

## **Neo-Madisonian theory and Latin American institutions**

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## Introduction

In recent years, theories of political institutions have become central to the literature on Latin American politics. As has been discussed elsewhere, the study of institutions has ranged from detailed histories of institutional evolution to more discrete analyses of strategic action under the constraints of a given set of rules. Other have identified this work generally as representing an "institutionalist tradition" (Huber and Dion 2002) or as the study of behavior in "institutional contexts" (Crisp and Escobar-Lemmon 2001), and often it is subsumed within broader discussions of "rational choice institutionalism" (e.g., Weyland 2002). Munck (2004) recently distinguishes work with an institutional focus from other strands of the literature on Latin American politics, noting that there is much each perspective can learn from the others. In this chapter, we highlight an emerging synthesis that derives insights from various forms of institutional analysis. First, we present a conceptual framework for analyzing constitutional structures and party systems--an approach that we brand *neo-Madisonian*. Using several examples from the region, we emphasize the relationship between constitutional design, electoral systems and party systems as they relate to this framework. Second, we use this framework to synthesize segments of the literature on Latin American institutions, tying together a variety of works that consider both national context and broad patterns across the region while accounting for the dynamic relationship between institutions and actors. Work in this vein, we argue, is united by its integration of the study of formal constitutional and electoral structure with an understanding of the incentives facing the actors charged with working within that structure. In Latin American research, such work has especially contributed to our understanding of the separation of powers, the logic of delegation in democratic representation, the capacity for collective action among political actors, and the interaction between these phenomena. In a final section, we review several important next steps for this literature.

## Studying Political Institutions: a Neo-Madisonian Approach

Neo-Madisonian theory starts from the basic theoretical underpinning of the Federalists that the extent to which government ensures liberty or gives way to tyranny is directly related to the manner in which it channels political ambition. Like contemporary rational-choice approaches, James Madison took it as axiomatic that political actors are motivated by personal gain and, hence, the good motives of leaders can never be taken for granted. He accepted selfish motivation as inevitable and therefore sought to harness it for the greater good. Doing so, he argued, entailed establishing a system of institutions that structure and checks that ambition.

Modern neo-Madisonian theory begins from a more explicit theoretical construct regarding the delegation of authority as solutions to the collective action problems that are inherent in the pursuit of group interests. Madison understood that representative democracy necessarily entails delegation, using that very term in defining *republic* as "the delegation of the government... to a small number of citizens elected by the rest" (Federalist 10). Further, Madison emphasized that any power delegated to representatives has the potential to be turned against the principal. Therefore, Madison argued, multiple *competing* agents of the citizenry must each be empowered and motivated to check the ambition of the others.

What is distinctive about the neo-Madisonian body of literature is that it explicitly draws on contemporary political-economy traditions developed outside the study of government. For instance, Mancur Olson's modern classic, *The Logic of Collective Action* (1965), is concerned

primarily with the formation of economic lobbying groups, not governmental institutions, yet his well-known theory provides a starting point for expanding Madison's basic logic.<sup>1</sup> Principal-agent theory developed in economics, in part, to explain why and how firms emerge and organize hierarchically, rather than anarchically like markets. Ronald Coase's (1937) pioneering work<sup>2</sup> posits that firms, or hierarchies, emerge in response to the inefficiencies associated with market transactions, replacing the market's "invisible hand" with the very visible hand of a manager. Elaborating these themes, Alchian and Demsetz's (1972) influential theory of the firm argues that the collective dilemma of individual shirking within groups can be overcome via delegation to a central agent, analogous to a political entrepreneur, with the authority and incentive to reward and punish group members.<sup>3</sup> What these works have in common is that the difficulties of spontaneous group interaction and the tension between an individual interest and collective interests may both be resolved by delegating authority to monitor—and mete out rewards and punishments—to an agent with the incentive to accomplish this task. The development of a set of rules for empowering agents and structuring their incentives to work on behalf of the principal is the very essence of institutional design.

It is the marriage of theories distinguishing hierarchy from anarchy with the older tradition of designing "good government" that marks the contribution of the neo-Madisonian perspective to political science. While contemporary research in this tradition is not generally normative, it is grounded in a broader enterprise seeking to elucidate why and how democracy "works" and the sources of its failures and limitations. Rather than prescribing 'optimal' arrangements, a neo-Madisonian approach emphasizes that democratic institutions create incentives that interact to generate a series of democratic *trade-offs* regarding outcomes ranging from the stability or rigidity of policy to the extent of public goods provision.

### **Hierarchies and Transactions**

Neo-Madisonian theory is interested in the organization of government in terms of the *hierarchical* and *transactional* juxtaposition of institutions. In a hierarchy one institution is subordinated to another. Hierarchy is thus about vertical relationships, in that one actor is superior to another in terms of authority. Transactional relationships, on the other hand, are among co-equals. Two institutions or actors in a transactional relationship each have independent sources of authority, and must cooperate to accomplish some task. Madison's call for ambition to check ambition is, in essence, a means to prevent the emergence of a hierarchical relationship between executives and legislatures that he believed led to oppression, and instead ensure that the executive and legislature were coequals.<sup>4</sup>

In this tradition, a neo-Madisonian approach traces political ambition and organizational relationships, looking at the relative balance between hierarchical and transactional relationships within the governmental structure. Doing so means understanding how the component institutions of a political system work together: With whom must political actors transact? To whom are they subordinate? Patterns of democratic failure might emerge, for example, when a formally horizontal relationship between the executive and legislature—constitutionally prescribed as separate and co-equal—has become *de facto* hierarchical. Rather than discarding an institutional explanation as inadequate because the expectations of formal institutions clearly seem to be violated, the approach we highlight seeks to explain *why* it is rational for legislators to act contrary to their own organizational autonomy and sometimes subordinate themselves to some other entity. The answer, from a neo-Madisonian perspective, lies in how legislators are given incentives to behave in certain patterned ways, both with respect to one another (e.g.,

favoring a powerful central leadership within the legislature) and with respect to outside institutions (e.g., acceding to the dominance of the executive). Armed with these insights, then, we can better understand the more systematic limitations of democracy in a given case, and gain insight into the political reforms or electoral changes that would be necessary to bring about a more transactional relationship.

## **Key ideas from the Federalists**

One of the fundamental insights of Madison, from Federalist 51, is his point that the design of government “consists in giving to those who administer each department [i.e. branch] the necessary constitutional means *and personal motives* to resist encroachments of the others” (emphasis ours). Here, as well as in his famous phrase alluded to above that “ambition must be made to counteract ambition,” Madison recognized that political actors were self-interested and that the key to successful institutional design lay in the creation of a set of incentives that would align their individual interests with the collective goal of generating good government by preventing one branch from dominating others. In other words, political actors at every stage consistently find themselves facing the tension between personal interest and a collective good, and pursue a course of action consistent with the incentives they face.

A further set of insights from Madison that informs neo-Madisonian work on political institutions comes from Federalist 10, where Madison grapples with the inherent conflict of interest that arises when legislators are advocates and parties to the very causes that they determine, through the legislation they produce. The solution, as Madison famously argued, was to prevent the emergence of “majority faction” by dividing political authority not only into different branches, but also different levels (national, state, and local). Power in the Madisonian model is therefore divided and shared between the dual agents of the electorate in the national government -- the president and the assembly -- such that power delegated to one agent can be vetoed or blocked by another, thereby preventing agents from unilaterally pursuing actions against the principal's interest. Power is further divided between national and subnational interests, for instance by having Representatives be delegates of their local communities and Senators of their states,<sup>5</sup> and by maintaining the separate authority of state governments over their own affairs.

If the objective of the U.S. constitution was to prevent one part of the government from dominating the others the framers were largely successful. The US remains the paradigmatic case of separation of powers, with the executive and the legislative branches closely balanced, and with one of the world's most active judiciaries. Because of the separate election of two national legislative bodies and the national executive, “divided government” in which one or both houses of the legislature is controlled by a different political party than the executive is common.<sup>6</sup> More importantly, the incentives derived from separate constituencies and fixed terms means that even when the executive and legislative majorities are of the same party, differences in policy priorities often result, and must be resolved by interbranch transactions.

If Madison and his colleagues were largely successful in preventing the subordination of the executive to the legislature and vice versa, it is nonetheless clear that tendencies toward “majority faction” emerged *within* the legislature. In an exemplary use of theories of collective action and delegation, Cox and McCubbins (1993) explain how the U.S. House of Representatives has become organized in the interests of its majority as legislators solve a basic collective dilemma created by the individual incentives of the electoral system and their common electoral label. The label—its programmatic brand name and the reputation associated with it—is

a classic public good in that there exists no inherent motivation to spontaneously work to maintain its value.<sup>7</sup> The collective goal is facilitated and enforced by delegation to a central authority—in this case, party leadership—empowered to steer legislative outcomes in favor of the interests of that legislative majority.

The U.S. example is instructive in demonstrating the interplay between collective and individual electoral incentives within the legislature. Madison argued that majority faction could be controlled by preventing common interest among a majority or, failing that, by undermining the majority's capacity for collective action upon those interests. Though neither goal may seem successful in Cox and McCubbins' account of the U.S. House, even this "Leviathan" does not dominate the entire policy-making process as a result of the system of institutional checks. In terms of interbranch relations, institutions that empower the legislative majority actually enhance checks and balances. Establishing a capacity for collective action within a legislative chamber is an important condition for that chamber to act as an independent agent that transacts with, rather than subordinates itself to, the executive.

Moreover, the very existence of this collective dilemma—the divergence of individual interests that must be aligned—ensures that the House does not stray from Madison's goal of articulating multiple local interests. As a voluminous literature on the US House shows, members remain well attached to their districts and pursue a "personal vote" based on their own service as agents of their community. Even with a form of "majority faction" controlling the agenda of the House of Representatives, the US legislative process remains far less party-centered than those of many nations, especially West European parliamentary democracies, but also some Latin American countries. As we argue below, a fundamental aspect of political systems in Latin America and elsewhere is in the *degree* to which legislators are motivated by national party goals, on the one hand, versus personal and local interests on the other.

Combining Madisonian insights with Olsonian logic, we can see the broad outlines of a contemporary neo-Madisonian approach to political institutions. The underlying task is to trace the sources of political ambition, and to uncover the ways in which the institutional structure provides—or fails to provide—incentives for the politicians who inhabit it to resist encroachments by other institutions. Just as importantly, the task centers on understanding the extent to which the majority has the incentives and capacity to organize to block minorities from gaining a share of political authority both within and across the institutions of government.

Most theoretical and empirical advances to date focus on the legislature, asking what incentives politicians have to rationally pursue policy, personal, or other goals. The simplifying assumption in the literature on the US is almost invariably the reelection motivation. Although many studies of Latin America start from the same premise, much of the advance in understanding the divergence from the well-studied US case has come in forcing a notion of ambition that is both more precise and more generalizable<sup>8</sup>: Politicians seek to continue a political career more broadly, not necessarily to be reelected to their current post.<sup>9</sup>

In either form—legislative reelection or future-office career advancement—it is understanding this powerful assumption that allows for the analysis of how personal goals impel members towards either collective institutional development or other outcomes. The neo-Madisonian approach has focused much of its energy on seeking to understand just what it is about variations in the sources of legislative incentives that explains patterns of inter-institutional relations in different Latin American countries. The source of that variation has been linked to questions of how legislators obtain office (electoral systems, party systems, nomination

practices) and what posts they seek afterwards and what actors control access to those (whether voters, the president, governors, or interest groups).

## Neo-Madisonian theory: an Overview

Neo-Madisonian theory aims to explain the logic of constitutional design with respect to the powers granted to agents and the incentives for using those powers. A given design of the formal separation of powers might render a president purely reactive in terms of legislative authority, unable to independently change the status quo. Conversely, the balance of positive legislative power might be skewed in the executive's favor, relegating the assembly to this reactive role. In either case, each agent is, to a varying extent, constrained by the powers delegated to the other within their transactional relationship. However, as we have already noted, the maintenance of a transactional relationship depends on constitutional agents with countervailing interests. When the incentives of each agent are not counterposed, they may collude, weakening or disabling the checks that shape their transactional relationship and potentially rendering the relationship effectively hierarchical. Further, a transactional relationship depends upon the degree of overlapping focus in terms of the "currency" of the transaction. That is, in order for multiple competing agents to form a meaningful structure that protects the interests of the principal, agents must to some extent compete in the same arena.

The neo-Madisonian approach emphasizes that the political ambition of democratic agents<sup>10</sup> follows from rules comprising the structure of delegation. In constitutional design terms, 'ambition' is shaped by a number of interacting *component institutions* within regimes that structure the chain of democratic accountability. They generate the electoral and career incentives faced by democratic representatives—that is, how and to whom they are ultimately held accountable. These incentives, in turn, shape the transactional relationship among constitutional agents. Furthermore, these incentives at each stage of the delegation chain structure not only legislative agents' goals, but also their own capacity for collective action both as agents and as collective *principals* in secondary delegation relationships between legislators and their leadership or with the executive branch, including not only the president, but also the bureaucracy.

Incentives facing presidents and assemblies can create divergent ambition in two orthogonally related ways: their political goals and in their policy orientation. An agent's political goals pertain to its political connectedness to other actors—for example, the extent to which a single party or coalition controls both the presidency and the legislative branch. An agent's policy orientation, however, pertains to the local or national focus of each agent—generally, each agent's interests in the provision of public goods or goods that are more targeted or private in nature. Each of these dimensions of agent incentives is influenced by the component institutions shaping the representation structure within a separation of powers system. Each dimension, in Madison's terms, shapes the extent of "majority faction" within the legislature or across branches in terms of political concentration and national focus.

Institutions can increase or decrease the likelihood that agents have similar political goals. Whether presidents typically command a legislative majority, as well as the 'size' of legislative parties more generally, varies greatly across cases and is related to the design of electoral institutions. We refer to the incentives influencing these circumstances as the *interparty dimension* of electoral institutions. For instance, electoral rules that entail a very low threshold for the representation of minority political parties are much less likely to promote the rise of a single majority faction, and more likely to result in the sharing of power among multiple parties.

