.

The Nature of Man, Groups and States

On of the great faults in the hypothetical states suggested by political philosophers of history (Plato, Marx, etc) has been an overly-optimistic view of man. Machiavelli paints a much more accurate picture of man s true nature in his advice to the prince: a prince who is good all the time will be ruined by those who are not (Machiavelli, *Prince*, Bk. XV). People have private interests which conflict with those of others (as is Hobbes *lex naturalis*) and with a public interest. The discussions of political-economists over the provision of public goods by private resources (free-riders, tragedy of the commons) capture the problem adequately. The rational

(meaning goal-directed) economic actor seeks (1) self-preservation and (2) the relative accumulation of resources. Such impulses nicely play into the motivations which underpin market-capitalism but can also lead to anarchy, if unchecked. For Hobbes all men are equal in that the weakest could kill the strongest by confederacy or secret machination (Hobbes, *Leviathan*, Bk. XIII). To ameliorate such a mortal threat (i.e., to secure self-preservation), men contract to surrender some sovereignty to a commonwealth in return for the public good defense which they have been unable to furnish as a private good. The formation of the political institution of the commonwealth, or state apparatus, then owes its origins not to a cooperative impulse but the bargained outcome of competing self-interests. It is in this way the nature of man should be understood and for this man that political institutions be constructed.

If what has been described is the natural state, the key to acceptance of subordination to a given political system is socialization. Generations have undergone a series of socializations to subordinate personal, private interest to some other interest. The first of these is group interest, broadly defined. Individuals assume as a goal familial interest, clan interest, ethnic interest, etc. Where these transfers of motivation have been successful indoctrination in alternate values have been necessary. An individual has been taught to look after the well-being of his family, or in another case nation. The definition of in-group and out-group can be divided on a number of different lines, ethno-linguistic, tribal, religious. The notion of group membership, however, has profound implications for the development of democratic institution.

States can broadly be divided into three groups on the basis of *demographic homogeneity*. The first class is the relatively homogenous nation-state with less than 10% of *resident population* members of politically salient out-groups. Very few states fit into this group such as

Japan and Sweden. The second set of states are the dominant-group heterogenous states with between 10% and 50% of *resident population* members of politically salient out-groups. This is the modal category containing many leading states such as Canada, Britain and China. The remaining states can be termed multi-group heterogenous with more than 50% *resident population* members of politically salient out-groups (non-plurality), i.e., no single salient group forms a majority. This category occurs more often in decolonized and civilizational-border areas, such as Bosnia. As the question of stateness is one must be resolved in the consolidation of *any* political institutions these divisions offer some degree of domain constraints. The discussion below begins from this view, that not all states have an equal chance at political institutionalization, and most directly addresses the modal category. Violent political conflict is more likely in heterogenous than homogenous societies (Lijphart). Economic affluence also facilitates the stability of democracy (Gunther 67). A hard test case given a researcher would require the consolidation of democratic institutions in a non-OECD state; more on this later.

Competing Objectives in Constructing Institutions

The ideal institutional setup seeks to maximize the achievement of goals sought by its founders and those to whom it is responsible. Unfortunately, many of these goals when taken to their full extent conflict with each other. Democracy requires the institutionalization of conflict converting it from bullets to ballots, to use Malcolm X s parlance. While a number of these objectives can be achieved under non-democratic institutions, democracy is the hegemonic paradigm upon which all other systems are currently measured. Indeed, non-democratic regimes such as that of Saddam Hussein provide democratic marketing implicitly accepting the standard. Thus this discussion will confine itself to democratic institutions. The key performance

objectives are (1) conflict regulation and system maintenance (2) policy innovation and decisiveness (3) policy coherence and consistency (4) representation of social groups (5) protection of vital minority interests and (6) access to decision-makers (Gunther 61). One more executive goal would be implementation capability. Institutions provide a rule-bound mechanism for the peaceful resolution of conflict. The ideal of this objective is to ameliorate salient schisms in a society such that social elements support the system and see no favorable reward structure in promoting fragmentation. The goal is often put into conflict on the issue of representing disenfranchised groups. Policy innovation is the ability to adapt political manifestos to the circumstances in which they would be implemented. To some degree adaptability is a function of the number of veto points (as Tsebelis describes) in policy formulation. A leader cannot be as decisive if he lacks the ability to credibly make a given decision due to institutional constraints. Vote players can include courts, written constitutions, upper houses, head of state, super majorities, referenda and bureaucracies (Tsebelis 323). On the other hand, policy coherence is strengthened by institutional restraints to decisive innovation. Coherence require the formulation of a broad set of policies placed together in a comprehensive package. Political representative seeks enfranchise social groups and facilitate the implementation of policies conducive to their interests. The ideal system in this regard is one which is responsive to public opinion. The dangers of concern for pursuing such a goal are policy consistency as public opinion can be fickle and majoritarian rule may damage minority rights (de Tocqueville s tyranny of the majority in the US states). The protection of *vital* minority interests is the next factor identified by Gunther. There are two potentially controversial notions in this statement: vital and interests. Both terms are intrinsically subjective and ambiguous risking abuse. Which minorities are vital? Who

