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Introduction to political science

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LSE | THE LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE ■

Contents

Introduction

What this course is about

On 17 December 2010, a young man in Tunisia called Mohamed Bouazizi set himself on fire. He was protesting at the government's confiscation of fruit and vegetables he was selling from his street stall, just one of many forms of harassment and frustration Bouazizi experienced at the hands of the Tunisian state. That evening riots and protests erupted throughout the capital city Tunis in outrage that a man should be driven to such an act. The protests quickly took on a deeper significance, transforming into anti-government protests and no longer specifically focused on the treatment of Bouazizi. On 13 January 2011, Mohsen Bouterfif, in a seemingly copycat act, set himself alight in a small town in Tebessa province in neighbouring Algeria. He was protesting against his inability to find a job and housing. The previous week four other people in Algeria had attempted to set themselves alight at a time when the country was already experiencing some localised rioting and civil unrest. Just four days later, an Egyptian man set himself alight outside the parliament, again in protest against the economic conditions he was experiencing and his frustration at the government's lack of responsiveness to his concerns. Within 10 days, large-scale anti-government protests were underway in Cairo. Before the end of the month, Muamar Gadaffi in Libya was publicly expressing his unease at the turn of events happening in his North African neighbours.

These early events served as the catalysts for what became known as the 'Arab Spring', a wave of mass protests and dissent against authoritarian governments that swept North Africa and parts of the Middle East. By the end of 2011, this had led to the overthrowing of regimes in Tunisia, Egypt, Yemen and Libya, uprisings in Bahrain and Syria, and major protests in Algeria, Iraq, Jordan, Morocco and Oman. Of course, one man setting himself on fire cannot be identified as the sole cause of the possible wave of revolution, but it can be seen as a catalyst that fed a pre-existing desire for change in these states.

The aspiration of many Western policy makers and commentators is that, over time, these states will emerge as stable democratic regimes. In this respect, the mass protests are portrayed as demands by disenfranchised citizens for greater freedom and greater political freedom in particular. However, the process of 'democratisation', or the transformation from an authoritarian to a democratic regime, does not end with the removal of an autocrat and the decision to hold 'free and fair' elections. Liberal democracy is more than just elections. Elections are of central importance, but constitutional engineers and those other groups who will decide the shape of any new democratic state that might emerge in North Africa or the Middle East will face a dizzying array of choices in how they design the political features of the new state.

What is more, the design of these political institutions will directly impact upon the nature and the quality of the democracy that is experienced. Important questions will need to be considered, such as what type of electoral system should the new state have and how will this affect the way voters or parties behave? How many parties should be represented in government: one all-powerful party, or several competing parties in a coalition? Should the country have an independent supreme court or should elected representatives have more say than unaccountable judges?

Finally, and perhaps most importantly in a newly democratising state, what kind of political institutions will promote policies citizens actually want (such as economic growth, good public services and environmental protection), and work effectively to channel the aspirations of citizens?

How can political science help us answer these questions? What tools and evidence does the academic study of politics provide to help us understand the political and policy consequences of different forms of political behaviour and different ways of arranging democracies?

These questions, and others like them, form the backbone of this course and we hope to help you to understand the main explanations offered by political science, not just for why states become democracies, but also how to understand why democracies are so different. This course is an introduction to politics in a globalised world, with a particular focus on how political science tries to understand and explain cross-country differences and cross-time differences between countries. We do this by looking at three particular dimensions.

1. Political **behaviour** or why individuals and groups behave as they do.

2. Political **institutions**, the formal and informal rules that tell political actors what they can and cannot do.

3. Political **outcomes**, such as why some countries redistribute more wealth than others or why some states have better environmental policies than others.

Aims and objectives

The main aims of this course are to:

- introduce students to the main differences between democratic and non-democratic regimes, and between different models of democratic government

- introduce students to how political preferences are formed, how voters behave, how parties compete, how interest groups form, and how electoral systems shape behaviour

- explain how political institutions work, such as presidential and parliamentary systems, single-party and coalition governments, federalism, and courts and central banks

- explain how political behaviour and institutions shape policy outcomes, such as economic performance, public spending, and immigration and environmental policies

- prepare students for further courses in political science.

At the end of this course and having completed the Essential reading and activities, you should be able to:

- explain patterns of voting behaviour and party competition in different countries, and how electoral systems influence voters and parties

- explain how different institutional designs of democracy work

- describe how political science explains policy outcomes

- critically evaluate rational choice and institutional theories in political science

- explain the pros and cons of quantitative and qualitative methods in political science.

The structure of the subject guide

This subject guide is divided into four sections and you must complete all sections. The sections are:

- Section A: Thinking like a political scientist
- Section B: Analysing political behaviour
- Section C: Analysing political institutions
- Section D: Assessing political outcomes.

Reading advice

Essential reading

You will find a full and detailed reading list for each topic at the start of every chapter. There is not a single textbook for the course. However, several topics will use chapters from the following book:

> Clark, W.R., M. Golder and S. Nadenichek Golder *Principles of Comparative Politics*. (Washington DC: CQ Press, 2012) second edition [ISBN 9781608716791].

For each chapter, there will normally be up to three Essential readings in addition to this subject guide. One of the readings will be drawn from a textbook and the other readings will be drawn from journal articles or other online resources. Where the required readings are primary research articles, they will be explained in detail in the chapter in the subject guide.

Detailed reading references in this subject guide refer to the editions of the set textbooks listed above. New editions of one or more of these textbooks may have been published by the time you study this course. You can use a more recent edition of any of the books; use the detailed chapter and section headings and the index to identify relevant readings. Also check the Virtual Learning Environment (VLE) regularly for updated guidance on readings.

Further reading

Please note that as long as you read the Essential reading you are then free to read around the subject area in any text, paper or online resource. You will need to support your learning by reading as widely as possible and by thinking about how these principles apply in the real world. To help you read extensively, you have free access to the VLE and University of London Online Library (see below).

For each chapter we recommend some Further reading – if you want to explore this topic in additional depth or if you plan to answer an examination question on this topic, then it is worth consulting these additional readings.

Unless otherwise stated, all websites in this subject guide were accessed in April 2012. We cannot guarantee, however, that they will stay current and you may need to perform an internet search to find the relevant pages.

How to use this subject guide

This course is very topical and it deals with many contemporary political issues that are in the news every day. Therefore it is useful to try to stay abreast of major political developments by reading a newspaper or news website on a regular basis and thinking about how the stories covered may be illuminated by some of the theories and ideas discussed in this course.

This course is cumulative – later chapters assume that you have a grasp of concepts introduced and explained earlier. Therefore, we suggest that you read the chapters in the order in which they appear. This will help you to navigate the course as a whole and see the big themes and ideas that are explored.

'Adopt a country'

Each chapter contains interactive elements for you to undertake in the form of tasks. At the outset we ask you to 'adopt a country' – that is, we ask you to **choose any country in the world that is democratic or partially democratic**, but it cannot be your home country. Then each 'week', we ask you to become an expert on one particular aspect of the political behaviour, the institutions or the outcomes in your adopted country.

The country you choose must be democratic or partially democratic (we provide you with a method of identifying how democratic a country is in Chapter 2). Also bear in mind that you should choose a country that has readily accessible information about its politics and political institutions and this should be in a language that you understand. It is also perhaps best to avoid very newly democratic countries, such as post-war Iraq, because when we discuss issues such as party systems or voting behaviour there may not be enough of a history of democratic politics in newly democratic countries to help you answer our interactive tasks satisfactorily. One of the best places to find out information about your chosen country is online, especially online news sites or on Wikipedia and other online encyclopaedias. You will also find that many of the readings we recommend discuss events in specific countries, so this will also be a good starting point.

If you complete all the tasks regularly, then by the end of the course you should have a very good knowledge of the political system of your adopted country. This can act as a rich source of evidence when it comes to thinking about the topics we discuss and also when it comes to answering essay questions in the examination.

Recommended study time

You should aim to study this course over eight months and you should spend at least seven hours on this course each week. Some of the ideas covered may be fairly challenging so be prepared to read widely and think deeply. Also try to start writing down your thoughts and answering the sample short questions and sample essay questions as soon as possible rather than waiting until the end of year examination.

The examination and examination advice

Important: the information and advice given here are based on the examination structure used at the time this guide was written. Please note that subject guides may be used for several years. Because of this we strongly advise you to always check both the current *Regulations* for relevant information about the examination, and the VLE where you should be advised of any forthcoming changes. You should also carefully check the rubric/instructions on the paper you actually sit and follow those instructions.

Remember, it is important to check the VLE for:

- up-to-date information on examination and assessment arrangements for this course

- where available, past examination papers and *Examiners' commentaries* for the course which give advice on how each question might best be answered.

The whole assessment for this unit is by a single examination of three hours' duration. The examination contains 12 essay questions and you must answer four of these questions. You should spend no more than 45 minutes on each essay. These questions may come from any of the topics covered during this course. When answering the essay questions, we are looking to see how well students can evaluate the debates that we have presented and apply these debates to the specific question we ask.

We provide sample examination questions at the end of each chapter and it will be useful for you to begin practising answering these as you work through this subject guide rather than leaving all this practice until near the time of the examination.

Online study resources

In addition to the subject guide and the Essential reading, it is crucial that you take advantage of the study resources that are available online for this course, including the VLE and the Online Library.

You can access the VLE, the Online Library and your University of London email account via the Student Portal at:
http://my.londoninternational.ac.uk

You should have received your login details for the Student Portal with your official offer, which was emailed to the address that you gave on your application form. You have probably already logged in to the Student Portal in order to register! As soon as you registered, you will automatically have been granted access to the VLE, Online Library and your fully functional University of London email account.

If you forget your login details at any point, please email uolia.support@london.ac.uk quoting your student number.

The VLE

The VLE, which complements this subject guide, has been designed to enhance your learning experience, providing additional support and a sense of community. It forms an important part of your study experience with the University of London and you should access it regularly.

The VLE provides a range of resources for EMFSS courses:

- Self-testing activities: Doing these allows you to test your own understanding of subject material.

- Electronic study materials: The printed materials that you receive from the University of London are available to download, including updated reading lists and references. **Note that colour versions of some of the diagrams in the subject guide are available in the electronic version; you may find them easier to read in this format.**

- Past examination papers and *Examiners' commentaries*: These provide advice on how each examination question might best be answered.

- A student discussion forum: This is an open space for you to discuss interests and experiences, seek support from your peers, work collaboratively to solve problems and discuss subject material.

- Videos: There are recorded academic introductions to the subject, interviews and debates and, for some courses, audio-visual tutorials and conclusions.

- Recorded lectures: For some courses, where appropriate, the sessions from previous years' Study Weekends have been recorded and made available.

- Study skills: Expert advice on preparing for examinations and developing your digital literacy skills.

- Feedback forms.

Some of these resources are available for certain courses only, but we are expanding our provision all the time and you should check the VLE regularly for updates.

Making use of the Online Library

The Online Library contains a huge array of journal articles and other resources to help you read widely and extensively.

To access the majority of resources via the Online Library you will either need to use your University of London Student Portal login details, or you will be required to register and use an Athens login: http://tinyurl.com/ollathens

The easiest way to locate relevant content and journal articles in the Online Library is to use the **Summon** search engine.

If you are having trouble finding an article listed in a reading list, try removing any punctuation from the title, such as single quotation marks, question marks and colons.

For further advice, please see the online help pages: www.external.shl.lon.ac.uk/summon/about.php

Syllabus

This is a description of the material to be examined, as published in the *Regulations*. On registration, students will receive a detailed subject guide which provides a framework for covering the topics in the syllabus and directions to the Essential reading.

Basics: why are some countries democratic?

Procedural and substantive conceptions of democracy. Measuring democracy, and the number of democracies across time. Explanations of democratization: political culture, economic and social modernisation, and institutional 'contracts' between social groups.

Basics: political science explanations and methods

Historiography of modern political science. Difference between rational choice and institutional explanations. Difference between qualitative and quantitative methods. Basic understanding of regression.

Behaviour: political preferences and voting behaviour

The two main 'dimensions' of preferences: economic and social. Why the 'Left–Right' is a universal phenomenon. Difference between 'expressive' and 'strategic' voting. Class dealignment and post-materialism.

Behaviour: political parties and electoral systems

The Downsian model of electoral competition versus the 'cleavage model' of party systems. The number and location of parties in democracies. Two main types of electoral systems: majoritarian and proportional. Trade-offs in the design of electoral systems. How electoral systems shape party competition and voting behaviour.

Institutions: presidents and parliaments, coalitions and single-party governments

Difference between presidential, parliamentary, and semi-presidential systems and their performance, for example, regime survival, policy-making and accountability. Patterns of single-party and coalition government across the world. Theories of coalition formation. Policy implications of single-party, coalition and minority government.

Institutions: federalism and independent institutions

Difference between unitary, decentralised and federal systems. Causes and consequences of centralisation and decentralisation. Principal–agent theory and why politicians delegate to independent institutions. Design of courts and central banks, and policy consequences of granting power to independent institutions.

Outcomes: economic performance and public spending

Patterns of economic performance and public spending. How political institutions and party preferences shape economic policy outcomes. Models of welfare states. Whether citizens choose redistributive policies, or whether redistributive policies shape citizens' attitudes towards these policies.

Outcomes: environmental protection and migration

Patterns of environmental policy and migration policy in democracies. Theories of why some governments are better at protecting the environment than others. The 'tragedy of the commons' problem. 'Push' and 'pull' factors that influence migration flows. How institutions and political preferences influence migration policy outcomes.

Notes

Section A: Thinking like a political scientist

This section has two chapters. **Chapter 1** looks at what political science is. We answer this by discussing some of the main questions that political science tries to answer and by beginning to think about why politics is different in various countries and regions around the world. Next we introduce two different theoretical approaches to political science – those that emphasise the behaviour of individuals and those that emphasise the role of institutions. Finally, we look at different methods used by political scientists when trying to answer these questions. **Chapter 2** shows how political science uses theory and methods to study one of the core themes in political science, 'democracy'. Having looked at different ways of measuring democracy, we explain different reasons why states might become democratic, looking at both economic and cultural explanations.

By the end of this section you should have an understanding of what issues interest political scientists and how they think about these issues and what tools they use.

Notes

Chapter 1: What is political science?

Aims of the chapter

The aims of this chapter are to:

- introduce some of the topics political science addresses and how political scientists use theoretical ideas and empirical evidence to address these topics
- introduce two broad theoretical frameworks in political science: the rational choice approach, and the institutional approach
- explain the difference between qualitative and quantitative methods in political science.

Learning outcomes

By the end of this chapter, and having completed the Essential reading and activities, you should be able to:

- explain the difference between political behaviour and political institutions, and how political behaviour and institutions interact to explain political and policy outcomes
- discuss the difference between theoretical explanations which focus on the rational behaviour of political actors and explanations which focus on the role of institutions and society
- discuss the difference between qualitative and quantitative methods in political science and the pros and cons of these two approaches to empirical research.

Interactive tasks

1. Try to identify as many instances as you can of irrational mass political behaviour, such as being a member of Amnesty International. How can we explain this behaviour if it is 'irrational'?

2. Now try to identify as many instances as you can of irrational elite political behaviour. Generally speaking, is elite behaviour more rational than mass behaviour?

3. Identify an issue in politics that you would study using a quantitative approach and an issue you would study using a qualitative approach. Justify why you would use these methods for each issue.

Reading

Essential reading

Clark, W.R., M. Golder and S. Nadenichek Golder *Principles of Comparative Politics*. (Washington DC: CQ Press, 2012), Chapters 2 and 3.

'Case study', http://en.wikipedia.org/wiki/Case_study

'Regression analysis', http://en.wikipedia.org/wiki/Regression_analysis

Further reading

Gerring, J. 'What Is a Case Study and What Is It Good for?', *American Political Science Review* 98(2) 2004, pp.341–354.

Green, D.P. and I. Shapiro *Pathologies of Rational Choice Theory.* (New Haven, Conn.: Yale University Press, 1994) [ISBN 9780300066364] Chapter 2.

Hall, P.A. and R.C.R. Taylor 'Political Science and the Three New Institutionalisms', *Political Studies* 44(5) 1996, pp.936–957.

Tsebelis, G. *Nested Games: Rational Choice in Comparative Politics.* (Berkeley, Calif.: University of California Press, 1990) [ISBN 9780520076518] Chapter 2.

Works cited

Aldrich, J.H. 'Rational Choice and Turnout', *American Journal of Political Science* 37(1) 1993, pp.246–278.

Almond, G.A. 'Separate Tables: Schools and Sects in Political Science', *PS: Political Science and Politics* 21(4) 1988, pp.828–842.

Brady, H.E. 'Data-Set Observation Versus Causal-Process Observations: The 2000 U.S. Presidential Election' in Brady, H.E. and D. Collier (eds) *Rethinking Social Inquiry: Diverse Tools, Shared Standards.* (Lanham, Md.: Rowman and Littlefield, 2004).

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Carey, J. and S. Hix 'The Electoral Sweet Spot: Low-Magnitude Proportional Electoral Systems', *American Journal of Political Science* 55(2) 2011, pp.383–397.

Henrich, J. et al. 'Economic Man in Cross-Cultural Perspective: Behavioral Experiments in 15 Small-Scale Societies', *Behaviour and Brain Sciences* 28(6) 2005, pp.795–815.

King, G., R.O. Keohane and S. Verba *Designing Social Inquiry: Scientific Inference in Qualitative Research.* (Princeton, NJ: Princeton University Press, 1994) [ISBN 9780691034713].

Lipset, S.M. and S. Rokkan (eds) *Party Systems and Voter Alignments: Cross-National Perspectives.* (New York, NY: The Free Press, 1967) [ISBN 9780029191507].

March, J.G. and J.P. Olsen *Rediscovering Institutions.* (New York, NY: Free Press, 1989) [ISBN 9780029201152].

Marx, K. *The Eighteenth Brumaire of Louis Bonaparte.* (1852) (Arc Manor, 2008) [ISBN 9781604505887] or www.questia.com/online_Library

Mill, J.S. *A System of Logic.* (1843) (Forgotten Books, 2011) [ISBN 9781440090820].

Von Neumann, J. and O. Morgenstern *Theory of Games and Economic Behavior.* (Princeton, NJ: Princeton University Press, 1944) and (Princeton University Press, 2007) [ISBN 9780691130613].

North, D.C. *Institutions, Institutional Change, and Economic Performance.* (Cambridge: Cambridge University Press, 1990) [ISBN 9780521397346].

Pierson, P. 'Path Dependence, Increasing Returns, and the Study of Politics', *American Political Science Review* 94(2) 2000, pp.251–267.

Shepsle, K.A. 'Studying Institutions: Some Lessons from the Rational Choice Approach', *Journal of Theoretical Politics* 1(2) 1989, pp.131–147.

Tsebelis, G. *Veto Players: How Political Institutions Work.* (Princeton, NJ: Princeton University Press, 2002) [ISBN 9780691099897].

1.1 What is political science?

In the third century BCE, the Greek philosopher Aristotle was perhaps the first scholar to think systematically about how different forms of government led to different political outcomes: such as stability or rebellion in the city states in Ancient Greece. In fact, if science is the systematic building and organisation of knowledge with the aim of understanding and explaining how the world works, then Aristotle was probably the first 'political scientist'.

Since Aristotle, many political philosophers have sought to understand and explain how politics works and think about how societies should be governed, and any course on the history of political thought will introduce students to many of these thinkers, such as Plato, Cicero, Machiavelli, Hobbes, Locke, Montesquieu and Madison.

The modern discipline of 'political science', however, as practised in teaching and research in universities, is little more than a century old. The first Chair in History and Political Science was at Columbia University in New York in 1857. The first institutions and departments with the name 'political science' in their titles were the Ecole Libre des Sciences Politiques in Paris in 1871, the School of Political Science at Columbia University in 1880, and the London School of Economics and Political Science in 1895. And the first professional association of political scientists was the American Political Science Association in 1903.

The first modern political scientists in the first few decades of the twentieth century included, among others, Max Weber in Germany, Robert Michels in Italy, Lord Bryce in Britain, and Woodrow Wilson in the USA. These scholars, and most of their contemporaries, thought of themselves primarily as sociologists, historians, lawyers, or scholars of public administration. But what they sought to understand and explain, among other things, was politics, and one aspect of politics in particular: **political institutions**. The foci of these early 'institutionalists', in the spirit of Aristotle, were the institutions of government and politics in different countries: such as executives, parliaments, constitutions, and political parties. And the questions these first political scientists tried to answer include things like: is the German system of government better than the British? Are political parties good or bad for government? What is the best electoral system for a democracy?