Second, regardless of political congruence between agents, component institutions influence whether a constitutional agent will tend to be focused on providing policy with a national, public focus or targeted toward narrow constituencies. Here, while presidents' national electoral constituency generally favors a public goods orientation,<sup>11</sup> assemblies may be composed of deputies largely focused on targeted policy, depending on the electoral and career incentives they face. These incentives further influence the collective dilemmas faced by legislators and the resultant delegation choices – for example, to party leaders or to the president. The structural determinants of these incentives we call the *intraparty dimension* of electoral institutions. Some electoral rules generate a powerful incentive for legislators (and legislative candidates) to hew close to the party line, while others generate an incentive to articulate what they personally can offer their voters as individual representatives. Other things equal, more party-centered rules favor greater representation of national concerns, while more personalistic (or candidate-centered) rules favor greater focus on local interests.

In what follows, we demonstrate how neo-Madisonian theories of constitutional design, electoral systems and executive-legislative relations have prompted a significant rethinking of Latin American institutions, and have sharpened our understanding of how Latin American countries' politics differ from the United States and countries in other parts of the world, as well as from one another. Several themes are emphasized in the cross-national research contributing to this literature, as well as in the Latin American case studies we highlight. The first is that of a disaggregative approach to the study of institutions. In keeping with the principles expounded above, recent work has strived to move beyond broad characterizations of institutions toward emphasizing the variation within traditional typologies of regime and electoral system, as well as the interaction between these component institutions. The second theme of the neo-Madisonian literature is that of a largely deductive analysis of political actors within a strategic context shaped by institutions. These themes, we argue, are brought together explicitly or implicitly by the use of a delegation analogy in which the incentives facing democratic agents explains the nature of transactional or hierarchical relationships among those agents and, therefore, accountability to the electorate.

## **Studying constitutional design in Latin America: a brief recent history**

Before reviewing some of the major recent works and their contributions to the neo-Madisonian enterprise, we should first take a step back and briefly trace the history of the study of interbranch relations in Latin American democracies, and why this topic of study has become central to a broader understanding of democracy in the region.

Juan Linz's work on the "perils of presidentialism" provided much of the foundation for the study of democratic institutions in Latin America. Not because it was the first—other studies of executives and legislatures existed (as reviewed by Mainwaring 1990)—but because it elaborated a novel perspective on certain pathologies in the interactions of executives and legislators and their consequences for democracy itself. Linz argued that presidential systems were inherently prone to systemic failures, and his claims have been highly influential in interpreting Latin American democratic history. As such, its roots may be found in the wave of military coups in Latin America in the 1960s and early 1970s, which cried out for explanations. Linz (1994:4) himself notes in his essay on presidentialism that the idea that interactions between legislatures and executives may threaten democracy came to him as he was working on the final drafts of what would become the chapters for *The Breakdown of Democratic Regimes* (Linz and Stepan 1978). Narratives by contributors on the political process in individual countries

suggested to Linz that the competition between the separately elected presidents and legislatures in Latin America made more difficult the reconciliation of the deep social and political divisions that gripped much of the region in the 1960s and early 1970s.<sup>12</sup> Thus was the seed of Linz's now well known argument that presidentialism was an inferior form of democracy because of its "dual democratic legitimacies" (i.e. separate agency relations of executive and legislature to voters) and rigidity (i.e. absence of hierarchy between branches).

The question of the relationship of the presidential–parliamentary dichotomy to democratic regime stability has never been settled, and the debate continues.<sup>13</sup> The discussion of the wholesale 'effects of presidentialism' is fundamentally limited, though, with regard to research on Latin America, where presidentialism is present regionwide. As a result, a primary agenda for institutionalists since the early 1990s has been to disaggregate presidentialism, though not to look at component institutions in isolation in the vein of much pre-Linzian work. This agenda has instead focused on two central issues: first, precisely accounting for the structure of the separation of powers across Latin America and elsewhere; and, second, understanding what institutions *interact* with the separation of powers to drive political actors toward widely varying outcomes among presidential regimes. A generation of multi-case works and case studies has drawn on the neo-Madisonian ideas we sketched above to explain why some presidential systems function like virtual dictatorships, while other presidents are regularly stymied in their efforts to change policy, and why still other presidential systems more closely approximate the balance of powers seen in the US.

## **Constitutional Design**

Presidentialism creates dual democratic agents with two basic features: separate origin (a directly-elected chief executive) and separate survival (independent terms of office) (Shugart and Carey 1992). Each agent in a stylized presidential regime is vertically accountable to a collective principal—the electorate. Each institutional feature surrounding their political origins, along with each presidential and legislative prerogative, alters the transactional relationship between those agents by determining their goals and available strategies within interbranch relations. The crucial distinction is whether presidential powers are proactive and geared toward changing the status quo via decrees and legislative introduction, or reactive and geared toward maintaining the status quo through vetoes (Shugart and Mainwaring 1997).

From this starting point, understanding the *interaction* between constitutional agents from a neo-Madisonian perspective requires an accounting of incentives facing legislatures. Mainwaring and Shugart (1997), and contributing chapters, emphasize the importance of the legislative party system in shaping the president's *de facto* power. At the extreme, the party system can generate a hierarchical relationship between branches regardless of the formal powers of the president. Weldon (1997) shows through such analysis that even the ostensibly powerful executive in Mexico under the former hegemony of the Partido Revolucionario Institucional (PRI) was largely dependent upon the legislative party system. That is, Mexico's presidential influence depended not upon the executive's authority over lawmaking—which, in fact, has long been sharply limited—but upon the presence within the legislature of a disciplined majority, headed by the president. In this extreme case, the subservient legislators acted primarily as agents of the party leadership and, therefore, of the president (Casar 2002).<sup>14</sup> Thus the formally transactional relationship between separately elected executive and legislative institutions was transformed into a *de facto* hierarchy, with the president, rather than intra-legislative leaders, acting as the "whip" who maintained unity among his party in congress. Few cases in Latin



America have reached the extreme of presidential dominance over legislators as seen in the classical Mexican situation. However, there have been some parallels elsewhere, and we will discuss some of them below.

By contrast, similar analyses of presidents in Brazil and Colombia have emphasized that, while deriving significant legislative influence from their formidable constitutional powers, they face considerable difficulty in obtaining support on national policy from within the assembly (Mainwaring 1997, Archer and Shugart 1997). In these cases, antitheses to Mexico, legislatures have often blocked presidential policy initiatives, and forced presidents to transact with them, or encouraged them to bypass the congress and rule in an “imperial” manner (Cox and Morgenstern 2002). By understanding the incentives facing legislators to submit to, bargain with, or obstruct presidents we can make sense of variations in executive power in the region.

One potential ‘peril’ of presidential democracy – executive decree authority – provides a useful example in the distinction between constitutional and delegated decree authority (Carey and Shugart 1998). The former relates to constitutional design, where provisions allowing presidents to make policy by decree interacts with other constitutional features, notably the veto power, as well as with the partisan balance in the assembly—points further elaborated by Shugart (1998) and Negretto (2004). Delegated decree authority, however, by which the legislature grants temporary or restricted authority to the president, may be tolerated or even preferred by assemblies seeking to overcome internal collective action problems. Decrees under such delegated authority, from this perspective, differ fundamentally from those arrogated in a truly unilateral fashion (e.g. Fujimori’s “calling out the tanks” in a coup against congress and the judiciary in 1992).

A given instance of interbranch transaction, Cox and Morgenstern (2001) argue, can be compared to a bilateral veto game. Even when legislatures are primarily reactive and face presidents with control of the legislative agenda, the anticipation of legislative reaction nevertheless mediates policy outcomes. Presidents who have significant constitutional powers may choose unilateral actions, such as decrees, or “integrative” powers like forcing “urgent” consideration of legislation, or the appointment of partisan ministers who may command legislative support for the executive. The choice of strategy depends not only on formal powers but also upon the political circumstances within the legislature—which vary across both time and space.<sup>15</sup> Amorim Neto (2006, 2002a), for example, emphasizes Brazilian and other presidents' evolving use of an integrative power—the allocation of cabinet portfolios in coalition building—in achieving legislative goals. Nacif (2002) explains how in Mexico, since the PRI lost its majority in 1997, the president has shifted toward a coalitional strategy.

The circumstances shaping presidential strategies and “partisan powers” revolve around two crucial neo-Madisonian themes: (1) the extent to which the president's political supporters control the legislature, driven by what we call the *interparty dimension* of electoral institutions; and (2) the extent to which the legislature is characterized by parochial, versus national, concerns, driven by what we call *intraparty dimension* of electoral institutions and party organization.<sup>16</sup> These factors ultimately characterize the transactional relationship we have outlined: whether a president prefers to pursue a coalitional or imperial/unilateral strategy, dominates the legislature or is rendered ineffectual – each with far-reaching consequences for policy outcomes and democratic representation. Put another way, institutions connected to these factors determine the likely degree of “separation of purpose” between the dual agents of the electorate (Cox and McCubbins 2001, Shugart and Haggard 2001, Samuels and Shugart 2003).

Understanding the manner in which institutional incentives promote an alignment or divergence of preferences between constitutional agents has therefore been central to the neo-Madisonian contribution to the study of Latin American politics. In the following sections, we review the state of the literature regarding both the interparty and intraparty dimensions of electoral institutions that shape the political goals, policy focus, and career ambitions of legislators. We then turn to an exploration of systems that are “extreme” on one or both dimensions, including several of the largest and most-studied countries in Latin America. As we conclude, we discuss the possibility of a dynamic theory of institutions from the neo-Madisonian perspective as well as several research frontiers.

## **Component institutions: the Interparty Dimension**

Undoubtedly, research on the effects of electoral systems on legislative parties and on partisan competition more generally has been one of the most fruitful explorations associated with the study of political institutions. Electoral systems for legislators vary significantly across democracies, including in Latin America. Rules for electing executives, on the other hand, vary much less. With, until recently, the exception of Bolivia, all Latin American presidents are directly elected,<sup>17</sup> and because all presidencies in the region are currently unipersonal,<sup>18</sup> the electoral methods are necessarily majoritarian (winner take all). There is variation in the determination of winners, however, with the principal variation being between plurality and majority-runoff methods.<sup>19</sup> This variation has spawned a literature on its effects on party systems, the election of politicians who are “outsiders” (i.e. not affiliated with an established party), and other factors (Kenney 2003; Jones 1995, 1999, 2004; Shugart and Taagepera 1994).

Notwithstanding the impact of presidential-election methods on political outcomes of interest, the bulk of the literature focuses on legislative electoral systems and party systems. Much of the literature on institutional performance and democracy in Latin America has focused on party-system fragmentation and interparty competition. This literature has contributed not only to our understanding of regional variations in political incentives and outcomes, but also to general comparative theory. In one of the best examples of this work, Geddes’ (1994) now classic analysis of civil-service reforms centers on the equal access to patronage generated by partisan parity in legislative representation and the collective action this enables. In part, then, hers is a theory of the interparty dimension of electoral incentives that can encourage or discouraging legislative fragmentation, which in turn undermines or facilitates collective action.

A large literature in comparative politics has been devoted to the role of electoral systems in accounting for variations in the fragmentation of national party systems.<sup>20</sup> One particularly robust finding concerns the central role of district magnitude (the number of seats in an electoral district) in influencing the national number of parties and candidates (Rae 1967, Taagepera & Shugart 1989, Lijphart 1994) and electoral coordination at the district level (Cox 1997). In Latin America, these core conclusions of the electoral systems literature derived from established (usually parliamentary) democracies have had less explanatory value by themselves. Jones (1993), for example, has confirmed the greater proportionality of higher district magnitudes in the region, yet the impact of the electoral system on the number of parties is limited. Generally, the variation across the relatively high district magnitudes of most Latin American systems explains only a small part of political parties’ relative sizes. Studies specifically on party development in Latin America have therefore focused more on variations in social cleavage structures (e.g. Coppedge 1997) or party-society relations (e.g. Mainwaring and Scully 1995). Research on the interparty dimension of Latin American institutions in the neo-Madisonian

tradition has also looked beyond formula and district magnitude to explain how other institutions interact with the electoral system to affect the voter and party behavior driving the size and number of legislative parties, particularly the president's contingent.

Research on Latin American institutions, underscoring the importance of factors other than formula and district magnitude in influencing interparty relationships, has extended the very notion of "electoral system" to include a range of additional influences on behavior. For example, research has focused on the electoral cycle and particularly on the impact of concurrent presidential and assembly elections. Shugart (1995) finds, for example, that the extent to which a legislature is both supportive of the president and nationally oriented depends to a large degree on the electoral cycle.<sup>21</sup> The later a congressional election is held during a president's term, the more likely the legislature will be dominated by opposition parties. A similar relationship is suggested by Cheibub (2002) who shows that non-concurrent elections are associated with presidents whose own party is a minority in the legislature. More generally, institutional configurations that increase fragmentation on the interparty dimension—including nonconcurrent elections—are associated with reduced legislative support for the president (Mainwaring 1993; Jones 1995; Mainwaring and Shugart 1997; Amorim Neto 2002; Cheibub 2002).

The interaction of national and subnational electoral institutions has also been critical to explaining differences on the interparty dimension across Latin American democracies, where regional politics contributes to the presence of larger numbers of parties in the national legislature than explained by district-level incentives alone—especially in federal systems.<sup>22</sup> Samuels (1998) has shown for example that coattails associated with concurrent *gubernatorial* elections in Brazil contribute to variance in the number of parties competing in different states. As a result, while the effective number of parties in Brazil at the district level is moderate, the *national* "effective" number of parties<sup>23</sup> is quite high.<sup>24</sup> Jones (1997), examining Argentina, similarly shows the concurrence of the gubernatorial and national legislative elections to be a strong influence on multipartism. Moreno (2003) demonstrates the presence of this interaction with subnational institutions throughout the region, regardless of formal federalism. These studies show for Latin American systems with subnational elections the importance of the extent to which the party system is "politywide" (Stepan 2001) and "integrated" (Ordeshook and Shvetsova 1997). The absence of a party system that coordinates both national and subnational elections produces significant fragmentation in the national legislature.