defines these interests? It may be useful to approach this from a more legalistic standpoint, viz., institutions should be created to protect the civil liberty *rights* of resident self-defined minority groups. In this way the majority cannot talk of promoting interests *for a minority* but simply extends the civil rights it enjoys to socio-politically disenfranchised groups. Gunther s final goal is the issue of access to decision-makers. This objective is of special saliency in the United States at the moment in discussions about campaign finance (discussed below) as some argue the system permits large contributors to buy access. Decision-makers are not only made accessible for policy choice influencing but as an advocate for dealings with the state bureaucratic apparatus (constituent services). A somewhat related goal that has been added is the capability of such institutions to implement policy. In other words, can politicians count on the bureaucracy to function apolitically and can the apparatus affect the desired change? Much of this is related to state intrusiveness, as a libertarian might label it, and can create follow-on effects which transform public opinion (Wag the Dog -type scenario). A useful way to understand the competing nature of these objectives is in description of real-world institutions.

Institutional Options for Democracy

The array of democratic states can be divided, or assigned adjectives, in a number of different ways on the basis of their institutions federal & unitary, presidential, parliamentary & semi-presidential, FPTP & PR with varying thresholds for victory, single & multi member districts, etc which have profound impact on which goals (above) can be achieved. In a sense, to select some of these specific institutions certain goals were prioritized over others. The first distinction drawn is whether there are administratively separative, though subordinate centers of power as in a federal system. Federalism adds additional veto players for policy formulation

limiting decisiveness while increasing responsiveness, representation and accessibility. Federal systems have been implemented in states in which there are regional or regionally-concentrated ethnic interests conflict over which could not be full institutionalized at the sovereign state level (India, Canada, USA, etc) and often these are large (population and/or territory) states which could be more easily administered from local centers of power. The danger for the pro-system elite from a federal system is that by institutionalizing conflict the center has given potentially separatist elites the political apparatus upon which an alternate system could be based (e.g., Milosevic & Tudjman in former Yugoslavia).

The next division is one of the most popular in the scholarly literature, discussed by Gunther and Linz among others. In a Presidential system (US, Mexico, Latin America) the Head of State and Head of Government are fused in one office which is selected by the people and is responsible to them not the legislature. This system is common in the US sphere of influence. The government cabinet ministers are chosen by the President and responsible to him/her (US president A Johnson was impeached over this) and are not members of the legislative body. The typical presidency is majoritarian in that the selection of just one individual does not allow for the representation by proportions of support. As such this executive office does not fully represent the electorate. Both the president and legislature draw their support from the people which Linz terms dual democratic legitimacy (Linz 6). This can create conflicts where the two sides have divergent policy aims or one side seeks to play out a vendetta (as the US GOP did in 1998-99). Another consequence is the issue of responsibility/credit; voters do not know who to hold accountable for grievances. Fixed terms is another aspect of this type of system: the timing of the next election is known by contesting parties and the people. Term of legislature is

independent of executive performance as it is also fixed and the government does not require its support. The concentration of power in the presidency has led many states to limit the number of terms or consecutive terms (Linz 17).

The parliamentary system (UK, Europe, India) separates the office of Head of State and Head of Government into two. The former is largely a ceremonial/symbolic role played by monarchs in Europe/UK or a President in India and Israel. In such a system the people select the legislature or Parliament which in turn chooses a Prime Minister (and in some cases cabinet) from among its ranks. The government must maintain the support of the legislature (50%) to continue serving. Under British rules any major policy initiative of the government which fails may be treated as a vote of no confidence. If a government loses such a vote, depending on the rules, one of three consequences could occur (1) parliament is dissolved and new elections are called e.g. UK (2) government ministers become MP s as a new coalition is constructed e.g. India, or (3) the coalition constructed by the motion assumes office e.g. FRG. Obviously, in contrast to the presidential, term lengths are not fixed and legislative terms can be tied to government performance. Emanating from the people there is only a single line of responsibility and legitimacy providing voters with an object for their displeasure to be expressed. Governments have lost very few votes with the rise of strong party systems with whips leading to the charge of being a rubber stamp for the government in comparison to the American congress. The institutional incentives are just not there if the MP would put his seat at risk. In the FRG manifestation party cohesiveness is strengthened further by assigning PR seats to the party rather than an individual MP who can be replaced from the list. Parliamentary systems score high on responsiveness (no lame duck governments) and representativeness but lack the continuity fixed

terms can offer.