After this early focus on describing and explaining political institutions, in the mid-twentieth century political science shifted its focus to 'political behaviour'. There were several reasons for this change. Faith in the power of political institutions was challenged by the collapse of democracy in much of Europe in the 1920s and 1930s. The Weimar Republic, in Germany, was a supposedly ideal democratic constitution, so many contemporary scholars thought. To understand the collapse of Weimar, and the rise of Fascism and Communism, it was clear that the attitudes and behaviour of citizens and elites were perhaps more important than the institutions of government.

Political scientists also developed some new methods to study political behaviour. One such method was the 'representative opinion poll'. Until the 1930s, elections were usually predicted by newspapers or magazines who polled the opinions of their readers. For example, just before the 1936 Presidential election in the USA, the *Literary Digest* surveyed its 2.3 million readers, and confidently predicted that Alf Landon would defeat Franklin D. Roosevelt. The problem with this prediction was that the readers of the *Literary Digest* were mostly from higher income groups and hence were more likely to support the Republican candidate (Landon) than the average US citizen in the midst of the Great Depression.

At the same time, George Gallup conducted a smaller survey among a representative sample of US citizens, based on various demographic characteristics, such as income, age and gender. Using this method, Gallup correctly predicted a landslide for Roosevelt. Gallup became famous, as the pioneer of opinion polls. He later set up a subsidiary in London and correctly predicted a Labour victory in the 1945 election, while most other

commentators assumed that the Conservatives would win, led by Winston Churchill.

Between the 1940s and the 1960s, armed with new methods for studying politics, new data from opinion polls and other data collection exercises, and new ideas about how to explain political behaviour, political science went through what we now think of as a 'behavioural revolution'.

However, for most of the second half of the twentieth century the discipline of political science remained divided between a variety of different theoretical and methodological approaches, which operated largely in isolation from each other (Almond, 1988). For example, one group of scholars adapted some of the new theoretical ideas about actors' behaviour in economics to try to explain the behaviour of voters, parties, interest groups, legislators or bureaucrats. Since these scholars assumed that these political actors were driven by self-interest and strategic calculations, this approach became known as the 'rational choice approach' in political science. Some of the leading scholars in this approach were Kenneth Arrow, Anthony Downs, William Riker, Mancur Olson, William Niskanen and Kenneth Shepsle.

Another group of scholars adapted some of the new theoretical ideas in sociology about the social and cultural determinants of behaviour to try to explain the formation of states, the behaviour and organisation of political parties, how citizens voted, and why some countries became stable democracies while others did not. Some of the leading scholars in this more sociological approach to behaviour were Seymour Martin Lipset, Gabriel Almond, Philip Converse, Stein Rokkan, Samuel Huntington and Arend Lijphart. To find out more about the ideas and works of these great political scientists of the 1950s, 1960s and 1970s simply enter their names into any internet search engine.

For much of this period these two approaches to political science largely ignored each other, even when they researched and wrote about similar topics! But, in the 1980s and early 1990s these two schools of thought started to communicate more with each other. From one side, rational choice theorists had realised that their formal models of political behaviour were not very effective at explaining real-world outcomes unless they included a more nuanced understanding of how institutional rules and procedures shape how actors interact. From the other side, scholars from the more sociological tradition realised that while culture and society shape political institutions, political institutions also shape culture and society. So, from different starting points, political scientists began to focus again on the role of political institutions, under the rubric of what became known as 'new institutionalism' (compare Hall and Taylor, 1996).

So, by the end of the 1990s, political science had come full circle. Having started with political institutions, we are now back to political institutions. The difference between modern political scientists and the scholars of politics a century ago, however, is that the development of the discipline in the intervening years has led to the accumulation of a solid body of theoretical ideas, research methods, and empirical observations, which together make up the toolkit of the contemporary scientist of politics.

As an introduction to this toolkit, we can start by introducing some of the topics political science focuses on: the 'empirical regularities' that political scientists try to understand and explain. One way to organise these topics is to distinguish between political **behaviour**, political **institutions** and political **outcomes**.

Here, **political behaviour** refers to the beliefs and actions of political actors, be they citizens, voters, party leaders, members of parliaments, government ministers, judges, civil servants, or members of interest groups. These actors have 'political preferences': their political interests, values and goals. For example, some citizens would like the government to spend more money on education and healthcare while others would like the government to reduce taxes. Then, how do these preferences translate into actions? For example, when voting in elections, do most citizens vote expressively, for the party whose policies most closely match their political preferences; or do they vote strategically, for a party which they prefer less but which has a higher chance of winning? And, how do parties respond to voters? Do they stick with their policies and try to persuade the voters to support them or do they adapt their policies to try to win as many votes as possible? And, if parties do the latter, does this lead to parties converging on the average (median) voter or moving to the extremes? Interest groups are another important set of political actors. Why are some interest groups more able to organise and influence politics than others? Clearly some interest groups have more financial resources, but money does not always guarantee influence. Why is that?

Political behaviour takes place within a set of **political institutions**. Some countries have presidential systems, where there is a separation of powers between the executive and the legislature (as in the USA and throughout Latin America), while others have parliamentary systems, where the government relies on the support of the parliament and the government can dissolve the parliament and call an election (as in most countries in Europe). Within both of these regime types, some governments are composed of a single political party (as is usually the case in the United Kingdom), while other governments are coalitions between several political parties (as is usually the case in the Netherlands). In addition, in some countries power is centralised at the national level (as in France); while in others power is divided between several levels of government (as in federal systems, such as Canada or India). And, in some countries, elected politicians are relatively free from external institutional constraints; whereas in other countries a supreme court and/or an independent central bank restrict the policy choices of elected politicians.

A common set of issues cuts across these political institutions topics, which relates to the political and policy consequences of concentrating power in the hands of a single political actor – such as a single political party in government in a parliamentary system – compared to dividing power between several 'veto players' – either several parties in a coalition government, or the executive and the legislature in a presidential system, or different levels of government in a federal system, or between the legislature and powerful courts.

Finally, **political outcomes** covers a broad range of issues, from specific policy outcomes such as economic growth or higher public spending or better protection of the environment, to broader political phenomena, such as political and economic equality, social and ethnic harmony, or satisfaction with democracy and government. For example, some countries have generous welfare states whereas others have less generous welfare regimes. Some countries are better at protecting the environment than others, and some countries are more welcoming to immigrants than others. And, in some countries citizens are generally satisfied with how their countries are governed, while in others citizens are far less satisfied.

Across all these topics, a common working assumption in modern political science is that political behaviour and political institutions interact to produce political outcomes. For example, on the issue of support for democracy, in the 1960s many political scientists assumed that a 'civic culture' was essential for a successful democracy. These days, in contrast, we recognise a mutually reinforcing relationship between attitudes towards democracy (political behaviour) and democratic government (political institutions): where support for democracy helps democratic stability, and stable and successful democratic government leads to stronger democratic values in society.

As in other fields of scientific enquiry, political scientists try to understand these phenomena by developing theoretical explanations and testing these explanations using a variety of empirical methods. We first discuss two main theoretical explanations in political science before turning to the use of qualitative and quantitative methods in political science.

1.2 Explanations in political science

A theoretical explanation in political science is a set of assumptions about how political actors behave and how political institutions influence and shape this behaviour, from which a set of propositions is derived, which can then be tested against empirical observations. There are many different theoretical approaches and ideas in modern political science. Two such explanations are the **rational choice approach** and the **institutional approach**. Whereas the rational choice approach emphasises the importance of political actors and how they behave, the institutional approach emphasises the importance of societal and political institutions in determining political behaviour and political outcomes.

1.2.1 Rational choice approach

The starting assumption of the rational choice in political science is that political actors – such as voters, politicians, parties, or interest groups – behave 'rationally'. Rationally in this context does not mean that actors always carefully calculate the costs and benefits of every decision they make. Instead it means that actors have an identifiable set of preferences over policy or political outcomes, and when faced with a political choice they will tend to choose the option which they prefer (which yields them the highest 'utility'). So, for example, if a voter prefers Party A to Party B and Party B to Party C, but there is no candidate from Party A standing in a particular election, the voter will rationally vote for Party B rather than Party C.

This sounds like a pretty simple idea. But, this simple idea has yielded some very powerful insights. One such insight is known as the 'prisoners' dilemma' (compare Von Neumann and Morgenstern, 1944). The story behind the prisoners' dilemma is as follows. Two people are arrested who are suspected of committing a crime and are interrogated separately. They are each told that they can either keep quiet or talk. If they both keep quiet, the police tell them that they have sufficient evidence to convict them both for a minor offence, which has a one year jail term. If one talks and the other stays quiet, the talker will be let off, and the other will be convicted of a major offence, for a three year term. If they both talk, then they will both be convicted of the major offence, but with a shorter jail term, of two years.

Suspect 2

	Quiet	Talk
Quiet	-1,-1	-3,0
Talk	0,-3	-2,-2

Suspect 1

Figure 1.1: A prisoners' dilemma.

Figure 1.1 simplifies this narrative in a 'game'. Each cell in the grid indicates a possible outcome and the 'pay-offs' for the two players, where the first number in each cell represents the pay-off to Suspect 1 and the second number the pay-off to Suspect 2. We can assign pay-offs for the suspects.

- From an individual point of view, the most preferable outcome for Suspect 1 is that she talks while Suspect 2 does not. In this instance, Suspect 1 will be set free without any cost. We will assign this a value of 0.

- The next most preferable outcome for Suspect 1 is that she does not talk and nor does Suspect 2. This means both would be convicted of the minor offence and pay the cost of a small prison sentence. We will assign this a value of –1.

- A more negative outcome is that Suspect 1 talks and so does Suspect 2. In this instance, both suspects will be convicted of a major offence and get a longer jail term. We will assign this a value of –2.

- The most negative outcome for Suspect 1 is that she stays quiet while Suspect 2 talks. In this scenario, Suspect 1 goes to jail for a major offence and the longest possible jail term while Suspect 2 goes free. We assign this a value of –3.

Clearly, the best collective outcome would be if they both remain quiet, and so are both convicted of a minor offence (which yields a pay-off of one year in prison each). However, if they are both rational, in a strategic sense, they will both talk, as this is the 'best response' of any player to the possible actions of the other player. For example, if Suspect 1 talks and Suspect 2 remains quiet, then Suspect 1 will be let off, and if Suspect 1 talks and Suspect 2 talks, then at least Suspect 1 will not end up with a long jail term. Following this logic, both suspects should talk, which would mean both being sent to prison for two years.

A 'Nash equilibrium' is a 'set of strategies in a game such that no player has an incentive to unilaterally change her mind given what the other players are doing' (Clark et al., 2012, p.103). In other words, it refers to a situation when a player is making the best decision they can, taking into account the actions of the other player's decisions. The 'equilibrium' of the prisoners' dilemma game is hence a 'sub-optimal' outcome, or an outcome that is not the best possible collective outcome. One key insight of rational choice theory, then, is that individually rational behaviour can sometimes lead to political and policy outcomes which are not collectively desirable.

This is further illustrated in Figure 1.2, which is an application of the prisoners' dilemma game to global environment emissions. In this scenario, two similar states have signed an international treaty on the reduction of carbon emissions (such as the Kyoto Protocol). However, under the terms of the treaty each state is free to decide whether to cut carbon emissions

or not to cut carbon emissions. Now, assume that a state bears some costs of cutting emissions, for example as a result of introducing a carbon tax (-3, say). However, if one state cuts its emissions everyone benefits from a cleaner environment, including the citizens in the other state, regardless of whether that state also cuts its emissions (+2 for both states, say), and if both states cut their emissions then everyone would benefit twice as much (namely, +4 for both states).

This logic consequently yields a set of pay-offs as follows. In the top-left cell, if both states cut their emissions, they each bear a cost of -3 but a benefit of +4 from a much cleaner environment, which yields an individual pay-off of +1 to each state and a collective pay-off of +2. In the bottom-left and top-right cells, if only one state cuts emissions, it bears a cost of -3 and a benefit of only +2, which makes -1, while the other state can 'free ride' on the action of the first states, by gaining a cleaner environment (+2) without suffering any domestic adjustment costs. Finally, in the bottom-right cell, if neither state takes any action we are stuck with the status quo, of no change from the current situation.

	State A	
	Cut emissions	Don't cut emissions
Cut emissions	+1,+1	-1,+2
Don't cut emissions	+2, -1	0,0

State B is labelled on the left for the rows Cut emissions / Don't cut emissions.

Figure 1.2: Global environment emissions as a prisoners' dilemma game.

Clearly the collectively optimal outcome is for both states to cut their carbon emissions. However, as in the classic prisoners' dilemma game, if both states are rational (utility-maximisers), the equilibrium outcome is the status quo, since regardless of what the other state decides to do, individually a state is better off not cutting emissions (since +2 beats +1, if the other state cuts its emissions, and 0 beats -1, if the other state does not cut its emissions). Rational choice theory consequently helps explain why enforcing international environmental treaties is so difficult.

The theory also explains a number of other empirical regularities in politics, such as why parties in two-party systems tend to converge on the average (median) voter; why interest groups who represent narrow economic interests tend to be more able to mobilise than interest groups who represent broad societal interests; why policy change is more difficult in presidential systems than in parliamentary systems; why coalition governments between parties with similar policy preferences can be as decisive as single-party governments, and even why some forms of governments lead to greater wealth redistribution than others.

Nevertheless, rational choice theory is not without its critics. Many political scientists do not like the underlying pejorative assumption in rational choice theory that political actors **should** behave rationally (for example, Green and Shapiro, 1994). In defence, most contemporary rational choice theorists claim that rather than suggesting that actors should behave rationally, what they actually do is try to work out what could happen **if** actors did behave rationally (for example, Tsebelis, 1990). At a theoretical level, though, not all political actors are equally as

likely to be 'rational' in all political situations. In general, the higher the political stakes and the more often the behaviour is repeated, the more likely that a political actor will behave in a rational, and easily predictable, way. For example, when a party leader is working out what policies to put in a manifesto to win as many votes as possible, she will no doubt think carefully and strategically about all the potential options and likely outcomes. Contrast this with a citizen who takes lots of things into account when deciding how to vote, or even whether to vote, and ultimately may be influenced more by habit or social norms than a rational calculation. After all, from a strict rational choice perspective, it is probably irrational to vote since the costs of voting (the time and effort involved) far outweigh the expected benefits (the utility of one party winning as opposed to another, multiplied by the probability that the citizen will be pivotal in determining which party wins) (for example, Aldrich, 1993).

1.2.2 Institutional approach

A very different theoretical approach in political science derives from a variety of assumptions and propositions about the role of institutions. Here, 'institutions' means any formal or informal rule which constrains the behaviour of actors (compare North, 1990). **Formal institutions** include the various provisions in a constitution, the rules of procedure in a parliament, an electoral system, campaign finance regulations, rules governing how a party chooses its leader, and so on. **Informal institutions**, meanwhile, encompass social structures (such as class), social norms and cultural practices, metaphysical beliefs and ideological values, and so on. What formal and informal 'institutions' have in common is that they restrict actors' behaviour in political situations, and so shape political actions and political outcomes.

For example, one set of influential formal institutions is the rules in the policy-making process governing how many actors can block a proposal: the number of 'veto players' (compare Tsebelis, 2002). Where a political system has a single veto-player – for example, in a parliamentary system when there is only one party in government and that party also controls a majority of seats in the parliament (as is often the case in the United Kingdom) – this actor can dominate policy-making, and hence make radical policy changes. In contrast, where a political system has multiple veto-players – for example, in a presidential system where one party has the presidency and another party controls the majority in a congress, or in a parliamentary system when there are several parties in government – policy change tends to be more difficult as more actors need to agree on what policies need to be changed. As a result, in many policy-making situations, policy outcomes may be less determined by the political preferences of the actors (as standard rational choice theory assumes) and more a result of the formal institutions governing how decisions are made.

In contrast, examples of influential informal institutions are the cultural norms in a society governing what constitutes 'appropriate' behaviour. To illustrate the role of social norms on behaviour consider how you might agree to divide a Dollar (or Pound, or Euro, or Yen, or any currency) between you and a friend. This game, known as the 'ultimatum game' in experimental psychology, involves two players: Player 1 makes a proposal of how to divide the Dollar between the two players, and Player 2 then decides whether to accept or reject the proposal. If Player 2 accepts the proposal, the money is divided between the two players as proposed by Player 1. But, if Player 2 rejects the proposal, neither player receives any money.

Now, if both players are strictly 'rational', in a utility-maximising sense, Player 1 should propose a division of 99 cents for Player 1 and one cent for Player 2, and Player 2 should then accept this proposal because one cent is greater than 0, which is what they would receive if they reject the proposal.

However, a division of 99-1 is rarely the outcome when the ultimatum game is played in experiments with real people (is that how you would divide a Pound between you and a friend?). In fact, the average division in ultimatum games played by students in universities in North America and Europe is between 60-40 and 55-45 (with Player 1 receiving 60-55 cents/ pence and Player 2 receiving 40-45 cents/pence). Offers of less than 40 cents by Player 1 tend to be rejected by Player 2 in these games because Player 2 considers anything less than an offer of 40 cents to be 'unfair'. Put another way, rather than focus on the short-term receipt of money in the game (which would lead Player 2 to accept any offer which is greater than 0), most people consider wider implications when making decisions, such as how their actions might set a precedent that people could get away with selfish behaviour.

Researchers have also found that the ultimatum game is played differently in different cultures. For example, a team of psychologists and economists conducted the ultimatum game in 15 small-scale societies in different regions in the world to see how the cultural fairness norms in the societies influenced how people behaved (Henrich et al., 2005). In the societies they studied, at one extreme the average division in an ultimatum game for the Lamelara in Indonesia was 42 for Player 1 and 58 for Player 2, whereas at the other extreme the average division for the Machiguenga in Peru was 74 for Player 1 and 26 for Player 2. In other words, cultural fairness norms are probably stronger among the Lamelara than they are among the Machiguenga.

More generally, from an institutional perspective, many political scientists theorise that rather than behaving in a rational self-interested utility-maximising way, in many decision-making situations political actors follow a 'logic of appropriateness' that fits their particular social, cultural or political context (March and Olsen, 1989).

Another set of ideas within the institutional approach is that once formal or informal institutions have influenced a particular policy or political outcomes, these outcomes tend to be 'locked-in' for a long term. This effect is known as 'path dependency' (Pierson, 2000). A prominent example of path dependency is the structure of party systems in western Europe today.

Universal suffrage was introduced in most countries in western Europe in the first few years after the First World War, between 1918 and 1925. At that time, the main social divisions (cleavages) were between landed interests, who were represented by conservative or Christian democratic parties, urban business interests, who were represented by liberal parties, and industrial workers, who were represented by socialist or labour parties. These parties dominated the early elections throughout western Europe. In the intervening century western Europe has suffered World Wars, authoritarian regimes and revolutions, witnessed the building of the welfare state in the 1950s and 1960s, experienced economic transformations in the 1970s and 1980s, undergone dramatic social and technological change in the past 30 years, and seen the rise of many new political parties and social movements. Yet, still today, conservative, Christian democratic, liberal and social democratic parties dominate politics, and together win most of the votes, in every western European country.

Seymour Martin Lipset and Stein Rokkan (1967) offered a powerful explanation of why this is the case. They argued that following universal suffrage the parties and party systems that formed in the 1920s were 'frozen' because of the organisational structures that were created within political parties and between political parties and the electorate. These party organisations were remarkably resilient, and so could adapt to the new economic, social and technological challenges.

Despite the different underlying assumptions of the rational choice and institutional approaches, most contemporary political scientists combine ideas from both approaches, and as a result assume a two-way interaction between actors and institutions (for example, Shepsle, 1989). This interaction is illustrated in Figure 1.3. On the one hand, at certain times actors are able to 'choose' institutions. For example, when a new democracy is formed, citizens and parties play a role in deciding what should be written in a constitution or how an electoral system should be designed. Also, repeated interactions between actors shape how cultural norms evolve and develop. When this happens, Kenneth Shepsle refers to these outcomes as 'equilibrium institutions': institutions which are the result of actors' individual and collective decisions.

On the other hand, once formal and informal institutions have been set up they constrain actors when they are making decisions. And, once formal and informal institutions have been in place for some time, they are often difficult to change (they are 'sticky'). Shepsle calls these outcomes 'institutional equilibria': policy and political outcomes which are the result of actors' decisions within a particular set of formal or informal institutional constraints.