Malapportionment interacts with these factors to "manufacture" legislative seat shares for parties by awarding larger numbers of seats per vote in some districts than in others within both upper and lower houses (Samuels and Snyder 2001). Often, many less populated rural districts receive disproportionate shares of seats in the legislature, which may exacerbate incongruence between the president's political support and that of the legislature. A president can receive large number of votes from urban districts, while those same districts may have a relative disadvantage within the legislature due to malapportionment, as is the case in Brazil's most populous districts (Snyder and Samuels 2001). Under other circumstances, malapportionment can also serve to enhance presidential support within the assembly. In the case of Argentina, Gibson *et al.* (2004) note that the Peronist coalition in the early 1990s, built with spending transfers, commanded not only a supermajority of the Senate, but a near-majority in the Chamber of Deputies representing provinces that accounted for only about 30 percent of the population.

## **Component Institutions: the Intraparty Dimension**

### *The Personal Vote and Intraparty Competition*

It is impossible to characterize the incentives facing legislative parties considering only the interparty characteristics reviewed above. A legislative majority sharing the same party label as the president, for example, means little in the absence of some degree of internal party discipline or homogeneity, even if the president is the titular head of his own party.<sup>25</sup> Increasingly, institutional analysis has focused on the incentives facing individual legislators to cultivate a personal reputation with voters rather than exploiting their association with a party label (Cain, Ferejohn and Fiorina 1987, Katz 1986). Bringing this *intraparty dimension* to the fore has been essential to the development of neo-Madisonian theory. Carey and Shugart (1995) and Shugart (2001, 2005) present systematic evaluations of the individualizing incentives of various electoral systems based upon: (1) whether party leaders control access to the party label; (2) whether a party's votes are pooled across multiple candidates running under the label; and (3) whether voters cast their votes for a list of candidates nominated by the party, or for individual candidates. To the extent that parties control access to the label, votes are pooled, and voters vote only for party lists, the electoral system may be seen as party-centered, as in *closed-list* proportional representation (PR). To the extent that some or all of these conditions do not hold, the rules are more candidate-centered. Examples include *open-list* PR, where votes are pooled at the party level, but voters may vote for individual candidates, rather than have to accept the list as a whole, and single nontransferable vote, in which no votes are pooled, and candidates gain representation entirely based on their own votes (i.e., there is no party list).

The incentives for candidates under these rules are made even more diverse given variations in district magnitude. Under closed lists, where voters have no opportunity to favor the election of some candidates over others, higher magnitude means more candidates who may be elected without being identifiable in any way to voters. Such politicians owe their election much more to party leaders than to voters. However, with intraparty competition, higher magnitude generates more competitors within the party seeking votes, implying a higher premium on the distinct qualities of the candidate.

A general characterization of intraparty competition and personal vote incentives has emerged. Candidate-centered rules are usually associated empirically and theoretically with less disciplined parties and politicians focused on targeted benefits for their constituents with which to enhance their personal electoral reputation. It would be a mistake, however, to read this literature as concluding that there is simply an inverse relationship between personal vote incentives and normative notions of public goods provision or proper party functioning. To be sure, all else equal, party-centered rules are often associated with parties that have a more national focus. But at the extreme, "hyper-centralized" rules may sacrifice accountability of individual politicians to voters by prompting legislators to ignore constituent interests in favor of party leadership. Under such rules—closed lists and relatively high magnitudes—parties may have a tendency to become very top-heavy, with real political competition being centered among factions that have little connection to the electorate, but rather vie for control of the big "prize" of the powerful central party machinery.<sup>26</sup> Even more, extreme unity of purpose between a disciplined legislative majority and a co-partisan president undermines the logic of the separation of powers and endowing agents with countervailing interests—as the Mexican case under PRI hegemony shows most clearly.

#### *Theoretical development of the intraparty dimension*

We can conceptualize the two principal-agent relationships that are most relevant to the intraparty dimension as: (1) between voter-principals and legislators as agents, and (2) between

legislators (as principals) and the extent to which they delegate to party leaders as their agents. Where the electoral rules are candidate-centered, voters would be more likely to demand information on specific candidates in order to be able to screen their potential agents of representation. On the other hand, where rules are party-centered, information on parties as collective agents of representation will be more valuable to voters than information on candidates, whose election prospects voters cannot affect other than by which party (as a whole) they favor (Shugart, Valdini, and Suominen 2005). From the standpoint of legislators, we would expect the extent of their delegation to party leaders to be closely related to the personal or partisan incentives that they face. Where they face incentives to cultivate a personal vote, they are likely to delegate less central authority because of their need to highlight ways in which they differ from other candidates and from the party as a whole. On the other hand, the more determinative of their election prospects is the voters' evaluation of the collective party reputation, the more politicians would have an incentive to delegate to leadership and reward that leadership for maintaining the public good of the party label.<sup>27</sup>

Increasingly, research on Latin American politics has given attention to these institutions and testing their effects on legislative behavior and executive-legislative relations. Crisp *et al* (2004), studying six Latin American democracies,<sup>28</sup> show that bills providing "targetable" benefits to a locality originate from deputies facing greater personal vote incentives and that higher district magnitudes intensify these incentives.<sup>29</sup> Comparing across the region, Nielson (2003) finds personal vote incentives to be associated with the maintenance of protectionist trade policy while Hallerberg and Marier (2004) find such an association with budget deficits. The connection between policy and intraparty factors has been highlighted in case studies. Eaton's (2002) account of policy change Argentina, for example, suggests party-centered electoral rules in Argentina facilitated passage of Menem's economic reforms. Eaton argues that the Peronists' legislative leaders from the various provinces—often at cross-purposes on other issues—saw the economic reforms as benefiting the party's overall reputation.

These studies intend to account for the overall tendency of legislatures with a more parochial policy focus relative to other nations—and, importantly, relative to the president. Throughout the region and elsewhere, presidential incentives are taken to be relatively more national and policy-oriented (Geddes 1994, Shugart and Carey 1992, Shugart 1999, Moe 1990, Moe and Caldwell 1994). The logic is simply that presidents have a single national constituency, and must win a broad plurality or majority.<sup>30</sup> Legislatures, on the other hand, vary in the breadth of their constituencies and their incentives, in the manner discussed in this section. As we note below, however, this variance does not range from "good" to "bad" incentives. Both intraparty extremes present distinct disadvantages.

#### *Variations across parties under a common electoral system*

As these general conclusions of personal vote seeking incentives emerge from a cross national perspective, case studies have sought to explain the within-system variation of actors' response to those incentives. In a given case, there are a number of factors mediating the connection between an electoral system's intraparty incentives and the strategy pursued by a given set of political actors. Hence, different parties equilibrate differently depending upon the circumstances they face. In Brazil, a prominent example of intra-country variation in party organization has been the behavior of the Partido dos Trabalhadores (PT), a party frequently noted as both programmatic and internally cohesive (Keck 1992, Mainwaring 1999) compared to other Brazilian parties despite facing the same electoral system. Samuels' (1999) cross-party

study shows that variation within Brazil can be explained by examining parties' internal rules, electoral alliances, access to patronage and to campaign-finance. Just as the PT is organized in a fashion contrary to Brazil's systemic incentives for personalism, Crisp (1998) shows that in Venezuela the Movimiento al Socialismo (MAS) organized in a *decentralized* fashion notwithstanding the systemic incentives for highly concentrated party authority.

A basic conclusion of work on the intraparty dimension is that the incentive structure of electoral rules establishes an environment in which some strategic choices by politicians and their collective organizations, parties, are more favored than others. Nonetheless, any complete theory of the intraparty dimension must admit the existence of multiple equilibria in terms of organizational form, even under a constant institutional context. If the ultimate principal is conceived to be the electorate, variations in preference profiles among voters should be expected to result in variations of organizational forms to attract the votes of constituents. We return to these themes in our case sketches below.

## **Legislative ambition**

Understanding legislative ambition is a crucial piece of neo-Madisonian analysis, because it provides a key link between legislators' electoral incentives and their incentive to engage in transactional or hierarchical relationships with the executive. Put starkly, if legislators do not have the ambition to remain in the legislature, they are unlikely to have interest in institutionalizing the body such that it can develop a collective interest in policy outcomes, on which it transacts with (and thus checks) the executive. Moreover, legislators with little interest in, or no eligibility for, reelection are unlikely to function as agents of their voters. The neo-Madisonian insights explain why legislators have the ambition they have, and to whom they are accountable if not their current electorate, and what interests they have as legislators, if not to transact over policy with the executive.

The clearest incentive for democratic agents is for them to be encouraged to seek continuing occupation of the office they hold, such that the threat of removal is a meaningful one. Shaping an agent's ambition means, in part, shaping their time horizon.<sup>31</sup> The reelection motive or static ambition, a universal assumption in US legislative studies, is suggested by some as useful in Latin American politics (e.g. Ames 1987, Geddes 1994) and criticized as a misapplication by others (e.g. Weyland 2002). From a neo-Madisonian perspective, career motives and their impact on time horizons are central questions in themselves.

A straightforward incentive for legislative agents to "shirk" their apparent immediate principals derives from term limits. Carey's (1996) case studies of Costa Rican and Venezuelan legislative career paths in the 1990s demonstrate that removing the prospect of reelection merely shifts their focus toward those who control post-legislative careers.<sup>32</sup> In terms of delegation and accountability, this endpoint imposed upon legislative agents induces shirking against constituents, shifting their loyalties toward presidents or party leaders or other extra-legislative actors capable of furthering their careers. Term-limited deputies in Costa Rica have good prospects for continuing their political careers via presidential appointments if their party wins the presidency, prompting them to pursue particularistic policy to promote their party's general electoral gain.<sup>33</sup> In Venezuela, under similar electoral rules but without term limits, the careers of deputies tend to focus on the national legislature and deputies did not pursue constituency service. Carey then applies these insights to the United States, demonstrating that even in the very context where the reelection assumption emerged, legislators aspiring to statewide office exhibit changes in voting patterns in accordance with those progressive goals.<sup>34</sup>

More generally, an agent's incentive structure is always shaped by factors external to their immediate relationship to the principal, shifting their efforts toward other potential principals.<sup>35</sup> Even without term limits, legislators will consider opportunities available subsequent to their current office. Samuels (2003) examination of career paths in 1990s Brazil, suggests that Brazil's federal structure fundamentally alters both legislative career motivations and policy preferences. In a context where state actors, notably governors, wield considerable subnational power over resources and political fates, many deputies, he finds, leave after short national legislative careers to pursue state and local office. The effects of state-centric careers, by Samuel's account, extend to strategies of gubernatorial electoral alliances and pork-barreling designed to strengthen relationships with powerful state-level actors.<sup>36</sup>

Features of legislative institutionalization such as committees and seniority rules vary with such factors as the extent of legislators' desire to advertise and claim credit for legislation in seeking reelection as well as parties' internal tools for rewards and sanctions (Mayhew 1974, Cox and McCubbins 1993). When the national legislature is not a career zenith or legislators are highly dependent upon local party leaders, incentives for professionalizing and institutionalizing the national legislature may be quite limited. Such was the case in the United States prior to party centralization in the mid-19th century (see e.g. Kernell 1977), and remains so in several Latin American assemblies where reelection rates range from somewhat lower than the present U.S. House to zero (Morgenstern 2002). In Argentina, the provincial focus of party nominations, along with the president's decree power, has devalued the status of federal legislative careers, which in turn has worked against the institutionalization of the legislature (Jones et al 2002). In Mexico the prohibition on consecutive terms similarly produces very little incentive to institutionalize the assembly (Weldon 2002). Conversely, Morgenstern (2002) explains that the Chilean legislature has more static ambition than others in the region and, accordingly, is one of the most institutionalized, with a leadership and committee system designed to serve members' reelection efforts. These studies suggest that the development of strong legislative institutions may be associated with legislator's incentive to pursue reelection independent of presidents and party leaders.

### **The Dimensions of Majority Faction: Extreme systems**

Either the existence of the same passion or interest in a majority at the same time must be prevented, or the majority, having such coexistent passion or interest, must be rendered, by their number and local situation, unable to concert and carry into effect schemes of oppression  
- Madison in "Federalist 10"

If a single party managed to obtain a legislative majority and provide its elected legislators no incentive to cater to local interests of constituents, the result would be precisely the "majority faction" that Madison and his colleagues feared. If that majority also captured the executive, the transactional system of checks and balances would be effectively rendered meaningless. Alternatively, if the legislature was incapable of organizing itself for a collective nationally-oriented purpose, it would not transact with the executive on a co-equal basis. In either scenario, legislators have an incentive to abdicate the formal autonomy of their branch to the executive. Legislatures that lack interest in national policy will permit the executive to take the initiative--for example, by decrees--on programmatic matters while seeking ad hoc legislative support with narrow rewards such as patronage for deputies' regions and personal

networks. In the remainder of this section, we use several examples to highlight “extreme” patterns of representations that can hinder transactional relations

Much of the insight into the incentives politicians within a given institution will have with respect to other institutions stems from the electoral connection (Mayhew 1974). The way in which executives and legislators are elected is crucial for the incentives of agents to cooperate or engage in conflict. It should be noted here that “conflict” need not a bad thing, for the very idea of ambition counteracting ambition requires some degree of conflict. Not all conflict is deadlock, nor is all deadlock regime-threatening. Many conflicts are resolved via transactions between the agents, or by the voters themselves at the next election. Others are overcome via constitutional provisions for unilateral action (e.g., decrees, veto overrides). The neo-Madisonian framework offers insights into the conditions under which conflict can generate deadlock, which may threaten democracy itself.

As we noted in the previous sections, the incentives of legislators can be understood with respect to two dimensions of representation—interparty and intraparty. Here we extend the logic of the two dimensions to develop a notion of “extreme” systems that can be theoretically expected to skew legislative incentives away from a desire to transact with the executive over national policy-making. Each dimension provides a continuum from highly fragmented to highly concentrated. On the interparty dimension, high fragmentation implies a very high effective number of political parties competing in elections and jockeying for influence in the national legislature. High concentration implies not only a majority party, but a relatively unassailable one, either because the opposition is fragmented or because the electoral system is biased in favor of the majority.