Semi-Presidential (France V, Weimar, some of Eastern Europe) forms are even more varied attempting to create a hybrid between the other two. Duverger identified this form in 1980. The Head of State, President, in these is more than a figurehead often playing a decisive role in Foreign Affairs and Defense policy as a partisan actor while deferring to the government on other matters. As the government often maintains ministers with those two portfolios the policy position and representation abroad of the state can become conflictual (Szablowski). One clear manifestation of this ambiguity over the Head of State-Legislative relationship was when Russia s Boris Yeltsin sent MBT s acting for his defense portfolio against the parliament over an impasse in the definition of his very powers. Where different parties control the presidency and legislature, as has happened several times in the Fifth French Republic, policy disputes can prompt rival claims of legitimacy. Elections for the president and legislature by universal suffrage are staggered such that there is continuity of some government official during transitions. The PM is chosen from the MP s and must maintain their support to remain governing. In some semi-Presidential systems (Russia) the president can sack the government and dissolve parliament forcing new elections. Constitutional crises under these systems have arisen when the demarcation of spheres of authority has been vague. Created to capture the best aspects of both Presidential and Parliamentary it makes compromises which fall short of the benefits of either. The biggest problem is the ambiguity of roles.

How legislators are selected is also important. Proportional Representation (PR) (EU, Israel) uses closed lists or preferential voting to assign seats representing a district to parties which reflects the proportion of the popular vote received. The precise formula used to apportion

seats varies and is sometimes called modified PR. For PR systems the issue of thresholds becomes salient. FRG requires 5% of the popular vote at the Länder level to be attained before a party is seated, while an Israeli party needs only 1.5%. Lower thresholds produce more parties in legislatures and coalitions as well as reducing stability and legislation on controversial issues; on the other hand, they are more representative of popular vote. An advantage to PR is in terms of minority rights and representation; as small parties can be seated and potentially join a coalition, parties composed of and run for minorities can play a significant role. The Israeli Knesset which seats a number of minority (Arab, Sephardic) parties is a good example of this feature.

The alternative to PR is First-Past-the-Post (FPTP) or winner-takes-all (UK, Commonwealth, US) which seats legislators from districts according to who was an outright winner (passed a given threshold). All seats from the district are awarded to the winner. There are three major flavors of this form (1) FPTP majority (2) FPTP plurality and (3) FPTP majority run-off. In the first case a candidate to be seated must receive 50% +1 of all votes cast (US Mississippi); in the second, one more vote than the second-place candidate is needed (US Federal); in the final option if a candidate fails to achieve a simple majority a run-off is held between the two leading candidates (US - San Francisco). These systems all require a party to be seated to have substantially more support in a given district to receive any seats than PR would. Large parties are strengthened at the expense of small ones. This scheme is less representative.

Electoral Laws, Registration, Turnout, Ballot Access & Campaign Finance

Beyond these classifications the array of democratic institutions varies on several other key issues. Voter turnout is used as an indicator of democratic participation of the population arguably reflecting legitimacy. The US scores relatively low in voter turnout among advanced

heterogenous countries with consolidated systems. Presidentialism, federalism and FPTP fail to fully explain this variation. There are a number of other explanations which have been covered in the American politics literature but less comprehensively comparatively (a good study was published in an article by Sears in the 1950's). To vote there are two steps which must be taken: registration and casting a ballot. Most OECD countries place the burden of activity for registering and maintaining such a registration on the state apparatus; the US does not. The American individual must present himself at the registrar in limited locations and hours. Sears found evening and week-end hours offered by registrars would increase registration rates. The Clinton Motor-Voter bill addresses this to some degree. In peer states the bureaucracy maintains and updates rolls of voters. American voters must take active steps to stay registered. They must transfer their registration if they move, instead of an automatic state update. Also a lapse in voting will force the purging of the registration from the rolls. Most states require registering 30 days prior to an election; Minnesota does not and in 1998 had a surge in election day registrations, enough to swing the election. All of these actions are taken to reduce vote fraud. The next activity is voting itself. Assuming the voter has properly registered himself, he must go to the polling station in his precinct on election day during specified hours. Unlike much of the democratic world where election day is a national holiday, Americans vote on a work day. For those with a significant commute or structured hours voting carries a high opportunity costs. This not only reduces turnout, but reduces it disproportionately deterring the working class from voting.