Institutions are 'chosen' by actors

Actors   **Institutions**

Once created, institutions constrain behaviour, and
and often in ways that were not intended
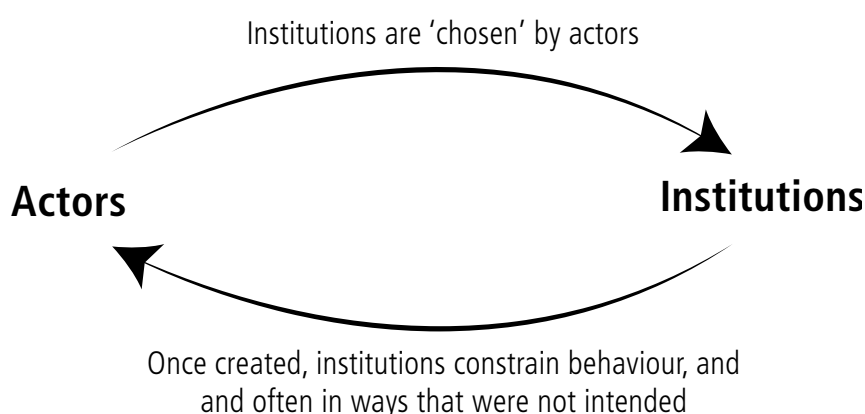
Figure 1.3: Interaction of actors and institutions.

This relationship between actors and institutions has actually been at the heart of social science theory for a long time. As Karl Marx (1852) once put it:

> Men make their own history, but they do not make it as they please; they do not make it under self-selected circumstances, but under circumstances existing already, given and transmitted from the past.

In other words, political actors make decisions, and are hence at the centre of most theories in modern political science. However, to understand how actors make decisions, and why certain outcomes result from individual and collective decisions, we need to know a lot about the institutional, social and political context within which actors behave, and how this context constrains and shapes actors' behaviour.

1.3 Methods in political science

A research method is a way of approaching the collection and analysis of information, of identifying relationships between factors, and ultimately of testing whether a theoretical proposition is true or false. As in other social sciences, political science uses both qualitative and quantitative methods. A qualitative method is the use of non-numerical techniques, such as archival research, text analysis, interviews, and so on, to uncover the key factors which explain a particular event or outcome. In contrast, a quantitative method is the application of statistical techniques to a large number of observations to identify correlations and causal relationships between 'variables'.

A variable is any observable empirical regularity which can be measured in some way: such as the income of a voter, the number of parties in a government, or the level of public spending on education. Political scientists often talk about 'dependent variables' and 'independent variables'. A **dependent variable** is the outcome factor which is trying to be explained (such as the level of democracy in a country). **Independent variables**, in contrast, are the factors which a researcher believes cause variation in the dependent variable (such as the level of economic development, the culture of a country, and so on). A **hypothesis** is a proposed explanation of the causal relationship between one or more independent variables and a dependent variable: for example, that economic development leads to democracy. Hypotheses are used in both qualitative and quantitative political science.

A vigorous debate exists in political science about which type of method is best, and for what purpose (for example, King et al., 1994; Brady and Collier, 2004). Suffice it to say that both methods have their advantages and disadvantages.

1.3.1 Qualitative methods

There are a number of different qualitative methods in the social sciences. Two such methods which are commonly used in political science are **case studies** and the **comparative method**.

A case study is the close observation of one particular case or phenomenon. There are several different types of case studies (Gerring, 2004). A theory-generating case study is where a researcher looks closely at a particular case or event to try to come up with an explanation of a particular phenomenon, which can then be tested by observing a number of other related cases or events (using either qualitative or quantitative methods). A theory-testing case study, in contrast, is where a researcher takes an existing theoretical idea in political science and tries to test the theory by closely studying one particular case. The case in question could be an important example of where the theory is meant to hold. In this method, the case study is known as a 'critical case' study, since if the theory does not hold in the particular case then the theory probably does not hold elsewhere either. Alternatively, a theory-testing case study could involve looking at a case where previous research suggests that a theory does not hold. Here, by studying an 'outlier case', the researcher tries to understand why the theory does not explain a particular phenomenon, with a view to understanding what factors might be missing in the original theory.

The comparative method is related to the case study method in that it involves the careful study of a small number of cases. This method was pioneered by John Stuart Mill in the mid-nineteenth century (Mill, 1843).

Mill proposed two related comparative methods, which he called the 'Method of Agreement' and the 'Method of Difference'. The Method of Agreement involves looking at two cases of the same phenomenon, and then trying to identify the variables on which the two cases are different. For example, if two countries are democracies and one society is rich and the other is poor, then the Method of Agreement suggests that economic wealth is not a **necessary condition** for a country to be a democracy, since one of the countries is poor but is still a democracy. (A necessary condition is 'a circumstance in whose absence the phenonemon in question cannot occur' (Clark et al., 2012, p.40)).

The Method of Difference, in contrast, involves looking at two cases that differ in a variable that the researcher aims to understand, and then trying to identify the variables for which the two cases have the same value. So, for example, if one country is a democracy and the other is not a democracy and both countries are ethnically homogeneous, then the Method of Difference suggests that the level of ethnic homogeneity is not a **sufficient condition** for a country to be a democracy, since one of the countries is ethnically homogeneous but is not a democracy. (A sufficient condition is 'a circumstance in whose presence the event in question must occur' (Clark et al., 2012, p.40)).

In both case studies and the comparative method, one of the key methods that qualitative researchers undertake is 'process-tracing'. Process-tracing involves carefully mapping the precise pathway from one variable to another variable, to try to uncover the causal mechanisms and sequences that explain how one variable has an effect on the other variable.

For example, Henry Brady (2004) used process-tracing to investigate what happened in the 2000 US Presidential election in Florida. The 2000 US Presidential election, between George Bush and Al Gore, came down to a very close race in the state of Florida. In the end, George Bush was declared the winner after the US Supreme Court stopped the recount of ballots in Florida. Many Democratic Party voters were unhappy with this outcome, claiming that had the recount been allowed to continue, Al Gore would have won. In response, some Republican Party supporters pointed out that the TV and radio networks had called the race in Florida for Al Gore while the polls were still open in the Western Panhandle counties (Florida crosses two time zones), which suppressed the Republican vote in these counties and hence suggests that Bush was the rightful winner of the election.

To investigate these claims, Brady traces the causal pathway between the calling of the election in Florida by the TV and radio stations and the votes in the Florida Panhandle counties. The media announced the election 10 minutes before the polling stations closed in the Panhandle counties. Evidence suggests that about one-twelfth of voters vote in the last hour, which is about 1/72nd of all voters in the last 10 minutes. There were 303,000 potential voters in the Panhandle in 2000 (who did not complete absentee ballots), which means that about 4,200 voters could have been affected by the early election call (303,000 divided by 72). However, research on media exposure suggests that only 20 per cent of these voters would have heard the election call, which is about 840 voters (20 per cent of 4,200). But, not all these voters were Republicans. In the Panhandle, the Bush vote was about 66 per cent, which means that 560 Bush voters perhaps heard the early call (66 per cent of 840). Of these 560, how many decided not to vote? Research suggests that only 10 per cent of voters who hear early election calls do not bother voting, as other elections are held at the same time, and 10 per cent of 560 is 56. Now, if 10 per cent of the 280

Gore voters also decided not to vote, then the total net effect of calling the election early in Florida was probably only about 28 votes for Bush, which is very unlikely to have had any effect on the overall outcome of the election!

Political scientists who use qualitative methods often claim that these methods allow them to measure variables and the effects of one variable on another in a very precise way, and particularly when the causal relationships between variables are highly complex. They also argue that these methods make it easier for researchers to discover 'new facts' which were previously unknown. Another claim is that qualitative methods enable researchers to gain a deep understanding of behaviour, decisions and processes, which is essential for furthering political science knowledge.

Nevertheless, critics of qualitative methods argue that these methods may be useful for generating new theoretical ideas, but they cannot be used for properly testing theories, as this requires a much larger set of observations, so that multiple causes of outcomes can be controlled for. Qualitative methods are also often hard to replicate, as it is difficult for other researchers to follow exactly the same procedures that a qualitative researcher has undertaken to come up with their observations and conclusions. Finally, and most harshly, some critics of qualitative methods argue that these methods are 'little more than good journalism', since the results can sometimes be a set of narrative descriptions which may or may not be theoretically or empirically robust.

1.3.2 Quantitative methods

The use of quantitative methods has exploded in political science in the last 30 years. This is partly because of changes in the training of students in doctoral programmes in political science. It is also a result of the collection and dissemination of new datasets, the development of new statistical methods, and the development of computer power, which has allowed researchers to apply these new techniques on large datasets on their laptops rather than large mainframe computers.

In one sense, where the aim of a researcher is to understand a causal relationship between one variable and another variable, the only difference between quantitative and qualitative methods is the number of observations being studied. In another sense, however, the methods are quite different, in that whereas quantitative methods are usually used to test a set of theoretical propositions, qualitative methods are often used to try to understand how, rather than whether, one variable is related to another.

One of the basic techniques of quantitative methods is **regression analysis**. Regression analysis aims to identify how far a dependent variable changes when any one of a number of independent variables is varied, while the other independent variables are held fixed. Regression analysis was invented and developed by Adrien-Marie Legendre, Carl Friedrich Gauss, and Francis Galton in the nineteenth century, and has since been extended and applied across all the natural and social sciences.

Regression, in its simplest form, works as follows. If x causes y, then we should expect the following relationship between these two variables:

$$Y = a + bX$$

Here, y is the dependent variable, x is the independent variable, a is the constant (the baseline value of Y which is uneffected by X), and b is the 'regression coefficient', which is the magnitude of the effect of X on Y.
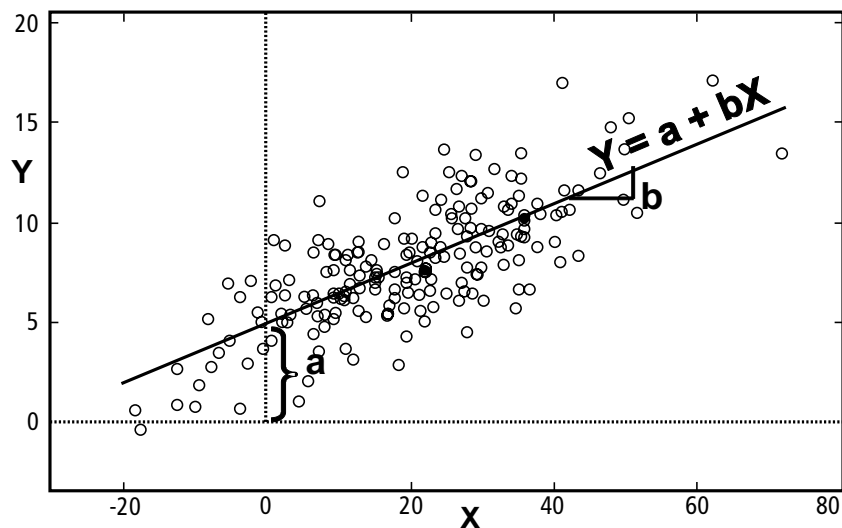
Figure 1.4: Illustration of a regression line.

How this works is illustrated in Figure 1.4. The figure shows a range of hypothetical observations with particular values of *X* and *Y* and the average relationship between *X* and *Y*, which is shown by the 'regression line'. This line crosses the *Y* axis at the value *a*, and the slope of the line is *b*. So, for a one unit increase in the value of *X*, *Y* increases on average by *b*.

As the figure shows, not all observations are on the regression line. The level of dispersion of the observations around the line indicates the level of 'statistical significance' of the relationship between *X* and *Y*. This is further illustrated in Figure 1.5. The closer the observations are clustered around a regression line, the more statistically significant the relationship is between *X* and *Y*.

Political scientists often present the results of quantitative research in a table rather than in a series of figures. An example of a table of regression results is shown in Table 1.1. Here we estimate two statistical models of the correlates of the 'effective number of parties' elected in a parliament in 615 elections in 82 democracies since 1945, using a dataset developed by John Carey and Simon Hix (Carey and Hix, 2011).
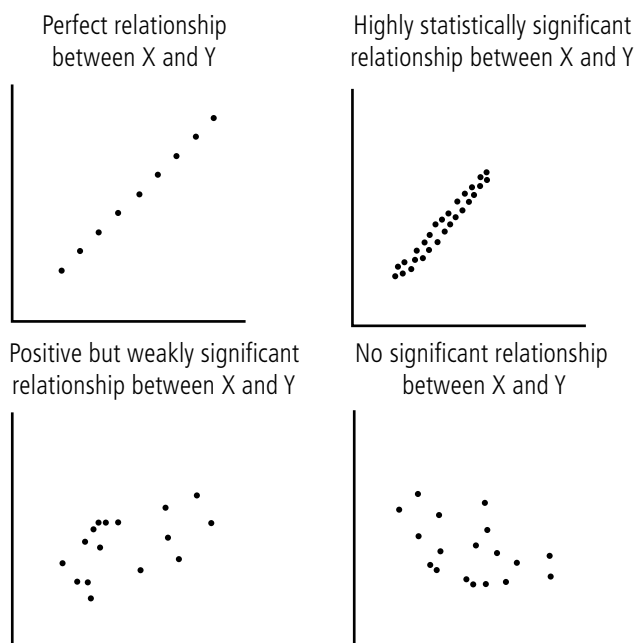
Figure 1.5: Statistical significance in a simple bivariate regression.

The table shows the results of two regression models. The first model looks at how the number of Members of Parliament (MPs) elected in a constituency (the 'district magnitude') affects the number of parties in a parliament; and the second model adds a number of other 'control' variables, to see if the relationship found in Model 1 still holds when a number of other factors are taken into account.

Dependent variable = effective number of parties elected in a parliament
Observations = 615 elections in 82 democracies, since 1945

Constant	3.215***	3.418***	
	(0.066)	(0.339)	
No. of MPs elected in a constituency	0.012***	0.010***	← Coefficient (magnitude of the effect)
	(0.002)	(0.002)	
Economic inequality		-0.019***	
		(0.007)	← Standard error
Ethnic fragmentation		1.373**	
		(.277)	
Federal system		-.518***	← Indication of statistical significance, *** ≥ 99% ** ≥ 95% * ≥ 90%
		(.158)	
GDP per capita		0.027*	
		(0.012)	
Population		-0.001	
		(0.001)	
No. of observations	615	615	
R-squared	0.06	0.11	← Overall explanatory power of the model

Key independent variable — No. of MPs elected in a constituency

Other independent (control) variables

Table 1.1: Regression models of the number of parties in a parliament.

Several things are worth noting in the table. First, the 'constant' is the average number of parties in all democracies in this period, which is just over three. Second, the 'coefficients' for each of the variables indicate the **magnitude** of the relationship between an independent variable and the dependent variable, and the value of each coefficient is the effect of a one unit change in an independent variable on the amount of change in the dependent variable. So, increasing the average number of MPs elected in a constituency by one (from one to two or eight to nine, say) increases the number of parties in a parliament by about 0.01. Put another way, a country with a district size of 100 is likely to have one more party in its parliament than a country with a district size of one, all other things being equal. However, having a federal system of government is associated with about 0.5 fewer parties.

Third, the numbers in parentheses are the 'standard errors' of the coefficients. These indicate how much variance there is in the relationship between the particular independent variable and the dependent variable. Fourth, the asterisks next to the coefficients indicate the statistical significance of the relationship between an independent variable and a dependent variable: with more stars indicating a statistically stronger relationship. The smaller the standard error, the larger the statistical significance. So, for example, the relationship between the level of ethnic fragmentation in a country and the number of parties in a parliament is statistically significant, whereas the relationship between population size and the number of parties in a parliament is not statistically significant.

Finally, the R-squared statistic at the bottom of the table indicates the overall explanatory power of the model. The first model explains 6 per cent of the total variance in the observations whereas the second model explains 11 per cent. So, adding more variables increases the explanatory power of the model. However, almost 90 per cent of the variance in the

number of parties in parliaments in democracies since 1945 is unexplained by these factors. Clearly many other things matter.

Overall, quantitative methods allow political scientists to test theoretical propositions about causal relationships across a large number of observations. These methods also enable researchers to control for multiple causes of variation in a dependent variable. Quantitative methods are also easy to replicate, which allows other researchers to check the results by estimating the same statistical models with the same datasets.

Nevertheless, quantitative methods also have their weaknesses. The methods require phenomena to be quantified, which raises concerns about how things have been measured or quantified across very different contexts. The methods also usually have to assume a 'constant causal effect' across all observations: where the average effect of X on Y should be the same for all cases. This can be a highly questionable assumption. Observing a statistical relationship between X and Y does not necessarily mean that X causes Y. It might mean that Y in fact causes X – for example, in Table 1.1, the number of parties in a parliament might affect gross domestic product (GDP) per capita. And, even if a causal relationship could be identified statistically, this is not the same as actually understanding **how** one variable has an effect on another.

In sum, qualitative and quantitative methods should be seen as complementary rather than in confrontation. Both methods can, of course, be done badly. But, any good political scientist understands the limits of the methods they use, and many political science research questions require both quantitative and qualitative methods for the question to be answered effectively.

1.4 Conclusion

Political science has evolved from the early description of institutions at the end of the nineteenth century, to a focus in the mid-twentieth century on political behaviour, to the modern study of the relationship between actors, institutions and political outcomes. Two prominent theoretical approaches in political science are rational choice theory, which emphasises the strategic utility-maximising behaviour of political actors; and institutional theory, which emphasises the power and path-dependency of formal and informal political institutions. Finally, political scientists apply a range of research methods to test their theories, and both qualitative and quantitative methods have their strengths and weaknesses.

1.5 A reminder of your learning outcomes

Having completed this chapter, and the Essential reading and activities, you should be able to:

- explain the difference between political behaviour and political institutions, and how political behaviour and institutions interact to explain political and policy outcomes

- discuss the difference between theoretical explanations which focus on the rational behaviour of political actors and explanations which focus on the role of institutions and society

- discuss the difference between qualitative and quantitative methods in political science and the pros and cons of these two approaches to empirical research.

1.6 Sample examination questions

1. Assess the strengths and weaknesses of rational choice theory.

2. 'Institutions are more important than behaviour in explaining political phenomena.' Discuss.

3. Assess the strengths and weaknesses of **either** quantitative **or** qualitative research methods.

Chapter 2: Democracy

Aims of the chapter

The aims of this chapter are to:

- provide an overview of ways of understanding and measuring democracy in political science

- explain how the number of democracies increased in several 'waves' in the twentieth century

- present some of the main theories of why countries become and remain democratic; covering social and economic modernisation, culture, and strategic bargains between social groups.

Learning outcomes

By the end of this chapter, and having completed the Essential reading and activities, you should be able to:

- discuss the differences between procedural and substantive definitions of democracy

- describe the historical growth in democracy throughout the twentieth century

- compare and contrast the main explanations for why some countries become and remain democratic

- explain why your adopted country either became a democracy, or remained only partially democratic, or has switched between democracy and authoritarian government.

Interactive tasks

1. Choose a country that you are interested in and that is democratic or partially democratic but is not your home country. This is going to become your 'adopted country' throughout this course. Look up your country's Polity IV score from 1946 to the present day on the website: http://systemicpeace.org/polity/polity4.htm. What does this tell you about the pattern of democracy in your adopted country?

2. Assess whether the economic, cultural or strategic bargaining theories apply to the democratisation of your adopted country and to what extent they do so.

Reading

Essential reading

Clark, W.R., M. Golder and S. Nadenichek Golder *Principles of Comparative Politics*. (Washington DC: CQ Press, 2012), Chapter 5.

Inglehart, R. and C. Welzel 'Changing Mass Priorities: The Link between Modernization and Democracy', *Perspectives on Politics* 8(2) 2010, pp. 551–567.

'Polity IV Project: Political Regime Characteristics and Transitions, 1800–2008'; www.systemicpeace.org/polity/polity4.htm

Further reading

Acemoglu, D. and J.A. Robinson *Economic Origins of Dictatorship and Democracy*. (Cambridge: Cambridge University Press, 2006) [ISBN 9780521855266] Chapters 1, 2 and 3.

Clark, W.R., M. Golder and S. Nadenichek Golder *Principles of Comparative Politics*. (Washington DC: CQ Press, 2012) Chapters 6 and 7.

North, D.R. and B.R. Weingast 'Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England', *Journal of Economic History* 49(4) 1989, pp.803–832.

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Lipset, S.M. 'Some Social Requisites of Democracy: Economic Development and Political Legitimacy', *American Political Science Review* 53(1) 1959, pp.69–105.

Moore, B. *Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World*. (London: Allen Lane, 1966) and ([London]: Penguin Books Ltd., 1969) [ISBN 9780140550863].

Przeworski, A., M.E. Alvarez, J.A. Chebiub and F. Limongi *Democracy and Development: Political Institutions and Wellbeing in the World, 1950–1990*. (Cambridge: Cambridge University Press, 2000) [ISBN 9780521793797].

Popper, K.R. *The Open Society and its Enemies. Volume 1: The Spell of Plato*. (Routledge and Kegan Paul: London, [1945] 1966).

Schumpeter, J.A. *Capitalism, Socialism and Democracy*. (New York, NY: Harper and Row, 1942).