Moreover, in the case of presidential systems, high concentration of overall political authority is achieved in the interparty dimension if and only if the legislative majority also controls the presidency. On the intraparty dimension, high concentration occurs only if the president is the head of his own party. If either of these conditions is absent, high concentration may apply *within* the legislature, but not across branches. If the concentration of authority does not attain its apex on both dimensions in the presidency, then there still exists room for differences of ambition, and hence either transactions or deadlock, between president and assembly.

We follow the terminology introduced by Shugart (2001) and refer to the extreme fragmentation as *hyper-representative*, a term that refers to the relative ease with which minority parties may obtain legislative representation, aided by electoral-system features such as high proportionality and low thresholds. Extreme concentration on the interparty dimension is a *pluralitarian* system, implying a high degree of concentration of authority in the largest minority.<sup>37</sup> A hyper-representative system implies that the emergence of any given majority is unlikely, due to high fragmentation. Politics in such a setting is likely to take the form of shifting ad hoc coalitions, rather than stable majority formation, and the president’s party is typically well short of a majority. A pluralitarian system implies that a single party holding the presidency is capable of ruling alone, especially when based upon a minority of votes or when an alternative majority is unlikely. More moderate locations on the interparty continuum imply a more balanced competition, whereby multiple parties may coalesce behind a common national purpose, or the majority may shift from election to election.

On the intraparty dimension, the continuum also runs from fragmented to concentrated, in terms of individual legislator’s freedom to articulate their personal attachments to localities or blocs of voters, on the one hand, or are subordinated to national leadership of their parties, on the



other hand. A high degree of intraparty fragmentation is *hyper-personalistic*, implying that the personal reputations and entrepreneurial activities of specific politicians dominate the electoral and legislative process. At the extreme, parties, as such, may not exist, or may be empty shells that provide little meaningful coordination of legislators. The opposite end of the intraparty dimension is characterized by *hyper-centralization* in the hands of national party leaders—including the president in the case of his own party—such that individual legislators have little scope to represent the specific interests of local constituents or to highlight personal attributes or policy views that set them apart from their party.

Figure 1 illustrates the interparty and intraparty dimensions, with the location of selected Latin American countries, plus the US, indicated impressionistically.<sup>38</sup> Different indices could be developed to scale countries at any given time on these axes, although we shall not present or defend any particular quantitative expression for the placement of countries in this review.<sup>39</sup> The location of a country in Figure 1 should be thought of as being an estimate of the placement of its median legislator,<sup>40</sup> with respect to the theoretical extremes. Several Latin American countries have approximated one of the extremes in this two dimensional space at some point in their recent histories. It is at the extremes that we expect the executive–legislative relationship to be most problematic, for one reason or another. As the arrows in the figure stemming from the country labels indicate, a country need not have a static location in this two-dimensional space. The dynamics of electoral competition may change the incentives of the median legislator by injecting new parties with distinct constituencies into the competitive mix or because some pressing national issue emerges that legislators cannot shirk. Changes in a country’s location may also result from electoral or other institutional reform, although it should be noted that reform itself is typically a product of changes in issue salience or patterns of party competition—a point that we return to below.

We shall use one or more Latin American countries—and the literature on it that most represents the neo-Madisonian perspective—to illustrate each of the extremes and how the two dimensions of legislative representation affect the nature of executive–legislative politics. In each case, we will also consider how the dynamics of electoral competition and political reform result in changes in the position of a country in this two-dimensional space.

### [Figure 1]

#### *Hyper-representative: Brazil*

We begin with Brazil in part because it is the Latin American case for which the largest literature on institutions and representation has developed. Brazil’s fragmented multipartism places the country among those with the largest effective number of parties in the world. The Brazilian literature on institutional incentives, beginning with Mainwaring (1991), has also focused to a large degree on the personalistic nature of open-list PR, thus suggesting that the case also contains elements of our hyper-personalistic extreme. Ames’ (2001) study, perhaps the most focused on the open-list incentive in Brazil, shows that the resulting electoral strategies are manifest in concentrated support bases or efforts at dominance across several municipalities, which are then targeted in deputies’ legislative efforts, which he conceptualizes as being highly individualistic and oriented towards reelection.

While not disputing the high degree of personalism in Brazil, we agree that studies that have emphasized personalism have downplayed the critical role that parties play in organizing the national legislature.<sup>41</sup> Thus, for illustrative purposes, the most noteworthy characteristic of representation in Brazil is not its personalism, but rather its multiparty and regionalized

character, although both tendencies are clearly more prevalent than their opposite, as shown by our placement of Brazil in the lower-left quadrant of Figure 1. Personalism is less extreme than in Colombia, for example, and recent scholarship ascribes greater importance to parties and party discipline than implied by earlier literature (e.g. Figueiredo and Limongi 2000, Amorim Neto 2002b).

We have just articulated the relatively static features of Brazilian electoral politics since the return to democracy. The open-list electoral system has remained unchanged, and the importance of state-level politics emphasized by Samuels (2003) and others<sup>42</sup> remains. However, other features of electoral competition—and thus legislative organization and executive–legislative relations—have undergone changes. Amorim Neto, Cox, and McCubbins (2003) have shown that the characterization of Brazil as a fluid multiparty system was accurate for some presidential administrations, but the more structured interpretation of Figueiredo and Limongi has recently been more accurate. At its most fragmented, the Brazilian party system not only failed to produce a majority with a common collective purpose, but also permitted the election of an “outsider” president, Fernando Collor de Melo. Collor, seeing bleak prospects for gaining legislative majorities for his policy preferences through the ordinary statutory process, embarked on an “imperial” approach, emitting decrees, over which he negotiated with congressional party leaders only afterwards (Cox and Morgenstern 2002, Amorim Neto 2002a). In other cases, presidents have pursued a statutory strategy building sufficiently broad support from their own party in coalition with allied parties to and facilitate the passage of the agreed agenda (Amorim Neto, Cox, and McCubbins 2003).

The emergence of legislative “cartels” has been accompanied by changes in both the interparty and intraparty dimensions. After a series of nonconcurrent presidential and legislative elections in the decade after the end of military rule, in 1994 elections were concurrent. As expected in the literature on electoral cycles (Shugart 1995, Jones 1997, Samuels 2000), concurrent elections helped build a majority in congress for the various parties aligned with incoming president Fernando Henrique Cardoso. During his term, congress passed a constitutional amendment to permit immediate reelection of the president—a change that was itself largely motivated by conservative politicians’ fears that they did not have a viable alternative to the leftist leader, Luiz Igancio ‘Lula’ da Silva, other than the incumbent Cardoso. A concomitant change in the presidential term from five years to four resulted in the entrenchment of concurrent elections. The national focus of a reelection bid by an incumbent president and the linking of the campaigns for the two branches are two factors that would be expected to increase concentration on both dimensions. Presidential “coattails” would result in an increased representation for the president’s party, and legislators would be more likely to be held accountable for their support or opposition to the president. These changes appear to have taken place in Brazil since the beginning of the first Cardoso presidency,<sup>43</sup> and thus we show Brazil as making modest moves towards a more moderate placement on both dimensions.

#### *Pluralitarian: Mexico before 1997*

The Mexican case shows what results when concentration on the interparty dimension becomes extreme. A single majority faction, the Institutional Revolutionary Party, dominated Mexican politics for decades, resulting in no effective competition. Moreover, the party was highly disciplined and the president was almost always the unchallenged leader of the party, rendering the legislature subservient (Cox and Morgenstern 2002).<sup>44</sup> In Figure 1 we show Mexico as well to the *concentrated* end of the interparty dimension, owing to the lack of a viable

alternative to the PRI throughout most of its years of control. We also show Mexico in the *concentrated* half of the intraparty dimension, though less extreme than the Venezuelan case. The president as national party leader clearly dominated the behavioral calculus of majority-party legislators, but local PRI candidates were given more autonomy in their management of district-level campaigns and were more tied to their localities than often recognized (Langston 2001). Were it not for the ban on immediate congressional reelection, it is unlikely that party discipline would have been so high (Weldon 2002).

We show the Mexican system in the Salinas era moving in a more concentrated direction in both dimensions of Figure 1. The shift farther towards the pluralitarian extreme represents the electoral system provision that was in effect in 1991 and 1994 that effectively would have guaranteed the PRI a majority in congress even had it fallen well below 50% of the votes (Molinar and Weldon 2001), the very essence of pluralitarian outcomes. The upward shift represents the tighter alignment of the president with his party as Salinas exercised a sharply increased involvement in the affairs of the party.<sup>45</sup> However, since the PRI lost its majority in 1997, Mexico has moved sharply away from interparty concentration, as three-party competition has become established. Mexican congressional elections also appear to have undergone an increasing personalization, as more competitive elections have given parties the incentive to nominate candidates with attractive personal qualities and experience in the single-member districts (Diaz 2004). Moreover, central coordination over state-level parties has decreased somewhat with greater interparty competition (Langston 2003). Nonetheless, Mexican parties remain relatively centralized, and probably will remain so as long as immediate reelection for congress is banned and party leaders continue to control access to the most attractive post-legislative opportunities, such as nominations for other offices.

The Mexican case is especially instructive for the relationship of congress members' personal career incentives to the extent of hierarchical or transactional relations with the executive. As already noted, the pre-1997 era was the paradigmatic case of hierarchy, with the members of the PRI congressional majority bound to the national party leadership—personified in each *sexenio* by the president—through its control over nominations and the distribution of post-legislative patronage. However, the relationship of the executive and legislative branches changed dramatically once the PRI lost its majority in 1997, and then the presidency in 2000. In the absence of a majority, disciplined in support of the president as party leader, suddenly Mexico had the conditions for the classic countervailing ambitions theorized by the Federalists. Presidents found themselves having to negotiate with congress to enact a legislative program. Given the relatively national incentives of members of congress, the substance of these transactions is largely policy concessions, not patronage and pork.

#### *Hyper-centralized: Venezuela*

The Venezuelan case is a nearly ideal-typical example of hyper-centralized intraparty relations. Venezuelan legislators from 1958 to 1988 were elected from closed lists in relatively large multimember districts. The main party organizations themselves were highly centralized, with national party committees empowered through the party rules to substitute and rearrange candidates on the lists submitted by state-level party chapters. As a result of these features, there was minimal incentive for legislators to pay attention to local or state interests, or to be known and active among their constituents, as the literature on Venezuela noted (Coppedge 1994, Crisp and Rey 2001, Martz 1992).

The party system was nominally competitive, and most comparative analysts classified Venezuela as a two-party system. However, as various students of Venezuela (Levine 1973,

Crisp 2000) have observed, the two main parties, AD and COPEI were in fact more collusive than competitive.<sup>46</sup> Their first priority was to maintain the regime, defined not only as a system of regular elections but also as one in which party-affiliated interest groups were granted direct access to executive-branch decision-making through what Crisp (2000) calls consultative commissions. With individual legislators having the personal incentive to toe the party line, and with party leaders bent on maintaining the collusive and consultative features of the system, the legislature was mostly inactive. Indeed, it was another case of a subservient legislature, but of a different character than Mexico's. Whereas the Mexican congress under the hegemony of the PRI was active in passing statutes, albeit with minimal or no amendments to the president's proposals, the Venezuelan legislature regularly delegated decree authority to the executive or simply acquiesced in its being bypassed by the executive's consultative commissions.<sup>47</sup>

As the party system imploded in the 1990s, Venezuela drifted towards a hyper-representative situation, with a rapid and extreme increase in the effective number of parties. Unlike the case of Brazil, however, these parties remained nationally focused, and with some exceptions, quite centralized. During this time, with a minority president and a fragmented legislature, executive-legislative relations were at their most combative<sup>48</sup> in Venezuelan history (see the review in Crisp 2000). Around the same time, the electoral system was reformed, to allow about half of the lower house to be elected in single-member districts. This reform was explicitly justified as a means of decentralizing the parties, which were recognized in official discourse as too top-heavy (Crisp and Rey 2001).<sup>49</sup> However, we show the impact on the intraparty dimension as having been minimal, because, as Crisp and Rey (2001) explain, no changes were made to the centralized organizational structures of the main parties themselves. The failure of the Venezuelan system to respond to the intense popular discontent of the 1990s led to the rise of Hugo Chávez Frías, which we depict as having moved Venezuela back in a more concentrated position on both dimensions.