Electoral laws can be changed if those in the decision-making position see it to be in their interest, but why should people vote? A good portion of the electorate feels disenfranchised

despite the right to vote. They are unconvinced their vote matters. This stems from two issues ballot access and campaign finance. America has a two-party system as Duverger would predict but the two parties have gone further to ensure continued dominant status by restricting the access for potential competitors. In the UK 100 signatures and a £500 deposit (refundable if the candidate receives at least 5% of the popular vote in the district contested) are all that is required to be formally placed on the ballot. The US (varies state to state) can require tens of thousands of signatures from registered voters on a petition and proof of party organization. These rules are designed by bi-partisan commissions so are unlikely to amended in the foreseeable future.

Dick Morris in his recent book echoes the California Secretary of State calling for Internet elections. He believes this transition will undermine the political party system and the role of large contributors by reducing campaign costs, facilitating interactive campaigning and enhancing the opportunities for grass roots actions. Morris Fifth Estate eliminates the need for exhaustive fundraising to pay for TV spots replacing it with free internet sites and emails. What he suggests (which demonstrates a lack of technical knowledge; it would overload many servers) is rival candidates mass emailing voters to debate issues. This however can be developed further. Another aspect is in having the election itself online. Two likely effects to this: voters unable to leave work for the polling station can vote in just seconds for their offices and the demographic group least likely to vote (20's) is online the most leading Morris to posit this may bring them in to the system. The 2000 Democrat Arizona primary was conducted partially over the internet by *Election.com.* It will be interesting to watch this lowering of barriers to ballot access and information dispersal.

The other issue which has been raised is campaign finance. The US has an abnormally

long campaign cycle preceded by an even longer fund raising cycle. Money can be given to candidates, parties and issue campaigns. Most of the funds go to providing television advertising. The UK bans such political commercials and offers free and equal air time. This reduces the time a candidate must devote to raising money. Such public financing of political campaigns levels the playing field among candidates of different means and reduces dependence on particularistic interests (see my article in the *Northwestern Chronicle* 1996 for more discussion on this point).

Representativeness of public opinion would be enhanced if the US and similar states took actions to address these public grievances.

Political Institutions and the Economy

Perhaps the best place to start is with Rogowski s application of the Stolper-Samuelson Theorem, that protection benefits factors in which a society is poorly endowed (Rogowski 3). Using labor, land and capital as the inputs to production with corresponding social groups, Rogowski divides societies into four groups. For societies which are rich in capital and land or rich in labor, he predicts class cleavages; for societies rich in land or rich in capital and labor, he predicts urban/rural cleavages (Rogowski 6). Groups connected to factors in which a society is rich will tend to back free trade assertively under conditions of expanding exposure to trade but assume a defensive posture as that exposure declines (Rogowski 6). In his book, Rogowski offers detailed tests of his model in three modern time periods: the expansions of Pax Britannica and Pax Atomica and the contraction of the interwar period. He also tests a premodern case. In each of the time periods Rogowski makes clear testable predictions of which coalitions will form in different categories of societies. He identifies five key sources of nineteenth century growth: railways, steamships, canals, telegraph and UK hegemony (establishing security in commerce,

currency and contracts) (Rogowski 21). These offered the capability for intense international trade. This era of expanding free trade came to a crashing halt with the UK close blockade of WWI. After a brief rebound postwar, trade contracted through the 1930's (beggar thy neighbour). In the domestic government formation preceding WWII, Rogowski predicted class conflict would arise where (1) labor is the only scarce factor (US, white dominions) and (2) labor is the only abundant factor (non-advanced Europe, Asia). In the former, workers would strengthen their political position moving left, in the latter elites would reassert moving right to Fascism (Rogowski 88). The WWII produced yet another shift heralding a period of trade expansion under Bretton Woods (Rogowski 88). Rogowski concludes with three conjectures (1) the three factors used in the study may become replaced by three new factors, labor, human capital and physical capital as quality of labor becomes important (2) the ownership and control of factors matters and (3) domestic politics are of reduced importance (Rogowski 177).

Rogowski has presented a very interesting contribution to the literature and clearly demonstrates the influence of political coalitions on trade policy. The greatest failing in this piece is in assuming these social groups exist similarly in all studied societies, i.e., he does not consider the variation which exists among groups associated with the same broad factor. In the same way, a future study show look at how each group/class was formed, groups consciousness was developed and what are its component parts (as such groups are themselves coalitions). Thirdly, while he admits that exogenous change can produce outcomes (Rogowski 4), the model really does not take this into account. Where this may come into play is the shifts between expanding trade under hegemony and contracting trade under no hegemonic assertion. Finally, domestic political institutions influence the ways and options for coalition formation.