2.1 What is democracy?

Democracy has a strange and troubled history. In fact, the history of the twentieth century can be read as a history of just how difficult it is to create and sustain democracy. When we look at the history of democracy we can see a slow shift over the course of 2,000 years away from the negative view of democracy as a system that allowed the uneducated masses too much power to today's positive view of democracy which has led to most states claiming to be democracies, even when they patently are nothing of the sort, because it is now seen as the most desirable system of political organisation.

One of the first theorists of democracy was Aristotle who back in around 330 BCE stated that: 'In a democracy the poor will have more power than the rich, because there are more of them, the will of the majority is supreme'. Democracy's fundamental principle of placing power in the hands of the majority made Aristotle sceptical and wary. He saw it as rule by the masses who, in the time of Ancient Greece, were the low-educated and economically dependent common people. He feared that giving such a group of people power equal to that of the more educated and economically independent citizens would most likely lead to chaos and populism. When the first debates about democracy as a system of political rule were taking place in Ancient Greece, it was viewed with suspicion and criticised as being dangerous and unworkable. This negative perception remained right up until the Renaissance and Enlightenment eras when democracy became rehabilitated and thinkers started to link it with liberalism and an opposition to tyranny. Its subsequent revival continued

in the nineteenth and twentieth centuries until it reached the positive position that we associate with democracy today.

Of course, democracy as practised in large nation-states is very different from that imagined by Aristotle when he was writing, and over time multiple visions and understandings of democracy have evolved. These were well captured by Abraham Lincoln's famous statement in his address after the battle of Gettysburg in 1863, that 'Democracy is government of the people, by the people, for the people'. Democracy 'of the people' referred to the idea that democracy is fundamentally concerned with the people electing representatives to public office. The notion of 'by the people' emphasised that it must be these elected representatives that actually hold the power of decision-making in a democracy and not some other unelected body. Finally, Lincoln also notes the importance of the outcomes that democratic governments produce and democracy 'for the people' emphasises that democracy should promote the interests of the people and not some private interests. In this way, Lincoln teases out the different elements of modern representative democracy and how they fit together.

Aristotle feared the political equality among people that democracy entailed and he feared giving everyone an equal say over public affairs. Yet it was precisely this level of political equality and opportunity for the common people that led Mahatma Gandhi to advocate democracy for post-colonial India almost 2,300 years later and India today is the world's largest democracy. Gandhi said that: 'My notion of democracy is that under it the weakest shall have the same opportunities as the strongest'. Here the political equality of the masses is re-imagined as a positive and empowering attribute rather than as a potential route to chaos. For Gandhi, democracy is a system of rule that is more beneficial to the majority of citizens compared to alternative non-democratic systems that are more beneficial to a small group of elites.

From this brief overview we can see that democracy may be a long standing idea but it has not always been considered in a positive light. What is more, Lincoln shows us that democracy can take many forms, but we can say that overarching these different forms is the basic idea that it is concerned with giving citizens political equality and placing power in the hands of the people rather than in the hands of elites. This remains the case today even if we now mainly understand democracy to be representative democracy.

2.2 Democracy in political science

As we saw in the previous chapter, political scientists strive to use empirical evidence to measure and test ideas. So if we hope to do this for democracy, then we need a more specific definition than we have discussed so far. We need to know what is required to classify a country as being democratic or non-democratic. In political science, there are two main types of definitions of democracy: what we shall call 'procedural' and 'substantive' definitions.

Robert Dahl's (1971) starting point in his definition of democracy was that democracy was about political equality and giving everyone an equal voice in saying how a state should be governed. He then specified what procedures or institutions were required to deliver democratic political equality. According to Dahl's definition, if any one of these features is absent, then that society is a non-democracy:

- free and fair elections

- universal suffrage

- the policies a government passes depend on the election result

- citizens have the right to stand as candidates

- freedom of expression and information

- freedom of association.

A similar approach to defining democracy had come earlier from Karl Popper. He also placed the emphasis on the procedures required to underpin democracy and he gave a very minimal definition. For Popper, the only thing that is required for a state to be considered a democracy is that its citizens are able to remove a government from power.

Dahl and Popper were interested in refining a procedural definition of democracy, or a definition that classified systems of government according to whether or not certain procedures and institutions are in place. This appealed to them because they felt that it would help political scientists to find real world examples of democracy and to know very easily if a state is democratic or not.

In contrast, some scholars support more substantive definitions of democracy and they argue that specifying the procedural elements of democracy is not enough. Rather, definitions of democracy also need to take into account the substance of what democracy is about and what it aims to achieve. Under a procedural definition, it is possible to find states that have all of these features in place, but without actually being a democracy. For example, Singapore today, it could be argued, has all of these procedures in place but many people do not tend to think of Singapore as a democracy because it does not actually have **competitive** elections.

In an attempt to build the substance of democracy into his definition, Schumpeter drew attention to the importance of political elites competing among each other to win the votes of citizens. He defined democracy as a system in which 'individuals acquire the power to decide [political decisions] by means of a competitive struggle for the people's vote' (1942, p.50). According to his definition, democracy is characterised by rival groups of elites competing to govern and the people choosing between these rival groups. A similar emphasis can be detected in one of the most prominent definitions of measuring democracy in political science by Przeworski et al. (2000). The authors' definition emphasises four different aspects that must be present in order for a state to be classified as democratic. These are as follows:

1. The chief executive is elected.

2. The legislature is elected.

3. There is more than one party competing in elections.

4. An alteration in power under identical electoral rules has taken place.

In this definition, Przeworski et al. acknowledge the importance of having elections, but they also realise that elections alone are not enough for a country to be described as democratic. They argue that there must also be at least two parties competing in the elections and, crucially, there must be a turnover of power. These features are crucial to ensure that the substance of democracy is present.

The distinction between procedural and substantive definitions of democracy can be seen by looking at two particular cases. Since gaining

independence from Britain in 1966 until the present day, Botswana has been ruled by representatives from the Botswana Democratic Party. During this time all the procedures identified by Dahl have been in place and under a procedural definition it would qualify as a strong democracy. However, without any test of the willingness of the governing party to step down from power upon losing an election, it could not be considered a democracy under Przeworski et al.'s substantive definition. Similarly, in Mexico the Institutional Revolutionary Party held power, including the presidency, from its formation in 1929 until 1997 when it lost its majority in the Congress and 2000 when it lost the presidency. Once again, during this time there were certainly free and fair elections held on a regular basis, but without any alternation in power Mexico was not considered to be a democracy by many scholars until 2000.

2.3 Measuring democracy

So where does all this leave us when we think about how to measure the level of democracy in the world? One of the most widely used and widely accepted measures of democracy is a substantive one called 'Polity IV'. This provides an annual measure of democracy and autocracy for 184 countries from 1800 to the present day, giving it the longest time-series and the most number of countries of any of the measures of democracy used in political science. It is comprised of five separate measures which, when combined, capture whether the substance of democracy is present or absent within a system. The five measures it uses are:

1. Competitiveness of executive recruitment.

2. Openness of executive recruitment.

3. Constraints on the executive.

4. Regulation of political participations.

5. Competitiveness of political participation.

(For those of you unfamiliar with the phrase 'the executive', this refers to the government in a political system. So in a presidential system, the executive is the president, while in a parliamentary system the executive is the prime minister and their cabinet). This measure gives a score somewhere between -10 and +10 for each country where -10 means a country is as autocratic as possible while +10 means a country is as democratic as possible. However, to make it a little easier when it comes to measuring whether a country is democratic or not, many scholars have used the cut-off point of +6. So, if a country has a polity score of +6 or higher, we can consider it to be a democracy.

Using this measure, we can observe the evolution of the number of democracies in the world between 1800 and the present day. Figure 2.1 shows the rise in the number of democratic countries over time. It shows not only the increase in the number of countries in the world as a result of the decline of empires and the rise of new nation-states, but crucially it also shows an uneven pattern. The growth of democracies really began in 1900 but then fell back again in 1939/1940 with the onset of the Second World War and the rise of Fascism. Yet this was followed by an explosion in the number of democracies in the 1960s which has carried on until the present day.

Based on this graph we can say that it is a mistake to assume democracy was the dominant form of political organisation prior to this very recent history. Rather, for most of modern political history the world was governed by other forms of political organisation, such as monarchies,

dictatorships or communist and single-party states. It is only in recent years that the majority of the world's countries are now democracies and that the majority of the people in the world live in a democracy. It is also significant to note that this trend emerges even when using Polity IV's very substantive definition of democracy.
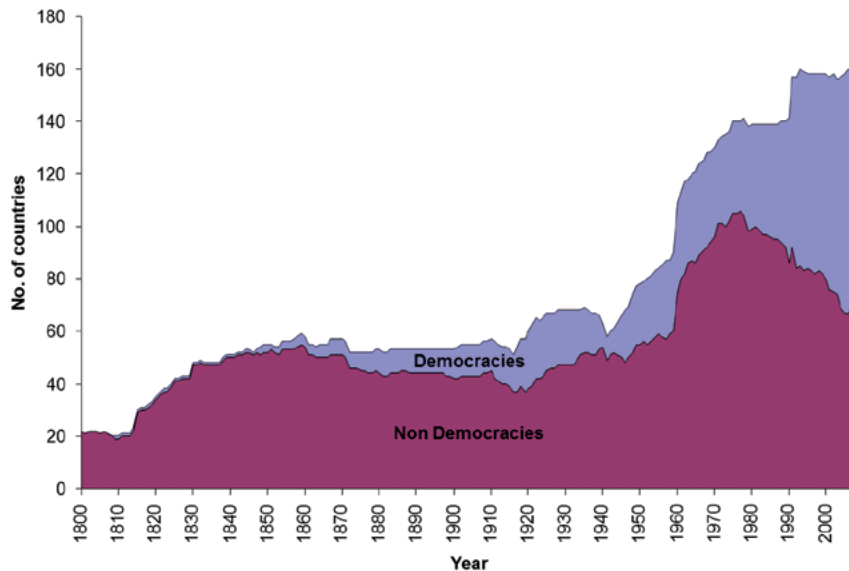
Figure 2.1: The rise of democracy.

Data source: Polity IV, Center for Systemic Peace;
www.systemicpeace.org/polity/polity4.htm

The other trend we can observe from this graph is that democracy has developed in several waves. Samuel Huntington (1993) spoke of three waves of democratisation. The first wave began in the nineteenth century and lasted until 1919, after the First World War. This was when many of the older west European and North American democracies emerged. However, the growth in democracies stalled and shrank during the interwar period, prior to the second wave of democracy which began after the Second World War in 1945. During the second wave, many states were rebuilt or emerged along democratic lines. However, it is also important to note that parts of central, eastern and southern Europe became authoritarian systems at that time. The third wave of democracy then began in the 1960s and runs up until the present day. This wave began with the decolonisation of countries in Africa and the Middle East and includes the rise of democracy in southern Europe and Latin America as well as the emergence of new democracies in central and eastern Europe after the collapse of the USSR. The nature of these waves can be seen more clearly when we look at the average polity scores for all countries in different regions of the world, as Figure 2.2 shows.
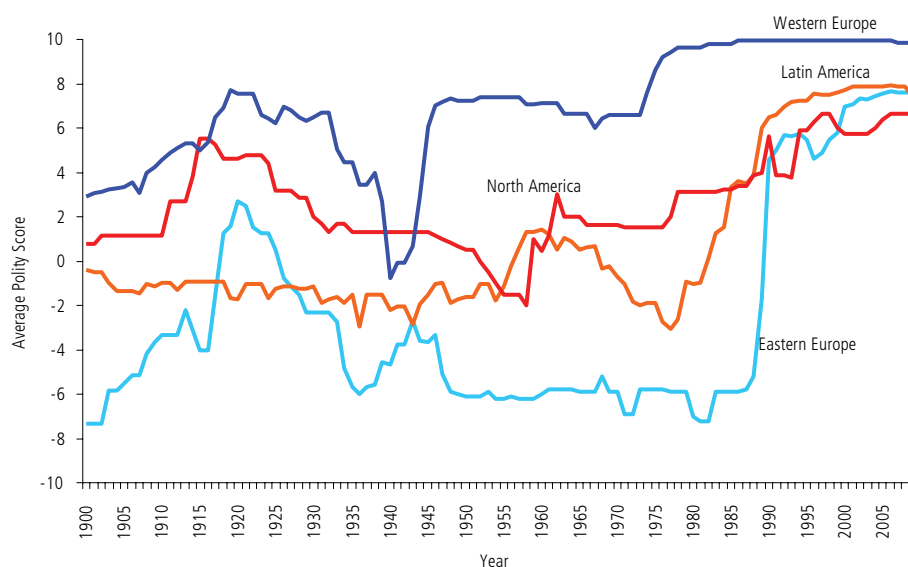
a. Europe and the Americas
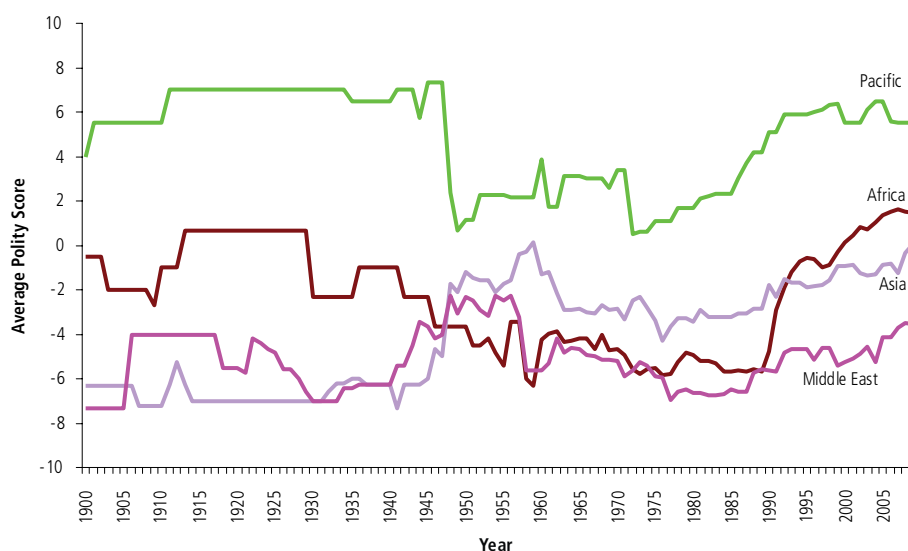
b. Asia, the Pacific, Africa and the Middle East

Figure 2.2: Patterns of democracy in different regions of the world.

Data source: Polity IV, Center for Systemic Peace; www.systemicpeace.org/polity/polity4.htm

These different patterns raise questions about how we can best explain the factors that create and sustain democracy.

2.4 Explaining democracy

In discussions of democratisation there are three prominent sets of explanations for why countries become democratic. The first emphasises the importance of economic and social modernisation; the second emphasises cultural factors; while the third highlights the centrality of strategic bargains between political elites and their citizens.

It is also important to note that when talking about democratisation we not only think about why a country becomes a democracy in the first place, but we must also consider what factors are important in helping a country to survive as a democracy without reverting back to some non-democratic form of rule. This is called democratic consolidation or democratic survival.

2.4.1 Social and economic modernisation and democracy

It is well established that there is a correlation between levels of wealth in a country and democracy. Acemoglu and Robinson (2006, p.53) and Clark et al. (2012, p.180) both present graphs showing that as a country's wealth increases (measured using average gross domestic product (GDP) per person), it is more likely to be a democracy. However, as with all correlations, we cannot be sure which way round is the causal relation: are countries more likely to be a democracy because they are wealthy, or are countries more likely to be wealthy because they are democracies?

A group of thinkers emerged in the 1950s and 1960s that observed this correlation and felt sure that rising wealth caused democracy. Most prominent among these was Seymour Martin Lipset (1959) who argued that democracy emerged as a society modernised. This was because modernisation created changes in the economic and social structure of a society which inevitably challenged authoritarian rule and led to demands for democracy. Lipset argued that traditional societies were characterised by large agricultural sectors and small industrial and service sectors. There were also lower levels of education and a smaller middle class. This social structure allowed authoritarian government to thrive because such a society did not possess large groups of people who had the education, money or incentives to mobilise and demand political equality. However, with modernisation, the social and economic structure transformed. As a society modernised, the agricultural sector shrank and the industrial sector grew. There was also a growth in urbanisation as well as other important social developments such as an increase in the level of mass education, an expansion of the middle class and the emergence of new liberal professionals, such as doctors, lawyers and journalists. The increasing complexity of society demanded new methods of government and the expanding middle class, alongside a generally more educated population, demanded greater equality through democracy. Once democracy was established, a wealthy society was considered more likely to remain democratic because suddenly the vast majority of the population had a vested interest in retaining their position of political equality and this was best guaranteed by ensuring a healthy democracy survived.

Lipset was a proponent of what is known as 'modernisation theory'. This theory argued that all societies are going through a process of modernisation and that ultimately there is a uni-directional development from a traditional society governed by authoritarianism to a modern society governed by democracy. In short, the developing world would ultimately evolve into societies like those in the USA and western Europe. This journey was seen as one-directional (societies could not go backwards) and the final destination was inevitable. Modernisation theory presents two distinct hypotheses about democracy (recall from 'Methods in political science' in Chapter 1 that a hypothesis is a prediction of what you should observe in the empirical world derived from a theoretical argument). These are as follows:

1. Democracy is more common in rich countries than in poor countries.

2. Transitions to dictatorship become less likely as wealth increases.

While there is certainly some evidence to support the hypotheses of economic modernisation theories of democracy, nonetheless, this view has been strongly criticised by other social scientists. This idea of an inevitable uni-directional journey towards democracy does not always fit the empirical evidence. Some societies certainly followed this pattern, such as Britain and the USA. However, some societies, notably those in the Middle

East, became wealthy without becoming democracies. Meanwhile, other countries, such as the Weimar Republic in Germany, became wealthy and transformed into democracies, only to revert back to non-democracies over time, thus challenging the uni-directional claims of modernisation theory. Finally, India's democracy seemed to challenge the idea that a high level of development was required for democracy to emerge. Some societies became democracies at lower levels of economic development while others became democracies at higher levels – there was no inevitable pattern. The other common criticism of modernisation theory was that it did not take into account the role of choices made by political actors. Instead, democracy was seen as being determined by the economic and social structure and the choices individuals made were not viewed as being important.

Barrington Moore (1966) tried to address some of these challenges by still using the ideas of modernisation but without always assuming that modernisation would lead to democracy. He said that there were three paths to modernity and while some societies would follow the democratic path, others followed Fascism or Communism. However, he still argued that whether democracy would emerge or not depended on the social and economic changes happening within a society and he famously stated that 'no bourgeoisie, no democracy' (1966, p.418). Similar to Lipset, he also argued that the change from an agrarian to an industrial society was the key factor in democratisation and if a society was going to follow the democratic path in its evolution, then a liberal bourgeoisie must be present. As such, Moore's work was still criticised for failing to take into account the role of cultural factors and the importance of actor's choices.

2.4.2 Culture and democracy

Discussions of the role of culture and democracy have a long history. Montesquieu in the eighteenth century and John Stuart Mill in the nineteenth century both argued that political institutions could only become embedded and accepted within a society if they were aligned with the culture of that society. While individuals may adjust to alien institutions over time, they argued that it is preferable to ensure that the type of politics promoted was one which aligned well with the internal culture.

Such ideas are not merely historical and we still see evidence of these ideas today. For example, Lipset (1959) argued that Catholicism was incompatible with democracy because Catholicism believed teachings from the Bible were the basis on which to organise society and given the Bible was God's word, this could not be debated or disputed. Additionally, the Catholic Church was a very hierarchical organisation that was viewed as incompatible with political equality. Evidence for this viewpoint tended to be the Catholic Church's support for Mussolini in Italy and Franco in Spain as well as support for dictators such as Pinochet in Chile. A more recent echo of these sentiments can be seen in Huntington's (1993) highly controversial 'Clash of Civilizations' thesis. He identifies many different civilizations in the world today, such as Western Christian, Confucian, Islamic, Latin-American, African and so on. Huntington argues that 'Western concepts differ fundamentally from those prevalent in other civilizations. Western ideas of individualism, liberalism, constitutionalism, human rights, equality, liberty, the rule of law, democracy, free markets, the separation of church and state, often have little resonance in Islamic, Confucian, Japanese, Hindu, Buddhist or Orthodox cultures' (1993, p.40). Again, this stance echoes the earlier debate about Catholicism. Islam is

seen as a religion where God instructs individuals how to live their lives and these instructions should not be compromised through political debate. Therefore, according to this viewpoint, Islam is fundamentally incompatible with democracy.