#### *Hyper-Personalistic: Colombia*

A paradigmatic example of personal vote seeking incentives in Latin America existed in the "personal list" system used for congressional elections in Colombia through 2002. Without vote pooling at the party level, this system operated in a fashion similar to the single non-transferable vote, once used in Japan (Cox and Shugart 1995). The two main parties (Liberal and Conservative) that regularly elected multiple legislators in most districts generally had each of their legislators elected from a separate list. Likewise, smaller parties' lists generally failed to elect more than one member in any electoral district, even in the 100-seat senate district established in 1991. As a consequence, electoral lists in Colombia have been primarily vehicles for individual candidacies, creating a highly competitive environment *within* parties that reinforce weak legislative parties and the maintenance of clientelist networks to deliver support (Archer and Shugart 1997, Nielson and Shugart 1999, Crisp and Desposato 2004).<sup>50</sup>

After the enactment of a new constitution in 1991, the trend was towards greater and greater intraparty fragmentation. The trend briefly was also in the direction of interparty concentration, as the Liberal party's greater ability to manage the division of its votes across its multiple lists allowed it to maintain congressional majorities even when it fell below 50% of the House vote in 1998. In March, 2002, however, a stunning fractionalization of the congressional election followed, as many traditional and "independent" politicians alike began to jettison the old party labels in favor of new ones, some of which allied with independent presidential candidate Alvaro Uribe. Thus we depict Colombia as of 2002 as significantly fragmented; however, it would not be correct to characterize the outcome as hyper-representative, because the

congress inaugurated after Uribe's victory in May divided into two clearly opposed camps. This national policy cleavage, unusual in the context of a hyper-personalistic system, facilitated the passage of a reform of the electoral system to a variant of party-list PR. The new system engendered some concentration on both dimensions in the 2006 election, as depicted in Figure 1.<sup>51</sup>

### *Nationally-Oriented Multipartism*

Latin America has given us little experience with interparty fragmentation combined with intraparty concentration (the upper left of Figure 1). At its extreme, this would represent multiparty competition in the absence of stable coalitions amongst the parties (i.e., hyper-representative), with the major parties having very concentrated authority at the national level (i.e. hyper-centralized). Such a combination is likely to be present only in the case of rather intense division along ideological grounds, given that, by definition, such a combination means that the multiple parties are not driven by primarily local or regional considerations. Thus this quadrant may represent one of the closest approximations to the nightmare scenarios of deadlock envisioned by Cheibub (2002) and dual democratic legitimacies, as famously articulated by Linz (1994). Indeed, Chile in the 1960s and early 1970s represent one of the prime examples to have been in this quadrant over a sustained period. For the decades prior to the 1960s, Valenzuela (1978) and Siavelis (1999) indicate, Chile had an ideologically diverse party system, but conflict was tempered by the importance politicians attached to local constituency service, for which they often were willing to work across the partisan divide. Thus we depict Chile prior to the 1960s as moderate on the intraparty dimension, while quite extreme on the interparty dimension. In the 1960s and 1970s, on the other hand, partisan lines hardened and divisive national issues dominated congressional politics in their dealings with a president with significant legislative authority. The effective number of parties actually declined, but the former moderation provided by local service also declined.<sup>52</sup>

As we noted previously, Venezuela had brief experience with a configuration represented by the upper left of Figure 1 in the 1990s, but it was never a sustained feature of that system.<sup>53</sup> Shortly after the election of Chávez in 1998, Venezuelan politics came to be markedly dominated by a single political force, as depicted in Figure 1. Among current systems, El Salvador is the most extreme combination within this quadrant, with a multiparty system in which the two largest parties have tended each to have around a third of the vote and legislative seats. Indications are that the major parties are highly centralized (Wood 2005: 197), and while the conservative Nationalist Republican Alliance (ARENA) has moderated its ideology since the end of the civil war, the leftist ex-guerrilla Farabundo Martin Front for National Liberation (FMLN) mostly has not (Ryan 1997). The result has been a rather polarized legislature, although it has remained "workable" in Cox and Morgenstern's (2002) sense, presumably because all post-war presidents have also been from ARENA, and smaller conservative and centrist parties have been able to build coalitions with ARENA.<sup>54</sup> Thus the Salvadoran case is almost certainly the closest current approximation to the twin extremes of multipartism and centralization. As such, it suggests the promise of such a configuration to produce national policy-oriented transactions and to avoid the pitfalls of either legislative subservience to the executive or dominance of pork-barrel politics. However, it also embodies the ever-present danger of polarization, especially if an unreformed left were to win the presidency.<sup>55</sup>

*Moderate systems: Post-Pinochet Chile, post-1997 Mexico, and Costa Rica*

Near the center of Figure 1 we have systems that obtain moderate scale positions on both the interparty and intraparty dimensions. These are the systems that are most likely to deliver the mix of incentives that bring about a legislature interested in transacting with the executive over national policy. It is important to emphasize that we are not arguing that there is one configuration that is normatively ideal; indeed, as we shall see, the various systems that we identify as approximating the middle range differ in important respects from one another. Moreover, surely each has its own flaws. Nonetheless, the middle range positions exhibit many of the conditions that Madison and his colleagues spoke of in the Federalist papers.

Before returning to the Latin American cases, let us recount the features of US institutions and legislative incentives that give it a middle positioning. On the intraparty dimension, the US is obviously more personalistic than the closed list PR systems with centralized parties, yet nevertheless depends to a larger degree upon party reputation compared to systems with high degrees of intraparty competition. On the interparty dimension, the two parties are closely balanced in electoral support and congressional representation. Since around 1990, in most elections the largest party has had somewhat less than half of the votes for president, congress, or both (Shugart 2004: 645), and for this reason we depict the current position of the United States as being somewhat to the pluralitarian side on the interparty dimension. While the position of the US is not static, it also probably varies less over time than many of the Latin American cases depicted.<sup>56</sup>

Among the Latin American cases, it is no accident that the country often characterized as the most successful democracy in the region is one of the few to be found near the middle of Figure 1. Costa Rica has had two major and a few smaller parties represented in a congress that has been generally workable, as illustrated by the economic reforms in the 1990s (Wilson 1998). Sometimes the president's party has been short of a majority in the unicameral legislature, and even in the one case of fully divided government (i.e. an opposition majority) policy-making appears to have been relatively smooth. On the other hand, even when the president's party has been in the majority, the congress has seldom approximated the subservience that we saw in the Mexican case, or in Venezuela. Costa Rican legislators, like their Mexican counterparts, are constitutionally ineligible for immediate reelection. Yet the outcomes in terms of executive-legislative relations have been very different from Mexico under PRI hegemony. Carey (1997) shows that members, unable to pursue ongoing careers in congress, look to the leader of their party for guidance. As in Mexico, this leader is external to the legislature, but unlike in Mexico, the leader is not always the incumbent president; it may be the party's candidate for the upcoming presidential election, selected in a competitive process. Thus the reelection ban for legislators that was seen to contribute to the concentration of authority in Mexico has contributed to interbranch transactional relations in Costa Rica—an important reminder that the effects of any one institution cannot be understood without considering the context of the others with which it interacts.

Chile after the end of the Pinochet regime is another example of balanced incentives, derived to a significant degree from the unusual electoral system. Chile has developed a high level of congressional careerism (Morgenstern 2002) and probably the most professionalized congress, measured by such indicators as committee specialization (Carey 2002). Chile's unique system of two-seat districts and open-list PR, engineered by the outgoing authoritarian government to provide an advantage for the Rightist coalition, was presumed to promote centrism and two-party competition. At the district level, the system promotes candidate positioning on either side of the median voter (Magar, Rosenblum, and Samuels 1998). At the

national level, legislative parties coordinate across districts by coalescing into two cohesive and broad multiparty alliances (Carey 2002). Because of the open-list system, candidates must cultivate ties to their constituencies. Yet, because the alliances centrally determine which of their component parties will contest which districts as well as who the candidates themselves will be, the personal-vote incentives are restrained. For this reason, we depict Chile's current system as quite close to the middle of the intraparty dimension. The result thus far has been a workable congress and coalitional presidents, though the presence of extraordinary constitutional powers and nonconcurrent elections looms as a potential source of conflict between these nationally oriented actors (Siavelis 2002).

Finally, Mexico since 1997—the year the PRI lost its majority in the Chamber of Deputies—exhibits many of the conditions for a workable transactional relationship with the executive. As we noted above—and as Weldon (1997) predicted—the linchpin of presidential dominance in Mexico was the control of congress by a disciplined majority party of which the president was the head. The relationship between the president and the congressional party leadership was already weakening under the first three years of Zedillo's presidency (1994–97), but when the PRI lost its majority at the midterm elections, the relationship between the branches changed fundamentally (Nacif 2002), resulting in a president needing to negotiate with opposition parties. Because the dominance of the president had depended on his partisan powers, not on constitutional powers, the president was suddenly placed in a markedly weaker position. Given that the substantially reduced majoritarianism of the post-1996 electoral system facilitates three-party competition, this pattern is likely to remain for some time. However, given the continued absence of congressional reelection, parties remain considerably centralized, and the professionalization of congress lags (Nacif 2002).

## **Endogenous Evolution? Towards a Dynamic Theory**

Our discussion of relatively extreme systems showed that the position of a country on the two dimensions of representation depicted in Figure 1 is not static. Here we will attempt to arrive at a synthesis that points the way towards theoretical extensions that could shed light on political dynamics. Extreme systems, Shugart and Wattenberg (2001) argue, have an inherent tendency to generate *systemic failure*.<sup>57</sup> We can think of a systemic failure as a series of pathological outcomes resulting from the logic of political incentives in an extreme system. By “pathological” we mean problems in the functioning of principal-agent relations of representation, perceived as such by a substantial enough portion of the electorate so as to generate pressures towards change, either endogenously or exogenously.

The source for endogenous change is often the emergence of what we call a *contrarian party*, defined as a party that bucks the dominant incentive of the existing system. Precisely because it does so, such parties can be expected to fail more often than they succeed. However, when there is a sufficient popular constituency for them, the logic of interparty electoral competition can generate incentives for established parties to respond. The result may be electoral or other institutional reform, or it may be changes to the organization of congress or simply to party strategy. The point is that a former equilibrium of an extreme situation is upset, generating the possible emergence of a new, less extreme, equilibrium. Of course, such endogenous evolution is not the only possible outcome. The old equilibrium may reassert itself, or the system may collapse and be replaced entirely, whether through presidential emergency powers, citizen-sponsored referendum, or military intervention. In this section we sketch some of

the notions of endogenous evolution that have been offered consistent with neo-Madisonian themes.

In the case of Brazil, as we noted, Amorim Neto and Santos (2003) find that the inefficient secret model (ISM, adapted from Shugart and Carey, 1992: chapter 9) accounts for the executive's leadership in areas of national policy, which leaves congress free to attend to its members' more parochial concerns. Thus, Amorim Neto and Santos find, pro-executive legislators rarely initiate legislation of national scope. However, in a manner not anticipated in the ISM, parties unaffiliated with the executive are quite active in initiating proposals of national scope. By doing so, they so contrast themselves with the dominant political forces, and their activities thus can be seen as the product of the competitive dynamic that they face; in other words, interparty competition may respond to latent demands from the ultimate principal, the voters, for new forms of representation and thus lead to the emergence of alternative agendas.

Foremost among the opposition in Brazil in the first two decades of civilian rule was the PT, a very clear example of a contrarian party. The PT was organized as a national party and on a programmatic basis. The other main parties have little national organization and are often the vehicles for the exercise of influence by state-level leaders; they allow their rank-and-file politicians great leeway in cultivating personal votes within the open-list PR system. However, unlike the personal-list system formerly used in Colombia, Brazil's systems of open party lists permits a party to engage in a contrary strategy of cultivating party votes as a means of differentiating itself from competitors. In Brazil, voters may cast either a party or a candidate vote, and the PT, uniquely among Brazil's major parties, emphasized the party vote (Samuels 1999).<sup>58</sup> Returning to the notion of multiple equilibria in organizational forms referenced above, we see in the example of the PT a party whose optimal approach to representation differs so fundamentally from the established patterns of Brazilian legislative politics that their ascendancy itself alters the system's competitive dynamic. A new emerging equilibrium may therefore favor not only more programmatic representation and competition, but eventually more congressional professionalization and nationally-oriented executive-legislative transactions.<sup>59</sup>

The political dynamic of Venezuela in the 1970s and 1980s bears a resemblance to the endogenous emergence of a contrarian party that we saw in Brazil. Whereas in Brazil's hyper-representative and personalistic party system the contrarian party was the programmatic PT, in Venezuela the contrarian party was a highly decentralized (albeit, like the PT, leftist) *Movimiento a Socialismo (MAS)*. In a neo-Madisonian theory of party organization that stresses the ultimate accountability of representative agents to their citizen-principals, we might expect that dissatisfaction with the performance of an extreme system would create "political space" for an alternative message and organizational form. Indeed, the MAS, founded out of the remnants of 1960s guerrilla campaigns, grew electorally in the 1970s and 1980s. It developed a more decentralized nomination procedure than the other major parties and its members were more likely to sponsor locally targeted legislation and to break party discipline than those of the major parties, especially the AD (Crisp 1998). Why, then, did this contrarian party not generate an endogenous solution to Venezuela's systemic failure? This is a question worthy of further research. We suspect the answer lies in the extreme institutionalization of two-party collusion and consultative politics (Crisp 2000), which rendered the system relatively less adaptable than the more fluid Brazilian system. In any event, the system ultimately changed exogenously, through the election of populist Hugo Chávez Frias, who used emergency powers to overturn the existing constitutional order (having failed in 1992 to do so via a military coup). Chávez appears



to be presiding over a “party” every bit as centralized as (although far less institutionalized than) the AD that he has replaced.<sup>60</sup>

Thus the Brazilian system has evolved endogenously from a hyper-representative system towards one that might be tentatively characterized by two broad blocs of parties, capable of organizing the legislature in support of the government, and towards a somewhat less personalistic position on the intraparty dimension.<sup>61</sup> In Venezuela endogenous evolution failed. The rise of Chávez, although partially explicable through the systemic failure of the former hyper-centralized system,<sup>62</sup> is a case of exogenous change, in that existing institutions were broken, with a political “outsider” at the helm, in order to bring about political change. Similarly in Colombia, our example of the opposite extreme on the intraparty dimension, the recent changes in the electoral system towards reduced fragmentation in both dimensions were pushed by an exogenous factor, the election of Alvaro Uribe from outside the traditional two-party competitive pattern.<sup>63</sup> Nonetheless, there were signs of endogenous evolution in Colombia as well, in the emergence in congressional elections after 1991 of new “movements” that, contrary to the established parties, attempted to articulate national and reformist agendas. As expected in an electoral system that promotes extreme personalization, however, few of these could move beyond tight identity with their national leader and few could elect more than one senator, despite the single nationwide district (Shugart, Moreno, and Fajardo 2006), the large magnitude of which otherwise would favor the proportional representation of new parties.

## **Summary**

We have reviewed the central features of neo-Madisonian theory and a set of works on individual or multiple Latin American democratic experiences that have contributed to its development. This work has built most of its insights around legislative ambition, and how this is shaped by electoral rules on both the inter- and intraparty dimensions, the interaction of national and subnational politics, and other factors. The insights derived from the analysis of legislative ambition allow for systematic comparison of the incentives of legislators to engage in policy-based transactions with the executive, or to abdicate the formal independence of their branch in favor of a more or less hierarchical relationship with the president. Several Latin American countries have demonstrated extreme patterns in the relationships between actors and institutions, and we have called attention to theoretical considerations regarding how these have contributed to systemic failures—sometimes leading to regime breakdown, other times to significant political change within democracy. We now turn to a consideration of several areas that we identify as research frontiers for the neo-Madisonian approach.

## **Extensions of neo-Madisonian theory**

There are several areas where extensions of the neo-Madisonian framework have not been broadly applied or have only just begun to make significant contributions. We identify four frontiers for this research: subnational government and the components of federalism; the “output” side, understood as policy-making and accountability; the “demand” side of voter preferences and interest groups; and the judiciary and other non-elected agents.