An application of the Rogowski model is when looking at the parties existing in a given country whether the historical schisms present at the time of party formation continue to be the most politically salient. If not parties may be representing a division of interests no longer relevant for the electorate. The political institutions which reward this entrenched power is likewise called into question. For example, according to Rogowski the late nineteenth century (when the Democrats and Republicans emerged as the two leading parties in a two-party FPTP SMD presidential federal system) United State the divide of note was between urban and rural areas. The suburbs where a plurality of modern America s population resides is not structurally represented by partisan division. Furthermore, the parties were formed at a time when franchise was severely restricted on the basis of race. The characteristic is arguably a greater divide in US society than urban/rural and the parties do not consider it.

Hirschman s study on Latin America provides another perspective. He disaggregates the labels losers and winners in terms of national origin (Hirschman 91). Indigenous losers are more strongly opposed to foreign winning factors than domestic ones. In this way the degree of dependency becomes relevant. Also there is a consideration of certain domestic institutions and their role (Hirschman 96). The role of historical legacy is noted too in terms of identity construction. The potential problems of this work are in terms of application beyond the tested domain. The findings make sense in the context of a colonial history and continued structural dependency, which incidentally covers much of the globe.

Implementations of Types: It Worked in FRG, How About India?

As the objectives for democratic institutions compete and conflict with each other it is impossible to identify a particular system which maximizes all of them. Thus prioritization of

goals is necessary. The strong test case would be a relatively heterogenous state which falls low on the socio-economic scale in terms of wealth and literacy, such as India. For such a state, stateness has to be established which requires the objectives relating to representativeness and effectiveness. As there are large minority groups their rights must be protected. For India the priorities at institution would be: representation of social groups, protection of vital minority interests, conflict regulation and system maintenance, policy coherence and consistency, access to decision-makers implementation capability, and policy innovation and decisiveness. The ideal system will be parliamentary PR with relatively high national thresholds, federal with the subsovereign units also PR, constructive motion of no confidence, seats awarded to parties, multi-member local districts on the district level (Indian districts are equivalent to US counties) and minimized barriers to participation. The various parties will have areas in which they contest so to gain votes it would be advisable for the party to provide constituent services or use a FRG-preferential system. By using high *national* thresholds incentives for fragmentation and promotion of regional separatism would be alleviated. The parties likely to qualify are Congress, BJP, a rejuvenated Janata Dal, Communists and some more-cohesive version of the United Front. This is more workable than the current 22-part coalition. What is being suggested is basically the FRG system which has worked well in Germany. Can it be transplanted? It is difficult to say with certainty as post-war Germany was an easy test: advanced technologically, educated/literate, previous institutions and elites wiped out/discredited, relatively homogenous population. Along with a set of strong political and civil protections for minorities, however, the Germans seem to have adopted a near-ideal system. The question becomes to what degree does the German system rely upon cultural factors and a socio-economically advanced society? For

comparison the current system in India is parliamentary modified SMDP federal with no minimum national support. (The modification is positive discrimination -- the reservation of seats to women, minorities and the backward castes ; this is done legally through the party system in candidacy). The major complaints are corruption separatism and instability. The last point will be greatly aided by constructive motion of no confidence instead of minister recycling now permitted. Separatism and fragmentation are occurring in SMDP in violation of Duverger as seats can be won in the divergent regions. For example the separatist AIADMK in southeastern India has strong local support but nationally could never meet a 5% threshold to be seated. In a state of heterogenous regions a PR system need not increase the number of effective parties. The biggest complaint, corruption, which got the BJP elected in 1998 is a function of constituent services being handled by tenured bureaucrats who are underpaid. They are the courts to a lesser degree are not under political control. A German-style system in which politicians can be punished by the mass for constituent services and parties/individuals can be blamed for bureaucratic snafus might be the answer. The German system may well be transplantable if strong minority protection can be integrated. SMDP should be abandoned as it is an electoral law which changes plurality to larger plurality in the divided society (Weaver and Rockman 458). In any case, it does answer the three most common complaints I have encountered from Indian voters.

Model and Methodology

In future work I hope to generate case studies (more detailed than the above illustration) to see which posited goals of democratic regimes are being selected and pursued. Social groups will vary in their advocacy of the objectives to be sought by democratic institutions. The relative

strength of groups and cleavages will be a predictor to the types of institutions selected

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