The understanding of culture and democracy that we have discussed so far tends to view culture as something that can potentially block democracy from emerging. However, there is also another set of theories that sees culture as having a much more active role in creating democracy. This viewpoint originated in the work of Almond and Verba who argued that certain societies had a civic culture that sustained democracy. They argued that 'Constitution makers have designed formal structures of politics that attempt to enforce trustworthy behaviour, but without these attitudes of trust, such institutions may mean little. Social trust facilitates cooperation among the citizens in these nations and without it democratic politics is impossible' (1963, p.357). From this perspective the fundamental bedrock of democracy is trust between and within citizens and political elites. The civic culture they identified as sustaining democracy had four elements and if these values were embedded within the citizenry then they claimed this civic culture was present. These elements were as follows:

1. A belief that individuals can influence political decisions.

2. High support for the existing political system.

3. High levels of interpersonal trust.

4. Preference for gradual societal change.

This idea was taken slightly further in the work of Ronald Inglehart who argued that modernisation led to a new form of culture emerging, a civic culture, which in turn created and sustained democracy. So Inglehart agrees with Lipset's starting point that economic development is important, but for Inglehart this is because economic development leads to a new culture and it is **culture** that creates and sustains democracy.

Looking at cultural explanations of democracy we can identify two hypotheses.

1. Democracy is more common in some cultures (for example, western cultures) – which support democratic values such as individual liberty, freedom of expression, equality – than in others (for example, Islam, Confucianism).

2. Economic development does not directly cause democracy, but rather economic development leads to cultural change and the emergence of a civic culture, which in turn leads to democracy.

Once again, having specified what the theories claim, it is now essential to turn to the empirical evidence to see how valid these theories really are.

Turning to the first hypothesis, the evidence indicates that there are good reasons to be sceptical of accepting this hypothesis. The first important evidence to note is that many countries with a Muslim majority are considered democracies, such as Albania, Bangladesh, Indonesia, Senegal and Turkey. These countries clearly show that it is possible to have a democratic Muslim society. What is more, claims that Islamic countries are not compatible with democracy overlook important lessons from history. We mentioned earlier that Lipset argued that Catholicism was not compatible with democracy. At the time Lipset was writing this seemed like a plausible enough theory. In 1976, of the 47 countries with a Catholic majority, 14 were coded as free and 16 were coded as not free. However, by 2004, of the 57 countries with a Catholic majority, 40 were coded as

free and only three were coded as not free (Clark et al., 2012, p.238). So we can see that it can be a little short-sighted to state that a religion is inherently incompatible with a particular form of political rule. Clark et al., have further evidence for why we should reject this first hypothesis. They found that once you take into account a country's GDP and its growth rate, then whether or not a country has a Muslim majority makes no difference to the likelihood of that country becoming or remaining democratic (2012, pp.243, 246).

But what of our second hypothesis? Inglehart directs a research project called the 'World Values Survey' (WVS) that regularly collects data about people's values and beliefs from over 100 countries since 1981. Using data from this project, Inglehart has been able to map the world's cultural values. Inglehart and Welzel (2010) found that there are two dimensions of cultural values. The first of these is whether a country's inhabitants are primarily interested in survival or self-expression. People interested in survival tend to place an emphasis on economic and physical security. Their primary concerns are about whether they have a home to live in, food to feed their family or a job. In contrast, people who are interested in self-expression tend to be economically and physically secure and many of their survival concerns have been allayed through relative prosperity. Instead, self-expression gives high priority to rising demands for participation in economic and political life through values such as a desire for freedom of expression. The shift from survival to self-expression is closely related to economic development. The second dimension is whether a country's inhabitants embody traditional values or secular-rational values. Traditional values emphasise the significance of religious beliefs and traditional family values and they defer to authority. In contrast, secular-religious values reflect a decline in religious and traditional family values and a rise in a belief in the rights of the individual and a questioning of authority.

Inglehart and Welzel (2010) found that the majority of the world's non-democracies tend to be in those countries characterised by a belief in traditional and survival values. However, as values changed to secular-rational and self-expression values, countries were more likely to be democratic. This pattern led them to claim that 'Modernisation favours democracy because it enhances ordinary people's abilities and motivation to demand democracy, exerting increasing effective pressure on elites… [Economic development's] impact on democracy is almost entirely transmitted through its tendency to bring increasing emphasis on self-expression values' (2010, p.561). In other words, modernisation leads to and sustains democracy but only because it changes cultural values and beliefs, not because of the rise in wealth *per se*.

So when we look at cultural explanations for democracy, there is certainly more evidence for the idea that a civic culture is central to creating and sustaining democracy than the idea that some cultures are inherently anti-democratic. What is more, cultural modernisation approaches are compatible with economic modernisation approaches. Maybe what Lipset actually observed was how economics changed culture and this is what led to democracy rather than the direct effect of an increase in wealth.

Given the compatibility between the two approaches, it is hardly surprising that both embrace many of the same limitations. Whether emphasising economics or culture, both theories are highly deterministic with strong assumptions that an increase in modernisation will inevitably lead to democracy. Yet neither theory specifies exactly how this will occur and they do not talk about the micro level or how exactly a society goes from

being authoritarian to being democratic and what actually happens. The main reason for the weakness of the causal explanations lies in the fact that neither approach refers to the role of actors' behaviour. The decisions of the citizenry and the political elites are not mentioned in these modernisation approaches. An effort to address this shortcoming and to specify a clear causal chain led to the development of theories of democratisation in terms of strategic bargaining.

2.4.3 Strategic bargains and democracy

Strategic bargain theories emphasise how, if the conditions are right, authoritarian leaders are forced to establish democratic institutions in order to appease a mass group of citizens who are demanding democratic representation and political and economic equality (see, for example, Acemoglu and Robinson, 2009; North and Weingast, 1989). Imagine a society governed in a non-democratic fashion by a small group of elites but which also contains a large mass of coordinated citizens demanding equality. The elites primarily want to protect their existing position of privilege and prevent revolution, while the mass of citizens want to redistribute wealth and power because they are generally poorer than the elites.

In this situation, there are two choices of government facing the elites: (1) a dictatorship, where the elites govern in their own interest but they have to pay a cost of repressing the mass of citizens; and (2) a democracy, where the majority governs in the interest of the mass of citizens. Under these circumstances, as a country moves from a dictatorship to a democracy there will be a redistribution of wealth through systems such as mass healthcare, mass education, public pensions and so on. So, how are the masses able to establish a democracy against the wishes of the elites?

According to strategic bargain theories, agreeing to establish democratic institutions, such as competitive elections, offers a credible method for elites to meet the masses' demands for increased political power while preventing all out revolution. Making a 'credible commitment' is a vital part of this process.

Clark et al. (2012, p.187) state that 'a credible commitment problem… occurs when: (a) an actor who makes a promise today may have an incentive to renege on that promise in the future; and (b) power is in the hands of the actor who makes the promise and not in the hands of those expected to benefit from the promise'. Citizens may have enough power today to make demands of the elites and the elites will give them greater equality, perhaps by agreeing to establish a welfare state or introducing fairer property rights or taxes. However, if the power balance shifts at a later stage and power returns to the elites, the elites may renege on their earlier concessions. At this point, the citizens are too powerless to resist and they return to a subordinate position in society. Therefore, when citizens are powerful enough to make demands from elites, they typically try to protect and embed the reforms they seek. They cannot just trust the word of the political elite, because it is in the elites' interest to return to the earlier unequal system. Therefore, the elites and the masses enter into an agreement to establish democratic institutions as a way of guaranteeing and protecting the equality they demand.

One of the most prominent examples of strategic bargain theory comes from Acemoglu and Robinson (2006, p.27) who argue that: 'The elites would like to prevent [revolution], and they can do so by making a credible commitment to pro-majority policies. However, promises of such policies within the existing political system are often non-credible. To

make them credible, they need to transfer political power to the majority, which is what democratisation achieves'.

According to Acemoglu and Robinson, there are three factors that will influence whether and when a democratic transition occurs. The first is the level of likely wealth redistribution if a state switches to a democracy. The bigger the initial inequalities in society, the more there will be a redistribution of wealth. If a highly unequal society where the average voter is poor turns into a democracy, then the average voter will redistribute large amounts of wealth to improve their relative economic position. Bigger inequalities may mean greater demands for equality from the masses, but it also means the elites will fight harder to retain their position of privilege as they have more to lose. The second factor is the probability of there being a revolution or a coup. Elites want to avoid revolutions as this would remove them completely from power, whereas if they reform the system they may lose some privileges, but at least they will not be fatally undermined through revolution. The final factor is the cost of repression that the political elites experience in order to maintain a non-democracy.

Based on this theory, they identify three hypotheses.

1. Elites in non-democracies cannot credibly commit to redistribute wealth without democratic institutions (for example, elections, majoritarian parliaments).

2. Higher wealth inequality raises the risk of democracy for non-democratic elites, which leads to more efforts to suppress democracy.

3. Economic shocks lead to transitions to democracy, but not transitions away from democracy. This is because in non-democracies, the middle classes blame the elites for economic failure, whereas in democracies the middle classes blame the government of the day.

2.5 Cases studies of democratisation

The way we will test these three hypotheses is by looking at four distinct case studies, each of which highlights a different path to democracy. Three of these case studies come from Acemoglu and Robinson (2006, pp.2–10) and we have also added the very topical case of Tunisia. These cases show different paths to democracy, highlighting how the presence of a strategic bargain allows democracy to develop in a stable fashion while the absence of a strategic bargain can lead to a more unstable democracy or no democracy at all.

2.5.1 Britain

The emergence of democracy in Britain can be seen as a series of slow and gradual changes that cumulatively led to increased levels of political equality. This began with the English Civil War of 1642–51 and the subsequent Glorious Revolution of 1688, both of which restricted the power of the monarchy and increased the power of parliament, albeit a limited parliament of merchants and landowners.

In 1832 the First Reform Act was passed after a period of sustained economic growth in Britain. This act removed 'rotten boroughs', where several members of parliament were elected by only a few voters, and instead established a much more equal right to vote based on property and income. Crucially, these reforms were introduced by the elites as an attempt to defuse rising revolutionary sentiment and popular discontent, in the wake of the French Revolution in the late eighteenth-century.

This act did not introduce mass democracy, but rather it was a strategic concession that increased the electoral franchise, but only within a limited context. Major reform did not come until the Second Reform Act of 1867 which was introduced after an economic shock and decline in the economic outlook in Britain, which in turn increased the threat of violence in response to growing inequality. This act increased the electorate to 2.5 million voters, and working class voters became the majority in all urban constituencies. The franchise was then steadily increased in a series of acts between 1884 and 1928, until there was universal adult suffrage.

Acemoglu and Robinson (2009) emphasise that democracy in Britain emerged as a result of strategic concessions made by wealthy elites in order to stave off social revolution. The effects of each concession were always limited to protect the position of the wealthy until further concessions were demanded. This process occurred against a backdrop of rising economic development, rapid industrialisation, urbanisation and rising economic inequality.

2.5.2 Argentina

In contrast to Britain, Argentina had a much more abrupt introduction of democracy which led to a protracted phase of political instability. In the second half of the nineteenth century, following its declaration of independence in 1810, Argentina set about creating a modern state. Initial claims of democratic reforms turned out to be a sham. This led to rising social discontent and labour unrest, which occurred against the backdrop of a booming agricultural sector. To protect political stability, in 1912 the Saenz Pena Law was passed which introduced universal male suffrage, a secret ballot and outlawed fraudulent electoral practices.

These democratic reforms led to the emergence and dominance of the Radical Party, which strongly challenged the position of traditional elites, especially given the elites' failure to mobilise an effective Conservative Party. In light of falling support for the Conservatives, a military coup was executed in 1930 to counter the rise of Hipolito Yrigoyen's Radicals. This was followed by a fraudulent election in 1931 that returned power to the traditional elites. In 1943, there was a second military coup which led to the rise of Juan Domingo Peron as president in 1946, and he embarked upon a widespread programme of redistribution. Peron in turn was removed by a coup in 1955 and another coup followed in 1966. Popular social mobilisation against the latest military regime led to the re-establishment of democracy in 1973 and the election of Peron in the first genuinely democratic election since 1946. Once again he commenced upon a programme of redistribution. Following Peron's death and his wife, Isabel Peron's, emergence as president, there was a further military coup in 1976. After undertaking a brutal and extensive programme of repression, this regime collapsed after defeat in the Falklands War, which had the lasting effect of restricting the power of the army as a political actor. Democratic elections were held in 1983 and Argentina has remained a democracy until the present day.

The key lessons from this process for Acemoglu and Robinson (2009) are that economic development, rising economic inequality and a changing social structure increased pressure on traditional elites to introduce democracy, but the elites subsequently felt too threatened by the increased political equality and level of redistribution, which then led to a series of military coups to protect the economic interests of the elites.

2.5.3 Singapore

Singapore is a case where competitive democracy never fully emerged. Historically, Singapore was a British colony established as a key trading port for the East India Company, but after the Second World War and Japanese occupation, there was a growing desire for independence.

The late 1940s and 1950s saw a large number of strikes and labour unrest, which eventually led to a series of constitutional negotiations and by 1959 Singapore had obtained almost complete self-rule. In elections in 1959 the People's Action Party (PAP) emerged as the strongest party and has remained the dominant party to the present day. Once in power, the party sought to reduce the influence of the trade union movement and harassed the opposition Barisan Sosialis (BS) Party. The PAP's position of power was confirmed in the first elections after independence in 1963. After a brief and ultimately unsuccessful merger with Malaysia between 1963 and 1965, the PAP continued to increase its dominance of Singaporean politics. In 1968 the BS resigned their seats in parliament and refused to participate in new elections citing PAP harassment. This allowed PAP to win every seat in parliament in 1972, 1976 and 1980, even after the BS agreed to participate again after 1972. Although a very small number of opposition members were elected in the 1980s, PAP's pre-eminent position has never been under threat. The party used control of the media, gerrymandering, harassment and threats to secure its position. Additionally, the social structure of Singapore was one without a strong aristocracy and with a weak industrial class, which limited demands for greater independence.

Acemoglu and Robinson (2006) argue that although Singapore's economy has boomed, there has been a low level of economic inequality and the PAP has 'maintained power through relatively benign means, fostering popularity through extensive social welfare programs as well as engaging in threats and coercion. Although there has been imprisonment and harassment, there have been no "disappearances" and there is apparently little opposition to PAP rule and little pressure for political change' (2006, p.10).

2.5.4 Tunisia

In the sixteenth century the Ottoman Empire focused on forcefully securing territories in North Africa and in 1574 it gained control of Tunisia. While officially ruled by an Ottoman Pasha it was in fact much more of an autonomous province than a closely governed country. It remained under Ottoman control for the next 300 years. However, by the mid-nineteenth century the strength of the Ottoman Empire was beginning to wane. The Tanzimat reforms of 1839 to 1876 attempted to modernise territories within the Empire and secure the Empire's territorial integrity against rising nationalist movements and other aggressive imperial powers, but in the case of Tunisia these measures failed. Against a backdrop of dramatically rising debt, which included a substantial loan from France, a group of French forces invaded Tunisia in 1881 and established it as a French protectorate.

The interwar period saw a rise in Tunisian nationalism which baulked against the French presence. In 1920 the Constitutional Liberal Party, known as Destour, was formed with the goal of liberating Tunisia from French colonial rule. To counter this rising threat, the French administration granted some cosmetic reforms, such as establishing

the Grand Council of Tunisia, but these were not satisfactory to abate the rising nationalism. In 1934 Habib Bourguiba established the Neo-Destour Party in response to internal disagreements within the Destour movement, and this new party was to prove central to securing Tunisian independence. In 1954 Bourguiba began negotiations for independence with the French authorities and, as was the case with many African colonies at this time, Tunisia was granted full sovereignty in 1956. Neo-Destour won the first independent elections and Bourguiba became the first Prime Minister of independent Tunisia.

Bourguiba was to dominate the Tunisian political landscape for the next 31 years and established the country as a one-party state. During his reign he proved to be a populist politician who suppressed the Islamists within the country and attempted to consolidate his own power, jailing dissidents, closing down critical media outlets and disbanding many trade unions. In 1975, Bourguiba appointed himself president for life and by this stage the new Tunisia was firmly established with a dictatorial constitution. In 1981, the government allowed officially sanctioned opposition parties to run for office, but the Neo-Destour Party, now called the Socialist Destourian Party, secured a rampant victory. This led to the opposition parties refusing to participate in the 1986 elections in protest at electoral fraud. In 1987 Bourguiba's reign came to an end when former army leader and the Minister for the Interior, Zine El Abidine Ben Ali, led a bloodless coup and had Bourguiba certified as medically incompetent to rule.

Ben Ali initially appeared to liberalise the country. He introduced reforms limiting individuals to holding the presidency for a maximum of three five-year periods and no more than two periods in a row; he released some Islamist dissidents from prison; and he changed the name of the ruling party to the Constitutional Democratic Rally (RCD). However, this liberalisation was not to be maintained and in the 1989 elections when opposition leaders were sure of having performed strongly, the RCD emerged with over 90 per cent of the vote through electoral fraud. Ben Ali subsequently banned many Islamist parties, he jailed thousands of political activists, he increased rates of official censorship, suppressed basic human rights, and he established a political system that allowed him to run unopposed in Tunisia's first presidential elections since 1972. He was to be re-elected with over 90 per cent of the vote in 1994, 1999, 2004 and 2009.

Then in December 2010, mass protests began following Mohamed Bouazizi's gesture of setting himself on fire in protest at the state bureaucracy's response to the harassment of his efforts to earn a living through selling vegetables. This led to widespread civil unrest fuelled by high unemployment, high inflation, high corruption and ongoing political suppression. In spite of efforts by Ben Ali to defuse the situation through gestures such as visiting Bouazizi in hospital prior to his death from the burns he sustained, the protests continued. Ben Ali's next response was to threaten the protestors with state repression but this also had little effect in dampening the protests. In fact, they gained even more momentum when groups of liberal professionals, such as lawyers and teachers, officially went on strike in early January 2011 and the protestors were even later joined by members of the police and army. In further efforts to appease protestors Ben Ali declared a state of emergency, he dissolved the ruling government, promised new elections within six months and promised increased job creation. However, this bargain was rejected by the protestors and Ben Ali fled to Saudi Arabia by the end of January 2011. Even after the flight of Ben Ali the protests continued until the protestors

were satisfied that the RCD influence was removed from any transitional government. In October 2011, free and fair elections were held for a newly established Constituent Assembly and the moderate Islamist party 'Ennahada' emerged with a plurality of the vote but not an overall majority, forcing them to negotiate with other allies to form a government. The core challenges facing the new government are the inclusion of as many political viewpoints as possible while still being able to tackle the economic and social crises facing the country.

Overall, Acemoglu and Robinson (2006) argue that a combination of the level of economic inequality and the cost of repression explain motivations for why people mobilise and whether traditional elites will seek to strike a bargain leading to democracy or whether they will resist because the cost of redistribution of wealth as a result of democracy in a highly unequal society is too high. These case studies show how this played out in four specific contexts – the gradual and steady democratisation of Britain through a strategic bargain; the uneven and unstable democracy of Argentina where there were constant tussles between the elites and the masses and no bargains were struck; and Singapore where the masses never demanded democracy due to low levels of economic inequality and the political domination of a single party. Finally, Tunisia provides a case where threats of repression failed and the subsequent bargain offered by the ruling elite was seen as coming too late by the protesting masses and therefore it did not stave off a revolution. This meant that the transition to democracy was more sudden and less stable than would be expected under a strategic bargain model and it remains to be seen whether this will impact upon the stability of the new democracy or whether Tunisia can survive the potentially tumultuous nature of its birth.

2.6 Conclusion

In conclusion, it is worth noting that the major challenge facing political science – in the debate about democracy and democratisation – is understanding how the three explanations relate to each other. Clark et al. (2012) note that the causal relationship could flow in many different directions. They ask: 'Does culture cause political institutions such as democracy to emerge and survive? Does it also cause economic development? Or do political institutions and economic development cause culture? In other words, which way does the causal arrow go?' (2012, p.217). This problem of discerning causality remains one of the foremost problems confronting debates about democratisation.

2.7 A reminder of your learning outcomes

Having completed this chapter, and the Essential reading and activities, you should be able to:

- discuss the differences between procedural and substantive definitions of democracy
- describe the historical growth in democracy throughout the twentieth century
- compare and contrast the main explanations for why some countries become and remain democratic
- explain why your adopted country either became a democracy, or remained only partially democratic, or has switched between democracy and authoritarian government.

2.8 Sample examination questions

1. 'Economic factors are more important than cultural factors in accounting for transitions to democracy.' Discuss.

2. 'Culture is the most important factor causing democratic stability.' Discuss.