### *Disaggregating Federalism*

As we have noted, one of the contributions of neo-Madisonian work on Latin America has been to highlight the important role that subnational elections and actors often play in national politics, especially how the party-system fragmentation follows a logic of electoral competition at the subnational level, where political careers may be centered. Other work has

emphasized the importance of a local orientation in systems with intraparty competition, versus the greater role of party leadership in relatively more centralized parties. These different types of systems have specific consequences in federal democracies--for instance, in Brazilian legislators' targeting pork-barrel amendments towards municipalities or the dominance of provincial leaders within national parties in Argentina. Nonetheless, the intensive study of the component institutions of federalism promises to enhance our evolving understanding of how national and subnational politics are intertwined in Latin America.

Madison, in Federalist 46, explained that "the federal and state governments are in fact but different agents and trustees of the people, constituted with different powers, and designed for different purposes... the ultimate authority... resides in the people alone." Federalism, in neo-Madisonian theory, is fundamentally another dimension of the separation of powers shaped by interaction with other constitutional features and partisan patterns. Figure 2 illustrates the stylized separation of powers as outlined in the above sections with the dimension of federalism included, where relations of hierarchy are shown by solid lines with arrows extending from principal to agent, while transactional relations are depicted with dotted lines having arrows at each end.

### [Figure 2]

National and subnational governments are constitutional agents, which under federal and decentralized institutions are hierarchically accountable to the electorate. Whereas each state or provincial government is accountable to its own subnational electorate, the national government is accountable to an aggregation of all of them, constituting the *demos* in Stepan's (2001) conceptualization of federalism. In ideal-typical federalism these sovereign subnational governments exist in transactional relations with the national government. That is, what delineates federal from unitary systems is that unitary systems are hierarchical, with the subnational governments clearly subordinate to the national government. Just as either the president or the assembly may have the "upper hand" in interbranch bargaining in a presidential system, according to the constitutional allocation of powers, so too constitutions vary in the extent of powers allocated to the national or subnational governments. A system is not formally federal, however, if it does not establish that subnational governments include their own executives, assemblies, subordinate agencies and judiciaries, independent of national authority.<sup>64</sup>

Federalism entails separate origin and separate survival among national and subnational agents, a division of powers among those agents (and, again, within each 'agent'), and a wide range of variation in the extent to which countervailing ambition is fostered between these agents. Just as a strong degree of convergent interests between presidents and assemblies negates the separation of powers, formally strong regional governments may be agents of the national government if the political careers of subnational legislators and governments make them accountable to the president or central party leaders. Conversely, actors within subnational governments may control the fates of national actors -- for example, in the nomination process. While either of these scenarios tend toward hierarchical relations (of opposite character), a balanced transactional relationship includes incentives for subnational actors to resist or counteract efforts by the national government to encroach upon provincial authority and for national actors to maintain independent political control over their delineated duties. Hence, just as the appearance of presidential dominance over a subservient legislature should not be taken as an indicator of a "strong presidentialism," neither is apparent subnational dominance necessarily an indicator of "robust federalism." Given the importance of transactions to the Madisonian conceptions of both presidentialism and federalism, the "strongest" or most "robust"

manifestation of either phenomenon is to be found when its component institutions are most balanced and transactional. The extent to which transactional relations prevail is shaped in both cases by the interparty and intraparty incentives facing actors in each branch and at each level.

The importance of subnational politics to the national political system in federal (and some nonfederal) countries has become widely studied in recent years (e.g. Gibson 2004), particularly with regard to the politics of decentralization (e.g. Eaton 2004, Montero and Samuels 2003). Nonetheless, there remains relatively little work that is devoted specifically to an analysis of politics at the state or provincial level. While existing literature has highlighted, for example, the extent to which governors are major players in national politics (Samuels 2003; Jones 1997, 2001), we know much less about the extent of transactional or hierarchical relations between governors and their state legislatures, and still less about how national and subnational bureaucracies and courts relate to one another. Some recent work has begun to highlight intra-country variation in subnational politics. For instance, Langston (2003) considers variations in the ability of PRI state party organizations in different Mexican states to cope with electoral defeat. Desposato (2000) analyzes how variations in voter demands in different states shape the legislative party organization across Brazil's state party systems. Future insights on subnational variations in federal systems promise to enrich our understanding of patterns of Latin American political systems.

#### *The Output Side: Policy, Accountability and Bureaucracies*

Most of the neo-Madisonian literature, as we have noted, has focused on the strategies of politicians seeking election and their behavior within legislative and executive institutions. Relatively less attention has been placed on the “output” side—that is policy and the bureaucracies that implement it, and the extent to which voters hold politicians accountable for their policy choices.

The characteristics of policy. The question of how, and how well, democracy “works” depends critically on the process by which policies are enacted, and whether voters have the capacity to hold politicians accountable. The analysis of specific policy outcomes, or patterns of outcomes, is in its relative infancy. We have already discussed how one of the neo-Madisonian insights is the extent to which different electoral systems—principally in their variations on the intraparty dimension—affect the balance between national and local policy. Several recent works have significantly advanced our understanding of the relative balance between national and local policy by classifying laws and bills according to their national, sectoral, or parochial scope (Taylor and Diaz 1999, Crisp et al 2004, Amorim Neto and Santos 2003).

In addition to the national-local policy balance, another trade-off exists between the stability and flexibility of policy (Tsebelis 1995, 2002, Cox and McCubbins 2001, Shugart and Haggard 2001). When bargaining on national policy, the interaction of presidential powers and divergent interests between presidents and assemblies can lead to highly stable policy, potentially sacrificing flexibility. Concentrating powers and political goals, meanwhile, can risk flexibility to the point of arbitrariness. Baldez and Carey (1999) provide the example of Chile where, until recently, budget stability was enforced by a rightist “veto” on legislation enabled by appointed senators and Jones (2001) highlights the budgetary indecisiveness in Argentina when presidents have faced an opposition legislature.

Accountability for policy. If democracy, conceived as a chain of delegation, “works,” then it must be that the political system represents voters’ policy preferences, and allows voters, as principals, to sanction their agents, rewarding or punishing them according to their performance.<sup>65</sup> Stokes (1999, 2001) considers representation in which tentative citizen beliefs

can be modified in the wake of successful policy outcomes, citing examples in Argentina and Peru in which presidents pursued unpopular economic policies they did not campaign on that constituents would ultimately support when seen as successful. Samuels and Shugart (2003) suggest institutional variations behind these circumstances, noting a likely trade-off among presidential configurations between representing mandates and accountability, in which strong presidents are held clearly accountable for their actions despite deviating from stated intentions.<sup>66</sup> Samuels (2004) provides some evidence that, as institutions promote divergence in the policy focus between the branches, legislative accountability for national economic policy is diminished relative to proactive presidents. Johnson and Crisp (2003) argue that while party labels do not predict well the policies presidents pursue with respect to economic liberalization, the label of the legislative majority has served a reliable predictor. However, they find that more interparty fragmentation or intraparty fragmentation seemed to hinder legislatures in promoting their partisan ideological positions on neo-liberal reform.

Bureaucratic agents and policy-making. The proximate source of most actual policy outputs lies in the choices of bureaucrats, to whom politicians delegate specific decision-making and implementation authority. If politicians, as principals in the final link in the delegation chain of democracy (refer to Figure 2), cannot control the choices and actions of their bureaucratic agents, then it is unlikely that either representation or accountability can function. A neo-Madisonian theory of democratic policy-making treats the bureaucracy as, ideally, an agent of elected politicians; however, work applying this notion emphasizes the difficulties in enforcing political control over appointed agents.<sup>67</sup> Considerable advances have been made regarding how politicians structure the incentives of bureaucrats in the US, notably the institutional enfranchisement of constituent interest groups<sup>68</sup> Such insights are beginning to be applied to Latin America, and as we noted with respect to legislative ambition taking as variables in Latin America many features of the political landscape that Americanists can take to be constant.

For example, studying delegation to the bureaucracy in Argentina, Eaton (2003, cf. Morgenstern and Manzetti 2003 and Jones et al. 2002) argues that career-motivated legislators face party-centered electoral incentives that drive them toward their party leaders' (and the president's) position, favoring the delegation of greater authority to the executive (in contrast to the congressional control sought by more constituency-oriented US legislators). In the Chilean case, Siavelis (2000) suggests that the high concentration of policy agenda control in the executive branch, coupled with an authoritarian legacy that limited interest group formation, has rendered legislative oversight of the bureaucracy relatively ineffective. Such work suggests how neo-Madisonian logic can help scholars identify and explain variations in legislative oversight of the bureaucracy. Such oversight may be most likely, for example, when the political interests of the president and assembly overlap the least (i.e., divergence on the interparty dimension) and when legislators' fates are independent of party organizations (i.e., divergence on the intraparty dimension).

#### *The Demand side: Voter preferences and interest groups*

Like the output side, what we call the "demand" side has also been relatively neglected by work emphasizing neo-Madisonian themes. The demand side concerns how the preferences of citizens, as the ultimate principal in a democracy, affect politicians' strategies and how interest groups are involved in the policy-making process. Variations in the ways in which societal demands are organized and incorporated into policy-making critically impacts the manner in which citizen demands are aggregated (or suppressed), and by extension, the institutional functioning described in this chapter.

Voter preferences. An emerging agenda integrates relatively neglected variations within a nation's social demand structure with neo-Madisonian ideas. Such variations in voter preferences across time or region shape elite competition patterns just as the incentives facing elites shape their response to these demands. Taylor-Robinson (2004) explores the interaction between formal and informal institutions in determining democratic agents' incentives for representing poorer versus wealthier voters as their principals. Taylor-Robinson uses factors discussed above -- career path incentives, party nomination procedures, and access to patronage resources -- to explain the logic of providing poor voter-principals with clientelistic private benefits or local public goods, as opposed to national public goods. Desposato's (2000) study comparing state-level party systems in Brazil explores how policy demands vary by state, noting that voters' priorities of public over local/private goods shape variations in electoral strategies. Thus, holding institutional incentives constant, Desposato finds a variation in degrees of cohesion across the nation's subnational legislative party systems. Lyne (2004) endogenizes Brazil's national institutions to voters' own collective dilemma between clientelist and public-goods exchange relationships. As this tension has been resolved in favor of the latter, party organizations have responded with internal practices that counteract individualizing electoral incentives.

Interest groups. Among the few works that have studied interest groups within a neo-Madisonian thesis is Crisp's (2000) case study of the interplay between Venezuela's evolving society and once rigid political institutions. Crisp synthesizes the survival and effects of institutions and broadens the definitions of political concentration and diffusion beyond the now-traditional institutional variables emphasized above. As mentioned above, Crisp attributes the collapse of the party system, economic stagnation and political corruption to an institutionally-induced disincentive for elites to respond to social demands and adapt to crisis.<sup>69</sup> By Crisp's account, legislative accountability failed under Venezuela's centralized and collusive parties while unaccountable independent commissions and state enterprises allowed monopolistic peak interest associations to supplant elected officials' role in policy and stifle reform. Crisp suggests that centralization of business and labor participation interacts with presidential authority and electoral incentives to shape the overall trade-off between participation and governing efficiency—each factor potentially compensating for the others.<sup>70</sup>

#### *The judiciary and other non-elected agents of accountability*

In Federalist 51, where Madison justifies the importance of separate origin and survival—"members of each [branch] should have as little agency as possible in the appointment of the members of the others"—he makes a critical exception to this principle for the judicial branch. He does so for two reasons. First, "because peculiar qualifications being essential in the members, the primary consideration ought to be to select that mode of choice which best secures these qualifications." Second, "because the permanent tenure by which appointments are held in that department must soon destroy all sense of dependence on the authority conferring them." Thus Madison recognized the need for special expertise for judges, and saw both the origin of judicial authority in appointments by elected institutions and life terms as critical to achieving that expertise. In Latin America, on the other hand, both the formal adherence to these principles and the actual practice have come up short of Madisonian ideals. The consequence has been limited accountability of politicians to the rule of law and serious shortcomings to liberty and democracy. An emerging literature on these themes is connected to the long-standing debate on democratic accountability in Latin America (see e.g. O'Donnell 1994, 1998; Mainwaring and Welna 2003).

Relationships with non-elected agents are shaped by the very same forces noted in other neo-Madisonian applications: the degree of independence of those agents and the source of their rewards and sanctions. Along these lines, Helmke (2002), argues that judges with insecure tenure in Argentina served as agents of the executive (in defending presidential decrees) but shifted their rulings away from the government as they perceived their impending principals, holding future sanctioning power, would ultimately emerge opposed to the current regime. Magaloni (2003) explains that the Mexican Supreme Court was traditionally subordinate to PRI presidents, as were legislators and the constitution itself. Despite formal life tenure, Magaloni shows that service on the Court was typically just a steppingstone in a political career, violating Madisonian ideals of a specialized and independent judiciary. As the disciplined PRI majority within the Congress gave way to multiparty competition in the mid-nineties and hierarchical control faded, the Supreme Court was allowed independent authority to fill the role of coordinating constitutional disputes.<sup>71</sup>

Moreno et al. (2003) focus on the empowerment of superintendence agencies (attorneys general, controllers general, etc.), which, despite potentially providing performance information to the electorate, are imperfect substitutes for the type of citizen-legislature connection that fosters a transactional relationship between the elected branches. Moreno et al. note, as we have described above, extreme positions on the interparty or intraparty dimensions in Latin America have often undermined the transactional relationship. Without incentives to act independently and collectively, politicians are unlikely to permit the emergence of effective independent checks in the form of the judiciary or superintendence agencies, given that—as Madison suggested—the appointment of the members of these bodies is generally in the hands of elected politicians.<sup>72</sup>

## Conclusion

Students of Latin American democracy have made significant progress in recent years by disaggregating the institutional arrangements that structure the political process. A clear lesson from neo-Madisonian theory is that no institution can be understood in isolation. The body of work that we have discussed here is rooted in the ideas articulated in the *Federalist Papers*, while integrating more recent economic theory, especially collective action and principal-agent relationships. Like Madison's well-known arguments, the basic assumptions are grounded in the self interest of politicians. In this manner, neo-Madisonian theories share a common thread with contemporary rational-choice approaches. Nonetheless, the neo-Madisonian enterprise is broader theoretically in that it does not see institutions themselves principally as static constraints on strategic action. Like the so-called historical institutionalism (Skocpol, Evans, and Rueschmeyer 1985) that is often portrayed as a theoretical rival to rational choice, neo-Madisonian theory takes into account how earlier generations of politicians created institutions that constrain present actors.<sup>73</sup> It also explicitly seeks to understand how institutions shape the very preferences of actors—for instance, for national public versus locally-targeted goods—and often takes a dynamic perspective, as our discussions of extreme systems and endogenous evolution of behavioral patterns within institutions showed.

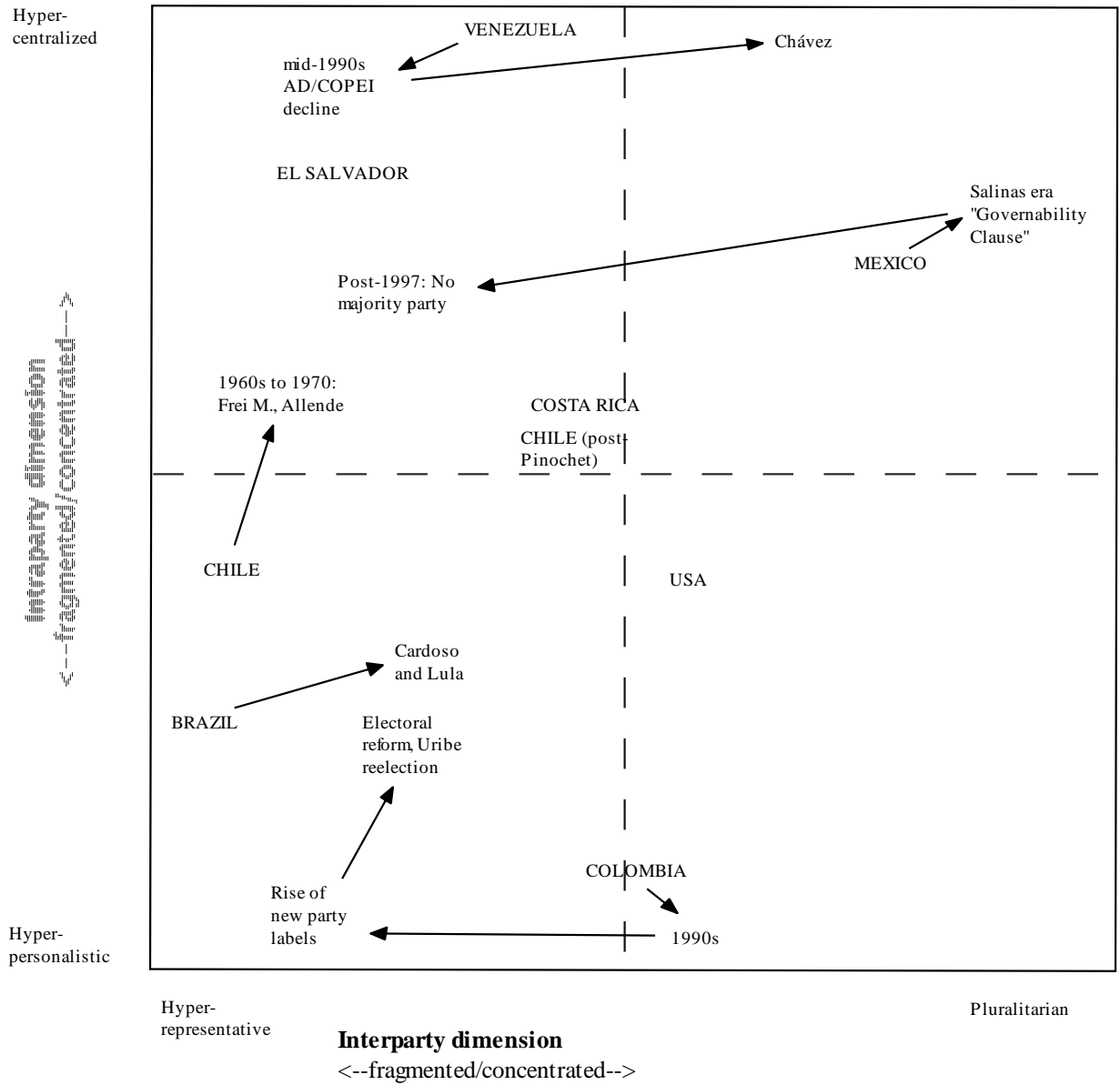
Neo-Madisonian theory posits that political outcomes are a product of strategic politicians operating within a nested set of both principal-agent (i.e. vertical) and transactional (i.e. horizontal) relationships. Scholars employing neo-Madisonian concepts have tended to zero in on the strategic choices faced by individual presidents, legislators, judges, or other actors, while using this focus to draw broad implications about the collective outcome of these

individual choices. Democracy under a separation of powers “works” to the extent that the choices of political actors tend to enforce accountability by promoting independence and countervailing ambition between the agents of the electorate. Democracy can “fail” to the extent that the institutional incentives inhibit the accountability of agents to their (supposed) constituencies by generating *de facto* hierarchies of agents that, according to constitutional design, should transact on public policy.

Among the empirical contributions of this perspective reviewed here is a greater understanding of the diversity of presidential powers in the region, including the extent to which presidential influence derives from formal powers or partisan factors, and the varying capacity of differently situated presidents to enact their national agendas. Another key contribution has been to highlight the interplay of subnational and national actors, and the role of electoral institutions in skewing outcomes in favor of narrow minorities versus national majorities. Other promising lines of research have begun to extend these insights on the concentration or fragmentation of political power to specific policy outcomes, assessing democratic accountability, and on the endogenous evolution of patterns of political competition.

As we have seen, many of the most promising conclusions of the literature have come from single-case studies. While these case studies have been informed by a general theoretical logic and by reference to other country experiences, relatively few recent works have drawn conclusions and implications that synthesize across the region. Indeed, many of the authors whose works we have situated within this perspective have not necessarily framed their work as part of some broader “enterprise.” Yet it is clear that a degree of cumulative knowledge has developed, built “block by block, from the bottom up” (Smith 1995). Our hope is that by attempting to forge a theoretical synthesis among works published in a wide variety of outlets that we have pointed the way towards an overarching perspective that will inform further work on how and why democracy works or fails in Latin America.

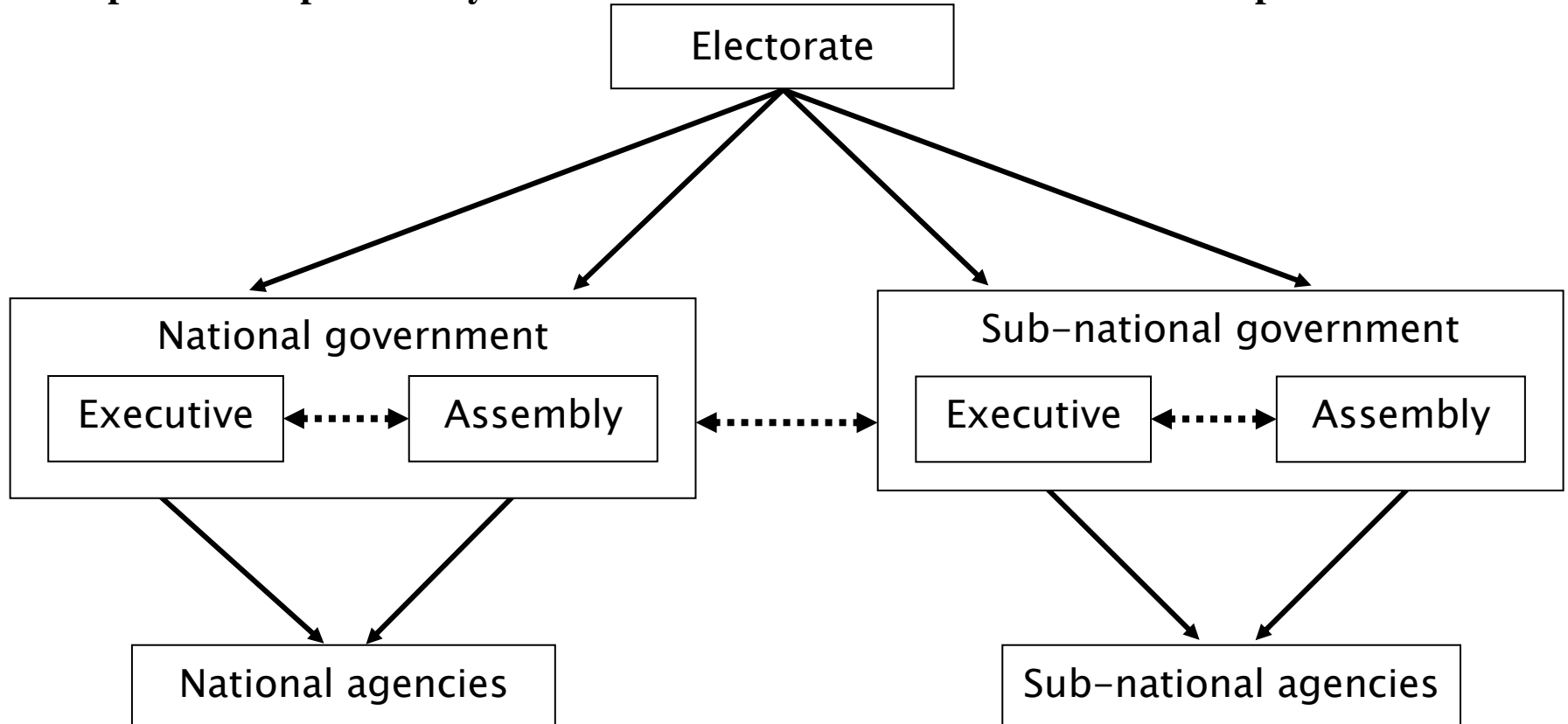
**Figure 1**  
**Concentration or fragmentation of authority in the party systems of the presidential democracies in the Americas**





**Figure 2**

**The separation of powers: stylized hierarchical and transactional relationships**



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## Notes

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<sup>1</sup> Additional work on this topic includes Wagner (1966), Salisbury (1969), Frohlich, Oppenheimer, and Young (1971), and Frohlich and Oppenheimer (1978)

<sup>2</sup> later developed by subsequent works on the theory of the firm. See for example Williamson (1975, 1979) and Milgrom and Roberts (1990)

<sup>3</sup> See also Jensen and Meckling (1976), Fama (1980), Demsetz (1983), and Miller (1992). See Kiewiet and McCubbins (1991) and Cox and McCubbins (1993) for brief reviews of this literature.

<sup>4</sup> Of course, the hierarchical juxtaposition of formal institutions can also serve democracy. In the British model, only one party governs at a time, appointing its leader as chief executive in a clear hierarchy. There are no institutional checks, but the presence of “Opposition with a capital ‘O’” (Helms 2004) provides the electorate with a monitor that serves to keep the governing party in check (Palmer 1995, Strøm 2000). In parliamentary coalitions, parties within the cabinet serve as checks on one another. Studies of coalition-based parliamentary systems using a framework similar to that we describe here include Thies (2001), Martin (2004), and Martin and Vanberg (2004). See also Shugart (2007).

<sup>5</sup> Though, until 1913, not directly of state electorates.

<sup>6</sup> In a hierarchical political system—such as the British model—such divisions of executive and legislative authority cannot occur. See Palmer (1995) for a discussion.

<sup>7</sup> In other words, in Olson’s (1965) terms, the rational individual will have an incentive to “free ride” and the result will be “underprovision” of the public good, to the detriment of all members of the party.

<sup>8</sup> That is, rather than “importing” the assumptions of American politics, many studies of Latin American institutions have sought to develop a generalized framework for institutional analysis with implications and applications that subsume the U.S. case.

<sup>9</sup> Explicating the logic of political careers in Latin America dates back at least to the pathbreaking work of Smith (1974, 1979).

<sup>10</sup> Throughout this chapter, we make reference to legislatures as “agents.” This simplified concept of the legislature as a unitary agent can be disaggregated into several more precise concepts. The “party system” is an agent of the electorate, a collective agent able to be characterized in the aggregate based on the parties in the legislature—for example as fragmented or ‘personalistic.’ A party (and sometimes, faction or coalition), as a subset of the party system, is a collective agent of a subset of the electorate and has its own unique characteristics, for example, programmatic or clientelistic. An individual legislator is an agent of her constituency, a subset of the electorate, which may be geographically concentrated or dispersed, ideologically homogeneous or heterogeneous. In some cases, as we note, this “constituency” may be solely within the party leadership. The extent to which one concept versus another is useful depends upon both the circumstances of the case in question and the topic of concern.

<sup>11</sup> Relatively speaking. That is, one does not have to believe that presidents are free of less exalted motives, such as enriching their place of origin or themselves, in order to believe that

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national public goods are relatively more important to their election and administration of the government than is the case for the typical legislator.

<sup>12</sup> For instance, the “impossible game” of trying to reconcile Peronists and their opponents in Argentina (O’Donnell 1979) or the polarization between a minority socialist president (Salvador Allende) and the center-right dominated legislature in Chile (Valenzuela 1978).

<sup>13</sup> See Przeworski et al. 2000, Cheibub and Limongi 2002, Cheibub 2002

<sup>14</sup> One of the reasons for this, the lack of reelection incentive, is discussed with later in this chapter.

<sup>15</sup> Note that here we refer to the actual preferences of the legislature relative to the president in a given instance. As we review work dealing with the institutions shaping those preferences, we will refer to incentives that increase or decrease the *likelihood* of legislators with such preferences, as is the case with electoral and career incentives.

<sup>16</sup> For an elaboration of the concepts of interparty and intraparty dimensions, see Shugart (2001, 2005).

<sup>17</sup> In Bolivia, Under the 1967 constitution, the president is directly elected only if one candidate has a large enough pre-election coalition to obtain a majority. In elections prior to 2005, an electoral majority was not achieved, triggering the constitution’s provision that congress selects the president from among the top vote-winners (from the top three prior to 1993 and from the top two since). See Mayorga (2001).