3. Why do elites voluntarily introduce democracy in some countries but not in others?

Section B: Analysing political behaviour

This section is made up of four chapters, each of which considers a different aspect of political behaviour by individuals or groups. In **Chapter 3** we look at different explanations for why people vote the way they do, while in **Chapter 4** we examine how different electoral systems lead to different political outcomes. Next in **Chapter 5** we consider how political parties behave and why they might either try to appeal to as many voters as possible or why they might only appeal to a particular niche of voters. We conclude this section with **Chapter 6** which looks at why people form interest groups and social movements and what factors make them successful or unsuccessful when it comes to influencing policy-making.

Upon completing this section you should know some of the main aspects of political behaviour and the different factors that influence this. Using this knowledge you should then be able to explain why some individuals or political groups behave in different ways.

Notes

Chapter 3: Political preferences and voting behaviour

Aims of the chapter

The aims of this chapter are to:

- present different explanations for where political preferences come from
- introduce the idea of spatially mapping different dimensions of political preferences
- show how political preferences shape voting behaviour
- outline the difference between cleavage voting and expressive and strategic voting.

Learning outcomes

By the end of this chapter, and having completed the Essential reading and activities, you should be able to:

- explain what political preferences are and where they come from
- evaluate the usefulness of mapping preferences in one or two dimensions, especially the usefulness of the 'left–right' dimension
- critically explain the decline of cleavage voting and the rise of expressive and strategic voting
- outline patterns of voting behaviour in your adopted country.

Interactive tasks

1. Go to the website: www.politicalcompass.org/ and take the test to locate your own political preferences in a two-dimensional space. How does this compare to other well-known leaders and parties whose preferences are also listed on the website?

2. Identify the main cleavages that determined voting behaviour in your adopted country between the start of the twentieth century and the 1960s. How did these emerge and become frozen?

3. Looking at more recent voting behaviour in your adopted country, do voters typically vote expressively or strategically? How can you begin to explain this voting behaviour?

Reading

Essential reading

Benoit, K. and M. Laver *Party Policy in Modern Democracies*. (London: Routledge, 2006) [ISBN 9780415368322] Chapter 6. Available at the following website: www.tcd.ie/Political_Science/ppmd/

Downs, A. 'An Economic Theory of Political Action in a Democracy', *Journal of Political Economy*, 65(2) 1957, pp.135–50.

Kitschelt, H. 'Class Structure and Social Democratic Party Strategy', *British Journal of Political Science* 23(3) 1993, pp.299–337.

'Left-Right Politics', http://en.wikipedia.org/wiki/Left-right_politics

Further reading

Evans, G. and J. Tilley 'How Parties Shape Class Politics: Explaining the Decline of the Class Basis of Party Support', *British Journal of Political Science* 42(1) 2012, pp.137–61.

Evans, G. 'The Continued Significance of Class Voting', *Annual Review of Political Science* 3 2000, pp.401–17.

Schofield, N., G. Miller and A. Martin 'Critical Elections and Political Realignments in the USA: 1860–2000', *Political Studies* 51(2) 2003, pp.217–40.

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Dunleavy, P. and C.T. Husbands *British Democracy at the Crossroads: Voting and Party Competition in the 1980s*. ([London]: HarperCollins Publishers Ltd., 1985).

Hix, S., A. Noury and G. Roland 'Dimensions of Politics in the European Parliament', *American Journal of Political Science* 50(2) 2006, pp.494–520.

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Lipset. S.M. and S. Rokkan (eds) *Party Systems and Voter Alignments: Cross-National Perspectives*. (New York, NY: The Free Press, 1967).

The British Election Study website: www.essex.ac.uk/bes/

3.1 How are preferences formed?

It is widely accepted that all political actors – including voters, politicians, and political parties – have a set of political beliefs which influences their preferences towards certain salient issues. This framework of beliefs provides cues for understanding why citizens or politicians prefer certain outcomes to others, as well as providing a way of analysing how political competition between parties and groups is organised. If we understand these underlying beliefs, then we can understand the different behaviours they produce, such as why citizens vote the way they do or why two parties may interpret the same political issue in different ways. We call actors' views and beliefs 'political preferences'.

Traditionally, economic factors were seen as the dominant explanation for why an actor held the preferences they did. More specifically, a person's economic class was considered the key to understanding an individual's political beliefs. It was argued that people from different economic classes generally had different economic interests and these translated into different political viewpoints. Famously, the most prominent proponent of this viewpoint was Karl Marx. Marx, writing in the mid-nineteenth century, offered one such economic determinist perspective. According to Marx, an individual's understanding of the world was determined by their relationship to the 'means of production'. The means of production referred to the physical objects needed to produce goods, such as land, factories, mines and tools. For Marx there was a fundamental conflict between those who owned the means of production and the workers they

employed. In short, whether you were an owner of capital or whether you were a worker determined your political viewpoint, which was always in opposition to members of the other group.

While Marx's understanding of preference formation is perhaps the most well-known version, he was certainly not the only classical thinker to write on this topic. Max Weber, writing at the start of the twentieth century, also thought that economics was the primary determinant of political viewpoints, but he believed that Marx had over-emphasised the relationship between individuals and the means of production. Rather, Weber argued that a well-paid worker may have more in common with an owner of capital than with other lower paid workers. He suggested that it was not the bond between workers that created a shared set of preferences, but the bond between similar levels of wealth and consumption that created a shared set of preferences. According to Weber, wealth and consumption were the key determinants of preferences and while these may co-align with the division of labour, this is not inevitable and some wealthy workers will have similar consumption patterns to owners and therefore these will translate into shared preferences.

After the Second World War, many features of the classical description of industrial societies began to look a little dated. By the middle of the 1960s, increasing mass prosperity enabled new classes of individuals to emerge and there was an embourgeoisment of society. These developments complicated an overly simplified distinction between workers and owners of capital or between the wealthy and the non-wealthy. In light of these social changes new understandings of the origins of political preferences began to emerge. Such theories adopted a more sophisticated understanding of the interaction of economics and social structure, and they attempted to explore the increased complexity of post-industrial advanced democracies. One such notable thinker was Dahrendorf (1959) who argued that a new middle class emerged with the fragmentation of society and this group sometimes sided with the traditional elites and sometimes with the traditional mass of workers. In short, the established class divide was weakening. There was an expansion of the welfare state, most notably in education, and a new public sector began to emerge. This led to a corresponding rise in new liberal professions, such as doctors, lawyers, teachers and journalists, and these professions were now accessible to a much greater proportion of society. This new middle class could certainly not be considered workers in the traditional Marxist sense, but nor could they be considered owners of the means of production. Rather society had diversified and increased in complexity, and this challenged the classical understandings of preference formation.

Attempting to capture how preferences formed in a post-industrial society, Kitschelt (1994) made a distinction between individuals who had 'people processing jobs' and individuals who had 'data processing jobs'. He argued that people from the new liberal professions tended to develop more liberal preferences, such as a commitment to notions of gender equality and rights for minorities. In contrast, people who were data processors tended to be more socially conservative, preferring traditional values and the maintenance of the social status quo. Of course, it is difficult to state if liberal people are drawn to people processing occupations or if being a people processor causes the development of liberal values, and so we return to our previous theme of how caution is needed when discussing the causal direction of correlations. Another approach to explaining post-industrial preference formation came from Dunleavy and Husband

(1985), who argued that preferences differ according to whether you work in the private sector or in the public sector and that this divide cuts across the traditional owners/workers divide.

Theories that emphasised the primacy of economic factors as the main determinants of political preferences were subsequently challenged by Ronald Inglehart (1990). Inglehart argued that the changes to the social structure of advanced industrial economies that we mentioned earlier led to a decline in the influence of economic factors in the process of preference formation. The embourgeoisment of society and the expansion of education were found to have a profound effect on the cultural values of citizens, according to Inglehart's data. He argued that once societies crossed a certain wealth threshold, people became interested in expressing non-economic related preferences. Using extensive survey evidence, Inglehart demonstrated that economic wealth was important in shaping preferences beneath a certain wealth level, but that once this threshold was crossed, people became interested in post-material values – and more concerned with self-expression than economic survival – such as gender equality, civil liberties, lifestyle choices and the environment. He also noted a generational lag in the emergence of post-material values. The preferences of older generations tended to be more shaped by economic factors while the younger generation who had grown up with greater economic security held more post-material values.

Where does all this leave our understanding of political preferences? We can say that a whole range of factors shapes preference formation. Of course, economics still matters, but this has become more complicated than classical understandings presumed. What is more, in post-industrial societies other factors are also important. For example, a person's religion, their gender, their ethnicity or nationality, their family and education level may all impact upon an individual's preferences.

3.2 The left–right dimension

While there is a complex range of factors at play in preference formation, crucially many of them are overlapping. Therefore, political scientists have long been concerned with finding simplified methods of understanding and mapping individuals' preferences. The most common method of doing this is through the use of the 'left–right' dimension. The left–right dimension is both widely understood by political commentators and political and social scientists. It is both a dichotomy and a continuum. We can speak of a person or a political party being either 'on the left' or 'on the right', and we can also speak of someone being more or less left-wing or right-wing than another person. This makes the left–right dimension highly appealing when trying to understand preferences.

It is important to note, however, that in this conception, the 'left–right' does not possess an innate conception or represent a fundamental ideological divide. Rather, left–right here is simply a constructed dimension, purely for the purposes of simplifying the world of politics. The history of the term derives from the seating arrangement in the National Assembly of France in the immediate aftermath of the French Revolution in 1789, where supporters of the King sat to the right of the chamber while supporters of the revolution sat to the left. The dimension has somewhat retained these connotations with 'the left' predominantly being associated with progressives and social liberals while 'the right' is more associated with conservatives and capitalists.

Perhaps the greatest appeal of the left–right dimension to political scientists is that it seems near universal. This is important because if a left–right dimension is present in most countries, then it potentially allows political scientists to compare the range of preferences in one country to that in another country as well as potentially allowing the comparison of preferences over time within a specific country. Dalton (2006) uses data from Inglehart's most up-to-date survey to examine the relevance of the left–right dimension in different regions around the world. This survey asked the question: 'In political matters, people talk of "the Left" and "the Right". How would you place your views on this scale, generally speaking?' Dalton found that, with the exceptions of Algeria, Colombia, Jordan, Morocco and Pakistan, over 50 per cent of the public in a very diverse array of 76 countries were able to locate their political preferences on a left–right dimension. In fact, in most of these countries, over 70 per cent of the public could place themselves on this scale (2006, p.7). Similarly, Hix et al. (2006) found that the left–right was also the strongest dimension at the supranational level when they examined preferences in the European Union. Combined, these studies show that the left–right dimension is meaningful in a very wide array of contexts. In fact, it is almost universal. While it is certainly more strongly embraced by the public in some countries than others, nonetheless the left–right has a large degree of relevance in almost all settings.

Interestingly, Dalton also found that the left–right scale was comprised of different issues in different regions of the world. In other words, when a person in Africa described their preferences as being on the left, they could very well be thinking of an entirely different set of issues to those of a left-wing individual in eastern Europe, for example. Dalton (2006, pp.17–19) found that in advanced industrial societies the two strongest issues that people associated with a left–right scale were economics and religion and the environment was also important. Economics and religion were also the main components of the left–right scale in eastern Europe. Yet in Latin America, gender and religion were the main components, while gender and nationalism were the main factors making up the dimension in Asian democracies. Mainly religion, but also gender, was important to the Arab world, while the public in African countries mainly thought of the left–right in terms of the economic effects of the environment. From this it is evident that the left–right dimension is indeed near universal but it means very different things in each country.

It is by being a broad catch-all term that it becomes universal, but for Benoit and Laver (2006), one of our Essential readings, it is precisely this broad nature that limits the analytical use of the left–right dimension. They argue that each society has its own history and politics and, although there may be some commonalities, essentially the issues that people find salient and important will vary depending on the country and time period. In other words, the evolution of preferences is path-dependent and this is why the meaning of the left–right dimension changes in different contexts. This poses a distinct challenge when we try to look at how the left–right dimension varies across countries or over time because we are not comparing like with like. In fact, Benoit and Laver go so far as to argue that the left–right is potentially so different in every country that it has become almost meaningless for political comparison. While it may be a useful concept for providing a snapshot summary, political scientists need to be cautious about over extending the use of the left–right dimension.

Such debates regarding the usefulness of the left–right dimension for comparison have emerged as an important and pressing topic in political science in recent years. However, as we will now argue, this does not mean we cannot usefully map preferences using the left–right dimension.

3.3 Mapping political preferences

Each preference a person or a political party holds is often related to another preference in a clear fashion. For example, if you have a preference for increased gender equality you are likely to also have a preference for increased minority rights. Similarly, if you have a preference for a strong private sector, you are probably sceptical towards government regulation of markets. As we have just seen, it is precisely because of this close relationship between different preferences that people like Dalton argue we can group them together and summarise them in a single dimension, such as the left–right. Such a dimension is both highly durable and near universal. In contrast, Benoit and Laver were cautious of oversimplifying too much as people understand the left–right dimension to mean very different things in different contexts. In order to counter this tendency of oversimplification, but at the same time to allow us to summarise preferences in a manageable fashion, most modern political scientists think in terms of two distinct dimensions that are not necessarily related to each other.

The first dimension we can think of as an **economic** left–right dimension. This dimension is concerned with how far the state or the political majority should intervene in the economic freedoms of its citizens. It is comprised of issues such as attitudes towards the welfare state, taxation and market regulation, where the left believes the majority should intervene while the right believe that the majority should not be able to intervene. The second dimension is a **social** left–right dimension. This is concerned with how far the state or the political majority should intervene in the social freedoms of its citizens. It is comprised of issues such as minority rights, lifestyle choices and post-material issues. Here the left tends to advocate the belief that the majority should not intervene in the social freedoms of its citizens while the right is more in favour of social intervention. As such, the degree of intervention advocated by a person who places themselves on the left of a left–right dimension will depend on whether they are considering the economic or the social dimension. Therefore, these two dimensions cut across each other rather than lying on top of each other.

To appreciate the usefulness of locating political preferences in two dimensions it is apposite to look at how such an approach locates the classical political ideologies. For our purposes, we can think of an ideology as a coherent worldview about how the world or a society should be organised, which in turn shapes a person's specific preferences on individual issues. These ideologies and the range of preferences they represent can be mapped as in Figure 3.1.

Liberalism first emerged in the nineteenth century and was in favour of extending social freedoms to greater proportions of society and also extending economic freedoms. Conservatism, in many respects, evolved as a defence against the threat of liberalism to the social power of traditional authorities, such as the church and the aristocracy. As such, it was in favour of intervening in citizens' lives socially, but it had common ground on the economic dimension with liberalism. Given the hitherto agreement on the economic dimension between liberalism and conservatism, the emergence of socialism was the first time that the economic dimension
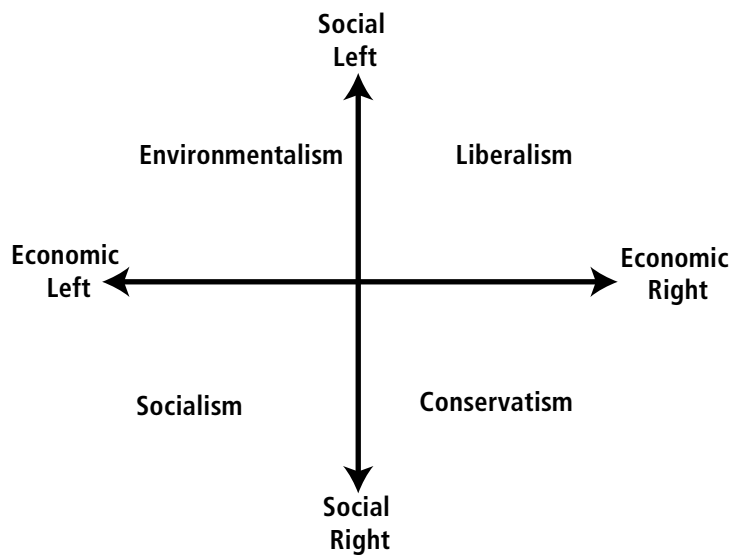
Figure 3.1: Mapping ideologies in a two-dimensional left–right space.

became activated as a source of political contestation. Socialism emerged in the late nineteenth century and early twentieth century and it became a powerful political ideology with the extension of the voting franchise to working class men. They represented a large mass of the population and they demanded redistribution of wealth through the welfare state. However, this movement was, initially at least, socially conservative with many socialists reluctant to extend the voting franchise to women and hesitant with regard to issues such as immigration due to the threat these were perceived as posing to white, working class industrial men. As such, socialism was traditionally in favour of both economic and social intervention. The final ideology to consider is environmentalism, which evolved in the 1960s and 1970s and was non-interventionist on the social dimension, believing in the freedom of lifestyle choices, but much more comfortable with intervention on the economic dimension in order to protect the environment from abuse by private interests.

3.4 Cleavages and voting behaviour

Having established how preferences are formed and having explored some initial methods of mapping these preferences, it is now useful to turn to examining how political preferences influence voting behaviour. Initial explanations of voting behaviour did not make explicit reference to the role of preferences, instead emphasising how social group membership, such as a person's class, led to party identification and this rigidly influenced who they voted for. This is often called 'expressive voting'. However, the decline of expressive voting meant that political scientists began to turn to preferences to understand why people either vote for a party that is closest to their preferences, or why they may not vote for the party closest to their preferences but for some other alternative. This model of voting is also known as 'strategic voting'.

Expressive voting refers to voting on the basis of party attachment, political ideology or social group membership, and until the 1960s this was the dominant understanding of why people voted the way they did. Initial explanations of voting behaviour argued that a person's preferences did not really matter when trying to understand why they voted for a particular party or candidate. Rather, voting was more a reflection of a person's identification with a particular party and this bond was very difficult to break. This identification was typically formed on the basis of

an individual's membership of a particular social group. This is known as the 'cleavage model' of politics.

Lipset and Rokkan (1967) argued that during the democratisation of many advanced industrial democracies, a number of social cleavages emerged. A cleavage was a divide in society that provided the potential basis for political conflict. For example, the democratic revolution in the late nineteenth century was seen as leading to a conflict with traditional elites and authority structures on the one side and newly emerging liberal professionals on the other. This conflict often took the form of a church–state conflict where religious citizens identified with Christian democratic or conservative parties while more secular citizens identified with liberal and social democratic parties. However, by far the most prominent cleavage emerged in the industrial revolution and was the divide between the upper and middle classes on the one hand; and the working class on the other. This conflict took the form of traditional class conflict where the working class inevitably identified with socialist or social democratic parties; while the middle and upper classes identified with conservative or liberal parties. Lipset and Rokkan went further still and they argued that these cleavages became 'frozen' in place in the 1920s with the introduction of universal suffrage. As a result, they argued, the same divisions and patterns of voting and party competition were evident when they were writing in the late 1960s as was evident during the earlier part of the century. This pattern of voting is summed up in Figure 3.2.
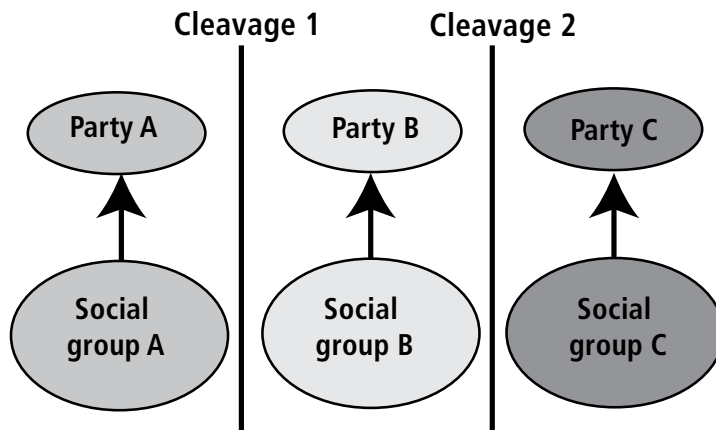
Figure 3.2: The cleavage model of voting and parties.

There are two important implications of a cleavage model that should be noted. First, citizens did not necessarily engage in rational decision-making prior to voting. Of course, individuals voted for the party that would most closely relate to their social position, but once they identified with this party they did not necessarily appraise the party's policies or exercise reflective judgments on performance prior to voting for them. Rather a voter's identification and sense of attachment to a particular party due to their social group ensured they would vote in the manner that they did. This brings us on to our second implication. According to a cleavage model, voting patterns should be very stable and slow to change. This is because social change is very slow. If a country is characterised by a strong class cleavage, it is unlikely that the number of working class or middle class citizens will vary in a dramatic fashion between elections (with the exception of introducing new voting franchises) and therefore voting should be stable and predictable. This was indeed typically the case between 1920 and 1960.

Yet suddenly at the start of the 1970s, the cleavage model and expressive voting explanations began to be challenged by emerging patterns of electoral volatility. This can be examined by looking at one specific form of cleavage voting, namely class voting. During the late 1960s and early 1970s, many advanced industrial societies went through a period of de-alignment of the cleavages that were 'frozen' in place in the 1920s. A range of reasons is presented for the de-alignment of class voting, some of which we have already mentioned (see Evans, 2000, pp.405–06). Most notably, a general increase in economic growth and prosperity led to an embourgeoisment of the working class and reduced the level of inter-class conflict. Additionally, new post-industrial divisions began to emerge that replaced the traditional class divide, such as a public sector/private sector divide or post-material divisions. At the same time, there was a general increase in the level of education, especially higher education, within working and middle class groups. This increased the 'cognitive mobilisation' of citizens and challenged rigid partisan identification by increasing voters' abilities to make calculative decisions when voting rather than having to rely on emotional or group attachments. Finally, the rise of values, especially post-material values, began to eclipse class as the basis of party preference. This was fuelled by the expansion of a mass media independent of political control.

Turning to the empirical evidence we find strong support for the notion of a de-alignment in class voting. The Alford Index is a measure of class voting. It is calculated by taking the percentage of the working class that voted for their expected class-based party minus the percentage of the upper class that voted for this party. As such, it will always produce a score between 0 and 100, where 100 indicates that all working class voters voted the way you would expect and no members of the upper class voted for a party that was seen to represent workers' interests. Using the Alford Index, Dalton (2002, p.193) shows that there has been a marked decline in class voting in the USA, Great Britain, Germany, France, Austria and Sweden since the middle of the 1960s.

The evidence indicates that there is no longer a rigid alignment between social groups and how people vote. Not only has class voting declined, but electoral volatility also increased in many countries. Therefore, from the late 1960s onwards the cleavage model of politics no longer explained voting behaviour adequately. In its place, political scientists began to utilise a spatial model of politics that placed preferences at the centre of explanations for actors' voting behaviour. We will now turn towards explaining how the spatial model of politics uses preferences to explain voting behaviour and we will highlight this with two cases: the United Kingdom and the Netherlands.

3.5 Strategic voting

Strategic voting refers to voting to produce an election outcome which is as close as possible to one's policy preferences. As we shall see, this may or may not mean voting for one's most-preferred party. As noted earlier, a spatial model of politics allows us to locate an individual's preferred position, or 'ideal point' as it is also known, in a one-dimensional or two-dimensional space. The model then assumes that voters can estimate distances from their ideal preference point to the different policy proposals offered by each party or to the existing policy currently supported by the government. The voter then votes accordingly to attempt to deliver an outcome that is as close as possible to their preferences.

At first glance this would seem to imply that voters will always vote for the party that comes closest to their ideal point, but in some instances voters may vote for an alternative party that may not be their first choice, but which they believe has a better chance of winning, in order to prevent a less preferred outcome. In many instances, a citizen votes sincerely; that is they vote for the party with the set of policy positions that is closest to their ideal point. They reflect on parties' policy proposals and then vote for the party that holds a set of political beliefs closest to their own. In reality, a voter may like some policies from one party, but prefer other policies from a different party. In such instances, the salience or importance of the different sets of policies will decide which party is chosen or there will be a calculation on the proximity of the overall package of policies. Yet at other times, a citizen votes for a party which is not the closest party to their ideal point. This is typically undertaken because a voter wants to influence the election in such a way so that the overall policy outcome, such as the person elected or the government formed, is closer to their ideal point than it would otherwise be if they voted sincerely. In short, we might vote for our second favourite party if we think that it has a better chance of defeating our least favourite party which might otherwise win the election.

To understand strategic voting it is necessary to think of voters as having 'single peaked and symmetrical' preferences. To demonstrate what this means we have visually mapped this in Figure 3.3. Along the x-axis we have a 'left–right' policy dimension while the y-axis shows the 'Intensity of the Preference'. We have identified two voters, Voter A and Voter B. Where these voters have the highest level of intensity is their ideal point, or where they would most like a policy to be. Voter A has a centre–left ideal point, while voter B has a centre–right ideal point. There is only one ideal point and our voters are not equally happy with two distinction points – in other words, the voters' preferences are single peaked. Additionally, we see that the area around their preferences is symmetrical. This means that if the voter is offered two alternatives both the same distance from their ideal point, then the voter will be completely indifferent between them regardless of whether they are to the left or the right. Of course, this is not necessarily a wholly realistic claim, but it does allow us to undertake some important analysis. We can now see that the further away a party is positioned from the voters' ideal points, the less likely they are to vote for them. For example, prior to casting their vote Voter A will reflect on the position of Party X and Party Y. After calculating that Party X is closer to their ideal point, this will be voter A's preferred party.
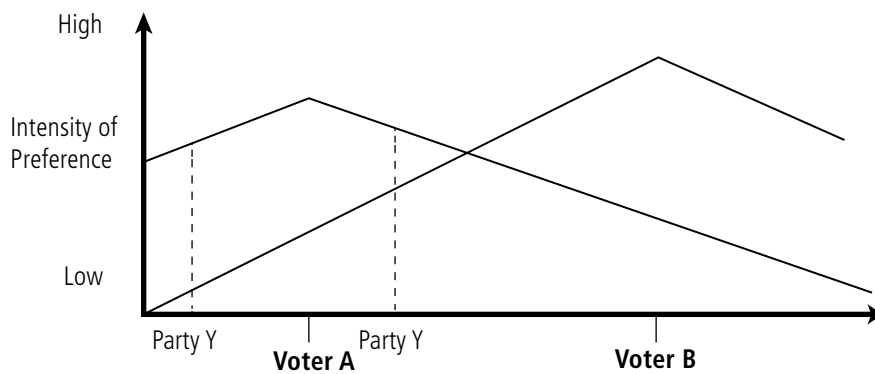
Figure 3.3: Spatial theory of voting.

This can also be mapped in a two-dimensional space as shown in Figure 3.4. On the x-axis we have an economic left–right dimension while on the y-axis we have a social left–right dimension. We have also plotted the ideal

points of three voters: A, B and C, and three parties: X, Y and Z. Based on how close these parties are to each voter, and assuming that each voter has symmetrical preferences – that is, they are indifferent about whether a party is nearer to them from the left or from the right – then we can make the following claims about which party each voter will support:

- Voter A prefers Party X over Party Y over Party Z

- Voter B is indifferent between Party Y and Party Z, but prefers both of these over Party X

- Voter C prefers Party Z over Party X over Party Y.
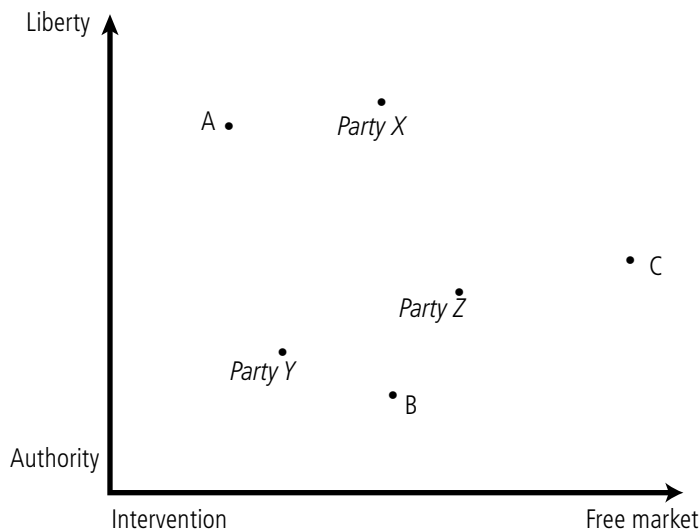
Figure 3.4: Spatial theory of voting in two dimensions.

In both of the above figures, we assumed that our voters would vote sincerely. In other words, we assumed that our voters would vote for the party closest to their ideal point. However, survey evidence (which we discuss in more detail below) shows that, in some instances, voters do not vote for the party closest to their ideal point. The spatial model explains this through strategic voting. There are two instances in which we can observe strategic voting, local and national.

1. **Local**: if a voter's preferred candidate has little or no chance of being elected, then they may vote for the 'closest' candidate from among those candidates who have a reasonable chance of being elected. Here the voter is trying to influence the election outcome in their local constituency.

2. **National**: if a voter's most-preferred party has no chance of influencing government formation or if it might form a coalition with a party much further away from a person's preferences, then they may vote for a party which is 'further' away from their ideal point, but which will lead to an overall national policy outcome closer to their ideal. Here the voter is trying to influence national government formation.

To illustrate these, let us return to the above two-dimensional Figure 3.4, starting firstly with local strategic voting. Previously we outlined the sincere electoral preferences for the three voters: A, B and C. However, let us now assume that the candidate from Party Z is viewed as having little or no chance of being elected. Once the candidate from Party Z is excluded, then we can make the following claims about which party each voter will support:

- Voter A prefers Party X over Party Y
- Voter B prefers Party Y over Party X
- Voter C prefers Party X over Party Y.

Based on this there is no real change in the voting pattern for Voter A, but Voter B now has a clear choice of Party Y over X, while Voter C will no longer vote for Party Z but will vote for Party X instead.

To examine strategic voting in the national context, let us assume that Party X announces that if it is elected it will form a coalition with Party Z. What is more, Party Z is a more powerful and larger party than Party X. This implies that any coalition will be closer to the ideal point of Party Z than Party X and that Party Z will hold more cabinet seats and implement more of its policies. Therefore, in reality the choice for our voters now becomes that between Party Y and the new position somewhere along the line between Parties X and Z, but closer to Z. This is illustrated in Figure 3.5. In this instance we can make the following claims about which party each voter will support:

- Voter A prefers Party Y and is indifferent between Party X and Party Z
- Voter B prefers Party Y and is indifferent between Party Z and Party X
- Voter C is indifferent between Party Z and Party X and prefers these to Party Y.

From this we can see that Voter A will now vote for Party Y instead of X while the voting behaviour of Voter B and Voter C will remain the same.
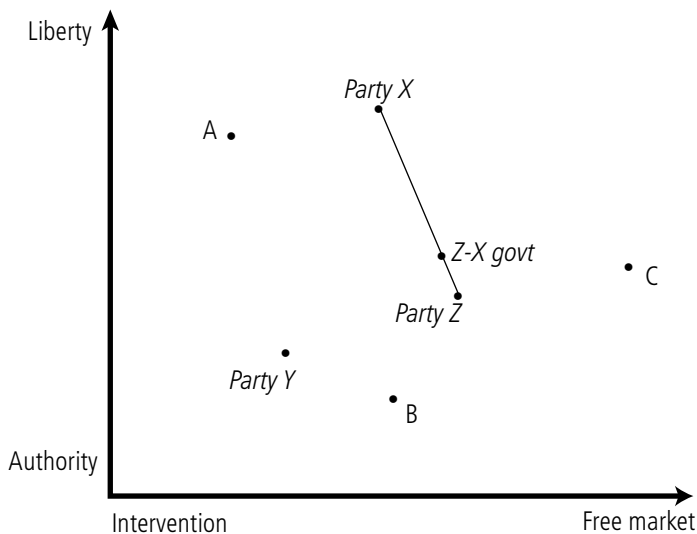
Figure 3.5: Strategic behaviour with coalition government formation.

3.6 Strategic voting in the UK and the Netherlands

All this may seem a little abstract, so it is useful to turn to two examples of strategic voting in recent elections. The first comes from the UK and provides an example of local strategic voting. The British Election Study asks voters: 'Generally speaking, do you think of yourself as Labour, Conservative, Liberal Democrat or what?' Respondents were then asked the follow up question: 'Which party did you vote for in the general election?' In 2010 there were much higher levels of sincere voting than there were in 2005. In 2005, over 90 per cent of Labour Party supporters voted for the Labour Party and over 95 per cent of Conservative Party supporters voted for the Conservative Party. However, only 78 per cent of Liberal Democrat supporters and only 21 per cent of supporters of Other

parties voted for their first preference party. Instead these supporters voted for one of the larger parties rather than voting for their first choice.

In the 2010 general election there was a much higher degree of sincere voting. Over 94 per cent of Conservative supporters voted for the Conservative Party and 87 per cent of Labour supporters voted for the Labour Party. However, in this election 89 per cent of Liberal Democrat supporters and, surprisingly for a country with a majoritarian electoral system, 60 per cent of supporters of Other parties, voted for their first preference. These were notable increases upon previous elections. Nonetheless, we can still say that approximately 20 per cent of voters voted for a party that was not their first preference in the last four UK general elections.

2005	Party voted for				
Party first preference	Lab (%)	Con (%)	LD (%)	Other (%)	Total
Labour	**92.7**	2.6	4.7	0.0	100
Conservative	2.3	**95.4**	1.6	0.8	100
Lib Dem	10.0	10.5	**78.4**	1.1	100
Other	32.6	18.4	27.7	**21.3**	100
2010	Party voted for				
Party first preference	Con (%)	Lab (%)	LD (%)	Other (%)	Total
Conservative	**94.6**	1.6	2.8	0.9	100
Labour	1.2	**87.6**	9.3	1.9	100
Lib Dem	6.8	3.5	**89.1**	0.6	100
Other	14.0	11.6	14.9	**59.5**	100

Table 3.1: Strategic voting in the 2005 and 2010 UK election.

The second example comes from the Netherlands in 2006 and provides an example of national strategic voting. As the election approached, opinion polls predicted that the two biggest parties in the new parliament would be the Christian Democratic Party, the CDA, and the Labour Party, the PvdA, who would gain 42 and 38 seats respectively out of the 150 seats available. However, in the week prior to the election, the leader of PvdA, Wouter Bos, when pressed in a media interview stated that he expected to form a coalition with the CDA after the election in order to form a new government. Following these comments, in the final election result PvdA only obtained 33 seats and CDA obtained 41 seats. Instead there was a corresponding rise in support for the PVV (Freedom Party) and for the SP (Socialist Party). Looking at the parties' placement along a left–right dimension (shown in Figure 3.6) helps to highlight how strategic voting due to anxieties over the proposed coalition altered the expected outcome.
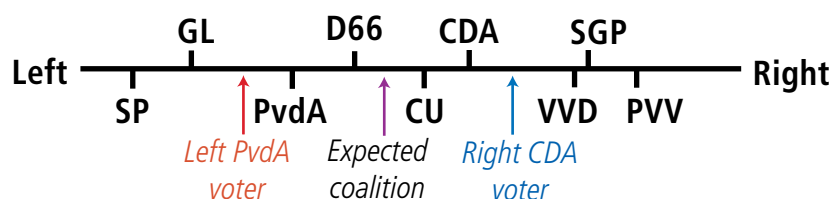
Figure 3.6: Location of parties and voters in the Dutch 2006 election.

Voters expected the proposed coalition to be positioned somewhere in the middle of the space between the PvdA and the CDA. Supporters of the PvdA who were somewhat left of the party position suddenly realised that a vote for the SP would produce a more desirable overall outcome and some voters to the right of the CDA switched support to the PVV for the same reasons. This changing pattern of support can be interpreted as national strategic voting to produce a more desirable outcome from the perspective of some voters.

3.7 Conclusion

Voting behaviour has changed markedly since the 1960s. Voters no longer vote on the basis of strong party attachments related to social cleavages, but rather voters now tend to vote on the basis of judgments made on certain issues of salience to them. Social change transformed political competition. Therefore, new ways of understanding voting behaviour emerged. Yet this does not mean that we will observe an end to the pattern of voters casting their votes for the party closest to their social class. Voters located on the left will still vote for left parties and voters located on the right will still vote for right parties. However, it does mean that we now understand the process of how voters reach their decisions in a different way than previously. We now see voters acting strategically in order to produce an outcome that is as close as possible to their political preferences. This involves a rational decision-making process rather than a process of partisan identification, even though the final outcome may be observationally equivalent.

3.8 A reminder of your learning outcomes

Having completed this chapter, and the Essential reading and activities, you should be able to:

• explain what political preferences are and where they come from

• evaluate the usefulness of mapping preferences in one or two dimensions, especially the usefulness of the 'left–right' dimension

• critically explain the decline of cleavage voting and the rise of expressive and strategic voting

• outline patterns of voting behaviour in your adopted country.

3.9 Sample examination questions

1. Is the 'left–right' a useful description of political preferences across countries and over time?

2. 'Ultimately, de-alignment has not substantially altered voting behaviour or outcomes.' Discuss.

3. What explains why voters choose to vote for the parties they do?

Chapter 4: How electoral systems shape political behaviour

Aims of the chapter

The aims of this chapter are to:

- explain the main types of electoral systems used in democracies
- introduce two 'trade-offs' in the design of electoral systems, in terms of the political consequences of electoral systems
- discuss how electoral systems shape the way parties and voters behave.

Learning outcomes

By the end of this chapter, and having completed the Essential reading and activities, you should be able to:

- explain the difference between majoritarian, proportional and mixed electoral systems
- discuss the main political consequences of the type of electoral system used in a democracy
- evaluate critically why some electoral systems are better than others in terms of achieving certain political outcomes, such as fair representation, accountable government, accountable politicians, and cohesive political parties
- discuss how some electoral systems are able to combine 'the best of both' worlds in terms of political outcomes.

Interactive tasks

1. Identify the electoral system used in your adopted country. What are the political consequences of this electoral system in terms of the trade-offs examined in this chapter and how does it shape the voting behaviour of voters from your adopted country?

2. Complete the following exercise from the Clark et al. (2012, p.600) book: 'If you were in charge of designing an electoral system for Iraq, what would it be and why?'

Reading

Essential reading

Carey, J.M. and S. Hix 'The Electoral Sweet Spot: Low-Magnitude Proportional Electoral Systems', *American Journal of Political Science* 55(2) 2011, pp.383–97.

Clark, W.R., M. Golder and S. Nadenichek Golder *Principles of Comparative Politics*. (Washington DC: CQ Press, 2012) Chapter 13.

Further reading

Abramson, P.R., J.H. Aldrich, A. Blais, M. Diamond, A. Diskin, I.D. Indridason, D.J. Lee and R. Levine 'Comparing Strategic Voting Under FPTP and PR', *Comparative Political Studies* 43(1) 2010, pp.61–90.

Carey, J.M. and A. Reynolds 'Comparing the Arab Revolts: the Impact of Election Systems', *Journal of Democracy* 22(4) 2011, pp.36–47.

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Clark, W.R. and M. Golder 'Rehabilitating Duverger's Theory: Testing the Mechanical and Strategic Modifying Effects of Electoral Laws', *Comparative Political Studies* 39(6) 2006, pp.679–708.

Hix, S., R. Johnston and I. McLean *Choosing an Electoral System.* (London: British Academy, 2010) [ISBN 9780856725883 (pbk)]; www.britac.ac.uk/ policy/choosing-electoral-system.cfm

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Forder, J. *The Case Against Voting Reform: Why the AV System Would Damage Britain.* (London: Oneworld Publishing, 2011) [ISBN 9781851688258].

Hix, S. and S. Hagemann 'Could Changing the Electoral Rules Fix European Parliament Elections?', *Politique Européenne* 28(2) 2009, pp.37–52.

Lijphart, A. *Patterns of Democracy: Government Forms and Performance in Thirty-Six Countries.* (New Haven, Conn.: Yale University Press, 1999) [ISBN 9780300078930].

Lijphart, A. *Electoral Systems and Party Systems: A Study of Twenty-Seven Democracies, 1945–1990.* (Oxford: Oxford University Press, 1994) [ISBN 978019873479].

Shugart, M. and M. Wattenberg (eds) *Mixed-Member Electoral Systems: The Best of Both Worlds?* (Oxford: Oxford University Press, 2001) [ISBN 019925768X (pbk)].

4.1 Types of electoral systems

There are many different types of systems used in democracies for electing parliaments, presidents, regional assemblies, local governments and many other bodies. For simplicity, political scientists usually categorise electoral systems that are used for electing parliaments in democracies into three basic types (for example, Lijphart, 1994; Bingham-Powell, 2000):

1. **majoritarian** systems – where a country is divided into several **single-member** districts

2. **proportional** systems – where a country is divided into one or more **multi-member** districts

3. **mixed** systems – which combines both **single-member** districts and **multi-member** districts.

In turn, there are several different variants of each of these main types of systems, which we now look at in some detail.

4.1.1 Majoritarian (single-member) systems

Among the group of single-member district majoritarian systems, there are three main types: (a) single-member plurality system (SMP); (b) the two-round system (TRS); and (c) the alternative vote system (AV).

SMP is perhaps the simplest electoral system to understand. In this system, a country is divided into as many districts (or 'constituencies' as they call them in the United Kingdom) as there are seats in the parliament, and each district usually has more or less an equal number of voters. Each district then elects one member of parliament (MP). Each party presents one candidate in each district, or individual politicians stand as 'independent' candidates. Each voter then votes for one and only one candidate – for example, by placing an 'X' next to the name of their most-preferred candidate. And, the candidate who receives the most votes in each district is then elected to the parliament. The SMP system is used for parliamentary elections in the UK, the USA, and in many other former British colonies throughout the world, including Botswana, Canada, India, Jamaica and Zambia.