<sup>18</sup> Uruguay, as recently as 1966, was the exception, with its elected executive council.

<sup>19</sup> Shugart and Taagepera (1994) propose a hybrid of majority and plurality, aspects of which have been adopted in Argentina and Ecuador. See Shugart (2004) for a general overview of election methods for presidents in Latin America and elsewhere, and for an analysis of trends in favor of direct election and majority runoff.

<sup>20</sup> This literature, representing some of the most influential work in comparative institutions, has its origins in the study of European politics and established democracies more generally.

<sup>21</sup> As well as localizing incentives in the electoral system, considered in the next section on intraparty institutions.

<sup>22</sup> Consistent with what seems to be the scholarly consensus, we understand a federal system to be one in which subnational divisions of the country (e.g. states, provinces), have their own executive, legislative (and usually judicial) systems, as well as some sovereign authority guaranteed by the national constitution.

<sup>23</sup> The “effective” number has become the standard measure of electoral or legislative fragmentation. It is simply a weighted index of the number of parties, where the weights are determined by each party’s own size. That is, each party’s share of votes (or seats) is squared, the squares are summed. The reciprocal of this sum is the effective number (Laakso and Taagepera 1979).

<sup>24</sup> Brazil averaged 6.3 in its effective number of parties during the 1945-1962 and 1990-1994 periods. However, the average at the district level across these periods was only 3.3 (Cox 1999). Hence, multipartism in Brazil derives less from its district magnitudes and low electoral threshold than might be assumed.

<sup>25</sup> In presidential systems, even if the executive has a copartisan legislative majority, party discipline and the executive’s role as party leader are distinct concepts. For instance the legislative party could be highly disciplined yet be under the leadership of a factional leader opposed to the president, or the president could hold a *de jure* or *de facto* leadership role in the

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party, but be unable to discipline the legislative caucus. Something approximating the former situation existed in Guatemala when Efraín Ríos Montt was legislative leader of the Frente Republicano Guatemalteco, but a rival leader, Alfonso Portillo Cabrera, was president. The latter situation has typified many Colombian presidents' relations with their own majority party.

<sup>26</sup> This combination may contribute to what Coppedge (1994), writing on Venezuela's largest party, Acción Democrática, referred to as "partyarchy." A similar phenomenon is described by Taylor (1996) in Honduras.

<sup>27</sup> This logic is thus a generalization of that put forth by Cox and McCubbins (1993) for US House parties. Additionally, legislators delegating the least power to party leaders tend to have, via constitutional provisions, "delegated" proactive legislative power to the president. As a result, weak parties are usually associated with strong presidents (Shugart 1998)

<sup>28</sup> Closed-list systems in Argentina, Costa Rica, Honduras and Venezuela, and more candidate-centered rules in Chile and Colombia.

<sup>29</sup> Although not considering Latin American cases, Shugart, Valdini, and Suominen (2005) show that attributes of legislators that signal commitment to serving local interests (e.g. birthplace, lower-level electoral experience) vary with magnitude differentially, according to whether party lists are open or closed.

<sup>30</sup> The possible variance in the extent of nationalizing incentives for presidents based on different electoral formulas, regionalization of the vote, closeness of the outcome, eligibility for reelection, or the use of primary elections (an intraparty variation) has not been analyzed extensively thus far.

<sup>31</sup> Longer time horizons—i.e., the possibility that faithful service will result in periodic renewal of the contract—provide an incentive for agents to respond to the threat of removal and, therefore, to be accountable to their immediate principals.

<sup>32</sup> Thus, term limits do not necessarily favor public goods-oriented legislators (as sometimes argued by term-limits advocates in the US)

<sup>33</sup> A point also made by Taylor (1992)

<sup>34</sup> Carey's study is a useful example of the two-way flow of theoretical and empirical insights between studies of the United States and Latin America. Carey adapts theories of legislative ambition to the different context of Costa Rica and Venezuela, generalizing the theory and testing inferences arising from his Latin American cases in the US (see also Carey, Niemi and Powell (2000).

<sup>35</sup> An analogy in the theory of the firm can be made to agents who account for the labor market and weigh outside opportunities as they execute tasks delegated by their current principals.

<sup>36</sup> Other work examining the impact of subnational and bureaucratic career paths for legislators includes Jones (2002), O'Neill (2002) and Escobar-Lemmon and Moreno (2003).

<sup>37</sup> The term, "pluralitarian", indicates that the political force with concentrated authority may not actually require a majority of votes to maintain its control.

<sup>38</sup> No simplified depiction of complex political systems, such as that shown in Figure 1, can take account of all relevant variables that affect legislative incentives. For instance, we do not take account of federalism, except to the extent that the regional differences of a federation are reflected in the number of parties (interparty dimension) or the relationship between national party leadership and individual legislators. The most important case that is not well represented by the scales of Figure 1 is Argentina. As shown by Jones (2002), Argentine legislators have little incentive to represent specific interests and are quite subservient to party leaders. However,

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those leaders are not generally national leaders, but rather provincial leaders. Thus, from the standpoint of a given province, representation approximates the situation depicted by the upper-right quadrant. However, when the various provincial delegations are brought together in the national legislature, the balance of local and national interests implies a more moderate scale position. Unlike in the US—or even Brazil—that balance is not obtained through legislative constituencies that give members considerable independence from their party leaders, but rather by the existence of a transactional relationship between provincial party power-brokers.

<sup>39</sup> Shugart (2001) presents an index, but few of the cases considered there are Latin American.

<sup>40</sup> For simplicity, we do not differentiate here upper and lower houses. Our discussion will refer mainly to lower houses, with occasional references to different incentives in a given upper house. Of course, we recognize that upper houses should be taken more seriously than they are in much of the literature, as in most Latin American bicameral systems the two houses are roughly equal in authority.

<sup>41</sup> Especially in comparison to the Brazil's post-War democratic period (Lyne 2005)

<sup>42</sup> Particularly in the pioneering work of Scott Mainwaring (1995, 1997, 1999) and Barry Ames (1995a, 1995b, 2001). See also Mainwaring and Perez-Linan (1997), Desposato (2004), Morgenstern (2004), and Carey and Reinhart (2004).

<sup>43</sup> We discuss these changes in more detail below, in considering the possibility for endogenous evolution of extreme systems.

<sup>44</sup> It should be reiterated, however, that pluralitarian outcomes in legislative competition could alternatively promote an extreme divergence between executive and assembly political goals if the branches were controlled by opposing political forces. In Mexico, of course, PRI control of both branches produced extreme commonality of political goals. However, a similarly reactive president (in terms of constitutional powers) combined with a disciplined, opposition-dominated assembly could result in an irreconcilable conflict of goals, and result in genuine deadlock. A proactive president in the same scenario could produce even more destabilizing conflict, as both actors would have sharply diverging preferences and unilateral means to put them into effect, with no clear means for resolving differences (Linz's dual democratic legitimacies problem).

<sup>45</sup> For instance, intervening in intraparty disputes in various states, as described by Weldon (1997: 252-54).

<sup>46</sup> The term, collusive, is applied to Venezuela by Norden (1998) in her comparative assessment of party-system configurations in the region.

<sup>47</sup> The different consequences of these distinctive manifestations of the dominant-subservient pattern have not received attention in the literature; however, we would expect that the Mexican variant allows for greater flexibility (or, if one prefers, arbitrariness). That is, the greater dependence of legislators on the president in Mexico, due to single-party majorities and the absence of congressional careerism, implies a lesser institutionalization of the procedures by which the president and party organization bypass the formal congressional check on the executive. In Venezuela, on the other hand, the largest party, AD, frequently was short of a majority and was riven by factions (Coppedge 1994). To manage this more complex political situation, the AD and COPEI maintained a delicate bipartisan and interest-group balance on the consultative commissions. We interpret Crisp (2000) as saying that these political transactions rendered the policy-making process *overinstitutionalized* and hence less able to adapt when confronted with the pressures that resulted from the exhaustion of the statist economic model and the drop in oil prices in the 1980s and after. The danger of overinstitutionalization is articulated



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in the context of the Soviet Union by Roeder (1993), who applies a neo-Madisonian perspective to authoritarianism—an authoritarian parallel that has been noted in previous works (e.g. Coppedge 1994).

<sup>48</sup> We borrow this term from Norden (1998).

<sup>49</sup> Similarly, Mayorga (2001) describes Bolivia's shift to a mixed system as also linked to a crisis of legitimacy among entrenched parties and an effort to enhance the weak electoral linkages associated with closed lists.

<sup>50</sup> The crucial difference when compared to Brazil's open list system is that candidates running under a common party label share votes in Brazil; votes for individual candidates are pooled for purposes of interparty allocation. They were not pooled in Colombia, resulting in no necessary relation between a party's votes and its seats (Shugart, Moreno, and Fajardo 2006). Chile's system, as discussed below, is also open list, but the unusual 2-seat districts generate a rather different competitive logic.

<sup>51</sup> For a detailed account of the process of electoral reform in Colombia and an analysis of the performance of the new system in the 2006 election, see Shugart, Moreno, and Fajardo (2006).

<sup>52</sup> In fact, when measured by the number of lists presented, the effective number of representative agents—here, blocs of parties—declined to nearly two in the last election before the coup of 1973. Thus it could be that it is not deadlocked multiparty competition over national issues that is most threatening to the survival of a presidential system, but deadlocked two-bloc competition and divided government when the opposition legislature is programmatic and nationally oriented. Such a scenario would arguably be the closest approximation of Linz's dual democratic legitimacies, with clear, but opposed, "wills" articulated by each branch (with the further proviso that the president, as well as congress, would have to have the constitutional means to push its agenda). However, this is not a matter we can resolve here, given the paucity of empirical experience with such configurations.

<sup>53</sup> The Venezuelan party system was also quite fragmented, as measured by the effective number of parties, in the 1960s. However, this period was the height of AD-COPEI collusion, and thus the party system did not have the competitive dynamic of a hyper-representative system.

<sup>54</sup> On some occasions—notably, an attempt to forgive agrarian debt—the FMLN and other parties aside from ARENA have been willing to build coalitions (though facing the prospect of a presidential veto), so the legislature is not irretrievably polarized.

<sup>55</sup> The opposite corner of Figure 1, the lower right, represents the combination of pluralitarian and hyper-personalistic representation. No Latin American system has approximated this combination, though Colombia briefly contained elements of it, as discussed above. Outside Latin America, Taiwan in the 1990s perhaps would be a closer approximation. See Haggard and Noble (2001).

<sup>56</sup> Also, it is worth noting here that, in terms of presidential power over legislation, the reactive US presidency also has moderate legislative powers: relatively weak, particularly when compared to the proactive presidencies of Argentina, Colombia or Brazil.

<sup>57</sup> See Shugart, Moreno, and Fajardo (2006) for an application of the notion of systemic failures of an extreme system to the case of Colombia.

<sup>58</sup> Party votes do not affect the order of election of candidates from the party's list, which actually means that for a party like the PT that obtains a larger percentage of party votes than most other Brazilian parties, its candidates are winning their seats based on smaller shares of personal votes. However, the more important distinction is that voters for the PT are

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overwhelmingly delegating to the party as a whole, whereas in other parties voters' primary agents of representation are the individual candidates to whom they give their preference votes.

<sup>59</sup> On the different possible equilibria connecting career incentives and intra-legislative organization, see Samuels (2003:33).

<sup>60</sup> It is worth noting that the MAS was part of the electoral coalitions that elected both Rafael Caldera in 1993 and Chávez in 1998. However, in the absence of being able to present a viable candidate of its own, MAS failed to present a party-based alternative to the established party system and was left to back super-partisan populist candidacies.

<sup>61</sup> This is not to say that this sort of evolution that we describe can only continue to move in the same direction.

<sup>62</sup> Chávez's own critique of the former system, given at the time of the failed military coup he led in 1992, sounds strikingly consistent with neo-Madisonian analysis, if discounted for its political rhetoric. It is worth quoting at length (from Naim 1993):

In Venezuela there exists no separation between the branches of government, because political parties, in a deliberate breach of the role as intermediaries between state and society, conspired to usurp popular sovereignty and to have the executive seize all powers of the state... With this purpose, the presidential candidate and the top party leadership meet before the elections deliberately to turn the electoral process into a procedural farce... This leads to a legislative power which is hostage to the executive power

<sup>63</sup> The Uribe candidacy, and new parties that sprang up to support it, indicate that the impetus towards change in an extreme system can come from the ideological right, as well as from the left (as in Brazil and Venezuela).

<sup>64</sup> On these issues, see Cameron and Faletti (2004).

<sup>65</sup> See Mainwaring, Bejarano, and Pizarro (2006) for an explicit development of this concept as applied to Latin American (specifically, Andean) politics.

<sup>66</sup> Further, a high degree of separation between the policy focus of the president and assembly may, whatever its inefficiencies, allow simultaneous accountability representation on both ends of the intraparty dimension: locally-oriented *and* nationally-oriented policy.

<sup>67</sup> See Kiewiet and McCubbins (1991: Chapter 2) and McCubbins (1999)

<sup>68</sup> On the electoral advantages of legislative oversight via "fire alarms" (in essence, decentralized oversight via providing constituent groups access to the bureaucratic decision-making process) see McCubbins and Schwartz (1984) and McCubbins, Noll, and Weingast (1987, 1989).

<sup>69</sup> A thesis strikingly similar to that of Roeder (1993) applied to the Soviet collapse. Both accounts stand in contrast with Shirk's (1993) account of a less institutionalized, more flexible China, which may be comparable to the Mexico's, ultimately flexible, dominant party period.

<sup>70</sup> Crisp argues that Brazil and Colombia are generally decentralized toward reducing governing efficiency with the compensatory factor of proactive presidential power. Honduras and Uruguay, like Venezuela, meanwhile represent the most centralized on each dimension within Latin America.

<sup>71</sup> See also Domingo (2000) and Finkel (2003, 2004, 2005).

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<sup>72</sup> In some cases, the appointment process is indirect, for instance passing through some sort of screening board. However, the members of the screening board are usually themselves selected by legislators or the president, at least in part.

<sup>73</sup> For a more detailed juxtaposition of these approaches and a statement of how they can be synthesized, see Crisp (2000: 3–10).