As an illustration of how the SMP system works, Table 4.1 shows the Wimbledon constituency in the 2010 election to the UK House of Commons. Six candidates stood in the Wimbledon constituency in the 2010 election, and 47,395 voted in the constituency (which was 73 per cent of those who were eligible to vote). Stephen Hammond, the candidate of the Conservative Party, won the most votes (23,257). This was 11,408 more votes than the total number of votes for the second candidate. Hammond was hence elected to the House of Commons to represent Wimbledon until the next election. Interestingly, although Hammond received the most votes he did not in fact win a majority of votes: as while 49.1 per cent of people voted for Hammond, 50.9 per cent voted for one or other of the other candidates.

Name	Party	Votes	%
Stephen Hammond	Conservative	23,257	49.1
Shas Sheehan	Liberal Democrat	11,849	25.0
Andrew Judge	Labour	10,550	22.3
Mark McAleer	UK Independence Party	914	1.9
Rajeev Thacker	Green	590	1.2
David Martin	Christian Party	235	0.5
Total votes		47,395	100.0
Majority		11,408	24.1

Table 4.1: Result in the Wimbledon constituency in the 2010 election for the UK House of Commons.

The second main type of majoritarian system, the TRS, is similar to SMP in that a country is divided into as many districts as there are seats in the parliament, each district elects one member of parliament, and each party presents one candidate in each district (or individuals stand as independents).

What is different between TRS and SMP, however, is that under TRS the election is held over two rounds, usually 14 days apart. In the first round an election is held with all the candidates just like an SMP election: where each citizen votes for one and only one candidate – for example, by placing an 'X' next to the name of their most-preferred candidate. If a candidate wins more than 50 per cent of the vote in a district, they are

then elected in that district and a second round of voting is not held in that particular constituency. If, however, no candidate wins a majority of votes then (usually) all but the two candidates with the most votes are eliminated and a second 'run-off' election is held between the top two candidates. The winner of this second-round election is then elected to the parliament. The TRS is used in France and in many former French colonies, such as Congo, Gabon, Mali and Togo. The TRS is also used in many presidential elections, particularly in South America.

As an illustration of how the TRS works, Table 4.2 shows the result in the Landes *département* in the 2007 election to the French national assembly. Thirteen candidates stood in the Landes constituency in 2007, and 57,899 people voted in the first round of the election. The socialist candidate, Henri Emmanuelli, received the most votes. However, because he did not receive more than 50 per cent of all the votes that were cast, a second round of voting was held two weeks later, between the top two candidates: Henri Emmanuelli from the socialists and Arnaud Tauzin from the centre-right UMP. In the second round, Emmanuelli won the most votes (58.8 per cent) and was duly elected to represent the Landes. Interestingly, about 850 fewer people voted in the second round of the election. Emmanuelli won the election.

Name	Party	Votes	%
First Round	(10 June 2007)		
Henri Emmanuelli	*Socialiste*	27,747	47.9
Arnaud Tauzin	*Union pour un Mouvement Populaire*	19,976	34.5
Alexis Deslogis	*UDF-Mouvement Démocrate*	3,072	5.3
Joëlle Vignasse	*Communiste*	1,790	3.1
Serge Lasserre	*Chasse Pêche Nature Traditions*	1,199	2.1
Hélène Rochefor	*Front national*	1,030	1.8
Jacques Papon	*Les Verts*	862	1.5
Daniel Minvielle	*Extrême gauche*	784	1.4
Josiane Brachet	*Mouvement pour la France*	460	0.8
Michel Darzacq	Divers (*independent*)	313	0.5
Yann Brongniart	Divers (*independent*)	274	0.5
Marc Isidori	*Extrême gauche*	248	0.4
Brigitte Pourdieu	*Majorité présidentielle*	144	0.3
Total votes		57,899	100.0
Second Round	(17 June 2007)		
Henri Emmanuelli	*Socialiste*	33,522	58.8
Arnaud Tauzin	*Union pour un Mouvement Populaire*	23,501	41.2
Total votes		57,023	100.0

Table 4.2: Result in the Landes *département* in the 2007 election for the French National Assembly.

The third main type of majoritarian/single-member district electoral system, the AV, is like TRS in that there are multiple rounds of counting of votes, but the election takes place on a single day. AV works as follows. A country is divided into as many districts as there are seats in the parliament, each district elects one member of parliament, and (usually) each party presents only one candidate in each district (or individuals stand as independents).

However, unlike SMP and TRS, under AV instead of voting for a single candidate, citizens 'rank' the candidates in their preferred order, by placing a number next to each candidate: 1 next to their most-preferred candidate, 2 for their second most-preferred candidate, 3 for their third most-preferred candidate, and so on. After all the votes have been cast (when the polling stations have all closed), the 'first preferences' for each candidate are counted first. If no candidate wins at least 50 per cent of all first preferences votes, the candidate with the fewest votes is then eliminated and their 'second preferences' are re-allocated to the remaining candidate. This process continues until someone wins at least 50 per cent of the votes. AV is used in lower house elections in Australia, and is also used in Fiji and Papua New Guinea. A form of AV is used in some countries for electing local government leaders, such as the London Mayor. Also, a referendum on replacing SMP with AV for elections to the UK House of Commons was held in the UK in May 2011, but was defeated by a large margin (67.9 per cent of voters opted to retain the SMP system while 32.1 per cent voted in favour of a switch to AV).

Candidate	Party		Round of counting					
			First	Second	Third	Fourth	Fifth	Sixth
Tanya Plibersek	Australian Labor Party	Votes	34,362	34,464	34,642	34,898	35,677	53,235
		%	43.29	43.42	43.64	43.96	44.95	67.07
Gordon Weiss	Liberal Party	Votes	22,307	22,355	22,426	22,807	23,184	26,142
		%	28.10	28.16	28.25	28.73	29.21	32.93
Tony Hickey	Greens	Votes	18,852	19,120	19,380	19,831	20,516	
		%	23.75	24.09	24.42	24.98	25.85	
Brett Paterson	Australian Democrats	Votes	1,256	1,298	1,481	1,841		
		%	1.58	1.64	1.87	2.32		
Jane Ward	Independent	Votes	1,226	1,357	1,448			
		%	1.54	1.71	1.82			
Christopher Owen	Secular Party	Votes	718	783				
		%	0.90	0.99				
Denis Doherty	Communist Alliance	Votes	656					
		%	0.83					
Total			79,377	79,377	79,377	79,377	79,377	79,377

Table 4.3: Result in the Sydney division in the 2010 election for the Australian House of Representatives.

To illustrate how AV works, Table 4.3 shows the outcome of the election in the Sydney division in the 2010 election to the Australian House of Representatives, and how the transfer of votes worked across the multiple rounds of counting. Seven candidates stood in the Sydney division in 2010. Tanya Plibersek, from the Australian Labor Party, received the most 'first preference' votes, but less than 50 per cent of the 79,377 votes that were cast in the division. In the counting process, the bottom candidate, Denis Doherty of the Communist Alliance, was eliminated and the second-preference votes of the people who put him first were then allocated to the remaining candidates. After this second round of vote counting, no candidate had won 50 per cent of the votes. The next lowest candidate, Christopher Owen of the Secular Party was the next to be eliminated and his second preferences were re-allocated. This process continued for six rounds of counting, after which Tanya Plibersek was declared elected, as 67 per cent of the voters in the Sydney division had expressed that they preferred her to the other remaining candidate, Gordon Weiss.

4.1.2 Proportional (multi-member) systems

In contrast to majoritarian systems, all proportional – or 'proportional representation' (PR) – electoral systems have multi-member constituencies. The main rationale behind PR systems is to produce a proportional translation of votes into seats: where parties should win broadly the same proportion of seats in the parliament as the proportion of votes they won in an election (in a particular district).

Proportional electoral systems can be divided into systems where citizens vote for parties and systems where citizens vote for individual candidates. The former are often called 'party-based' systems, while the latter are often called 'candidate-based' systems.

The most common form of PR used in parliamentary elections in democracies is a party-based system known as closed-list PR (CLPR). The system works as follows. Usually the country is divided into a number of local or regional multi-member districts. These districts usually vary in size as they reflect particular geographic units, such as counties or regions, which are themselves of different sizes. However, some countries, such as Israel, operate a system of CLPR with one single national district.

Each party then presents a list of candidates in each district. The candidates on each party list are presented in a particular order, which determines which candidates are elected if a party wins a particular number of seats – for example, if a party wins two seats in a district, the candidates placed at positions 1 and 2 on that party's list will be elected.

Citizens then vote for one and only one party list. In some countries this involves placing an X next to the name of one of the parties on a ballot paper, while in other countries this involves selecting one of the party lists and placing it in the ballot box.

Once all the votes are cast, seats are allocated to parties in each district in proportion to the votes they received in that district. There are several different methods for translating votes into seats, some of which are more proportional than others. For more information on these various methods please refer to a textbook on electoral systems, such as Farrell (2011).

CLPR systems are widely used in parliamentary democracies throughout the world, including in Argentina, Austria, Israel, Nicaragua, Norway, Poland, Spain, Sweden, South Africa and Turkey. They are also used for European Parliament elections in the UK, to elect Members of the European Parliament (MEPs) in England, Scotland and Wales (although not in Northern Ireland).

A less common form of PR, although one which is becoming increasingly popular, is a candidate-based system known as open-list PR (OLPR). In many respects, this system is similar to CLPR. A country is usually divided into several local or regional multi-member districts, which can vary in size. Some countries, such as the Netherlands, operate a system of OLPR with one single national district.

As in CLPR, in OLPR each party presents a list of candidates in each district. Again, the candidates on each party list are usually presented in a particular order. However, rather than the party having full control over the order in which candidates are elected, under OLPR, citizens can use their votes in the election to change the order of the candidates on the lists, and so overturn the order proposed by a party.

As in CLPR, in OLPR citizens have one vote, and vote for one and only one party list. However, under OLPR citizens can usually either vote for a party list (a 'party vote') or can vote for an individual candidate (a 'personal

vote'). Seats are then allocated to parties in proportion to the total votes they receive in a district (their party votes plus the personal votes to the party's candidates). And, seats are allocated to candidates within parties according to the number of personal votes each candidate receives. Various versions of OLPR are used in parliamentary elections throughout the world, including in Brazil, Chile, Czech Republic, Denmark, Estonia, Finland, Iraq, Latvia, Netherlands, Sweden and Switzerland.

To illustrate how OLPR works, Figure 4.1 shows a ballot paper from the 2001 Danish *Folketing* election in the Sønderjylland district. This was a seven-member district, which meant that most, although not all, of the parties presented seven candidates in the district. Under the Danish system, voters can choose either to vote for a party, by placing an X next to the name of a party, or to vote for an individual candidate, by placing an X next to the name of a particular candidate. A vote for a candidate counts as a vote for a party, but also influences which candidates are elected from that party.

Figure 4.1: Ballot paper from the Sønderjylland district in the 2001 election to the Danish *Folketing*.

There are several additional features of the Danish OLPR system which are worth mentioning to explain the ballot paper in Figure 4.1, but which are not general features of OLPR systems. First, parties can indicate to their voters whether personal votes will change the order on their proposed list or not. Where a party presents an open-list, all the candidates are indicated in bold type. In contrast, where a party presents a closed-list, where any personal votes are counted together with the party votes, this is indicated by making the top-named candidate the only candidate in bold type – as was the case in 2001 in Sønderjylland for the Socialist People's Party (F) and the Unity List (Ø). Second, parties in Denmark are allowed to nominate the same candidate in several districts. Where a candidate is standing in several districts this is indicated by placing that candidate at the top of the list, and then placing all the other candidates after this candidate in alphabetical order – as was the case with Frode Sørensen, at the top of the Social Democrats (A) list.

Party	No. of votes	% of votes	Seats won
V. Liberals	61,453	38.2	3
A. Social Democrats	44,067	27.4	3
O. Danish People's Party	22,507	14.0	1
C. Conservatives	12,174	7.6	0
F. Socialist People's Party	5,939	3.7	0
B. Social Liberals	5,388	3.4	0
Q. Christian People's Party	4,091	2.5	0
D. Centre Democrats	2,064	1.3	0
Z. Progress Party	1,581	1.0	0
Ø. Unity List: The Red-Greens	1,479	0.9	0
Total	160,743		

Table 4.4: Result in the Sønderjylland district in the 2001 election to the Danish *Folketing*.

Table 4.4 shows the result from the Sønderjylland constituency in 2001. The Liberals (V) won 38.2 per cent of the vote, which gave them three seats under the system for calculating how votes are translated into seats in Denmark, and their three candidates with the most personal votes were elected (Schmidt, Moos and Buhrkall). The Social Democrats (A) won 27.4 per cent of the vote and three seats and their three candidates with the most personal votes were elected (Sørensen, Qvist Jørgensen and Bierbaum). The final seat went to the Danish People's Party (O) which won 14.0 per cent of the votes and their candidate with the most personal votes was elected (Krarup).

Another candidate-based system of PR which is used in some countries is the single-transferable-vote (STV). STV works much like AV, except in multi-member districts rather than single-member districts. Each party presents several candidates in each district or candidates stand as independents. As in AV, voters 'rank' the candidates in their preferred order, by placing a number next to each candidate: so, 1 next to their most-preferred candidate, 2 for their second most-preferred candidate, 3 for their third most-preferred candidate, and so on.

Once the polling stations are closed the first-preferences for each candidate in a district are counted. If any candidate reaches a 'quota' of votes, they are elected. The quota in a district is:

$$Q = \left[\frac{\text{total valid votes}}{(\text{total number of seats}) + 1} \right] + 1$$

So, for example, in a three-seat district, a candidate must win at least 25 per cent of the vote to be elected. If not enough candidates reach the quota, the bottom candidate is eliminated and their 'second preferences' are allocated to the remaining candidates, and so on, until all the seats have been allocated.

STV is used for parliamentary elections in only Ireland and Malta. It is also used for local government elections in Scotland, and for many elections in clubs and societies in the UK and elsewhere.

4.1.3 Mixed (single-member and multi-member) systems

Mixed electoral systems are where some seats in a parliament are elected in single-member districts while other seats are allocated on a second-tier of multi-member districts, either at a regional level or at a national level. Each party presents one candidate in a single-member district and a list of candidates in a multi-member (regional or national) district.

Citizens then (usually) have two votes: (1) for a candidate in a single-member seat; and (2) for a party on a regional (or national) party list. In each single-member district, the candidate with the most votes is elected and then one of two methods are used for allocating seats in the multi-member districts.

In mixed-member proportional (MMP) systems, the party-list seats are allocated to **compensate** those parties who have not won enough single-member seats given their overall vote share in an election. This system is used in parliamentary elections in Bolivia, Germany, Mexico and New Zealand, and in the UK for the Scottish Parliament, and the Welsh and London Assembly elections.

In mixed-member majoritarian (MMM) systems, in contrast, the party-list seats are allocated in proportion to the votes received by parties in the multi-member party-list constituencies, independently from the votes in the single-member districts. This system is used in parliamentary elections in Japan, Russia, South Korea, Thailand and Ukraine.

Tables 4.5 and 4.6 illustrate the difference between the two types of mixed-member electoral systems. In the German *Bundestag*, approximately half the MPs (299) are elected in single-member districts and the other half (323) are elected in regional multi-member districts. Each citizen has two votes: a first vote for the candidates standing in their single-member district; and a second vote for a party list in their region. In each region, parties win seats in proportion to the number of party-list votes they receive in a region, irrespective of how many votes they won in the single-member districts. So, for example, if a party has 20 per cent of the total votes in a region of 50 seats (with 25 single-member seats and 25 party-list seats) which are up for election, the party should win 10 seats. Now, if the party has already won three of the 25 single-member districts in the region, it will then be allocated an additional seven seats from its regional party list, to take its total seats up to 10 – hence why these sorts of systems are sometimes referred to as 'additional member' systems. However, sometimes a party can win more single-member district seats than it would deserve if seats were allocated in proportion to the party's share of the party-list votes. This would happen, for example, if a party won 40 per cent of the party-list votes in a region of 50 seats (25 single-member seats and 25 party-list seats) but won 22 of the single-member district seats, which would be 44 per cent of the total seats. In this situation, the party would win two extra, 'overhang', seats. In fact, 24 such overhang seats were won in the 2009 German election.

Party	Single-member districts		Multi-member districts		Total	
	Votes %	Seats	Votes %	Seats	Seats	Seats %
Christian Democrats (CDU/CSU)	39.4	218	33.8	21	239	38.4
Social Democrats (SDP)	27.9	64	23.0	82	146	23.5
Liberals (FDP)	9.4	0	14.6	93	93	15.0
Left Party (LINKE)	11.1	16	11.9	60	76	12.2
Greens (B-90/*Grune*)	9.2	1	10.7	67	68	10.9
Others	2.9	0	6.0	0	0	0.0
Total	100.0	299	100.0	323	622	100.0

Table 4.5: Result of the 2009 German *Bundestag* election, under an MMP system.

Party	Single-member districts		Multi-member districts		Total	
	Votes %	Seats	Votes %	Seats	Seats	Seats %
Democratic Party of Japan (DPJ) + allies	50.7	228	49.0	92	320	66.7
Liberal Democratic Party (LDP) + allies	39.8	64	38.3	76	140	29.2
Japanese Communist Party (JCP)	4.2	0	7.0	9	9	1.9
Your Party (YP)	0.9	2	4.3	3	5	1.0
Independents	2.8	6	-	0	6	1.3
Others	1.5	0	1.4	0	0	0.0
Total	100.0	300	100.0	180	480	100.0

Table 4.6: Result of the 2009 Japanese Diet election, under an MMM system.

In general, the MMP system in Germany produces a broadly proportional result, in terms of the mapping of party vote-shares into overall seat-shares. This was the case in 2009, as Table 4.5 shows, where all the parties except the CDU/CSU won broadly the same share of seats as the share of party-list (second) votes they won in the election. However, the outcome in 2009 was not quite as proportional as in some other *Bundestag* elections, because the German CDU/CSU won a large number of overhang seats. As a result, the CDU won 38 per cent of the seats in the *Bundestag* but only 34 per cent of party-list votes across all the regions.

Nevertheless, the German MMP system produces far more proportional outcomes than the MMM system used in Japan, as Table 4.5 shows. In the Japanese Diet, there are 300 single-member districts and 180 seats are allocated in regional multi-member districts. As in Germany, voters in Japan have two votes: one vote for a candidate standing in a single-member district; and the other vote for one of the party-lists in a regional multi-member district. In each single-member district, the candidate who wins the most votes is elected. The multi-member party-list seats are then allocated in proportion to the share of second votes each party received in each regional district. The difference with Germany, however, is that these second-tier party-list seats are allocated independently of how many single-member district seats each party wins.

The result of this 'parallel' system of allocated single-member and party-list seats is an overall electoral outcome which can be rather disproportional, as was the case in the 2009 election in Japan. With just over 50 per cent of the votes in the single-member districts, the DPJ won 228 of the 300 single-member seats. Then, with 49 per cent of the regional party-list votes, the DPJ won a further 92 of the 180 party-list seats. This made a

total of 320 seats, which was 67 per cent of the seats in the Diet. So, the DPJ won a far greater proportion of seats in the Diet than the proportion of votes it won in the election.

In other words, in terms of the overall proportionality of election outcomes, with regards to the relationship between vote-shares and seat-shares, MMM systems are similar to the three single-member majoritarian systems we have looked at (SMP, TRS and AV), while mixed-member proportional systems are similar to the three MMP systems we have described (CLPR, OLPR and STV). However, the overall proportionality of an election is one of many political consequences of electoral systems.

4.2 Political consequences of electoral systems: a series of trade-offs

So, which electoral system is best? As with most questions in political science the answer to that question is 'it depends'. There is no ideal electoral system for all countries. The reason for this is that electoral systems have many different political consequences, and some people value some political outcomes more highly than other people do. For example, some people place the highest value on a clear choice between two main parties, over which one will form a government (for example, Forder, 2011), while other people place the highest value on the fair representation of all voters in the parliament (for example, Lijphart, 1994). The problem is that it is very difficult to have both of these things at the same time: a highly accountable government, and a highly representative parliament. Also, the ability to achieve single-party government and a highly representative parliament is particularly difficult in pluralist societies, where citizens vote for lots of different political parties in parliamentary elections.

There are many such trade-offs in the choice of an electoral system. For simplicity we will focus on two.

1. The trade-off between a representative parliament and an accountable government – namely, should a parliament fairly represent citizens' vote choices in elections, or should a country have a stable and identifiable single-party government?

2. The trade-off between cohesive parties and accountable politicians – namely, should parties be centralised and cohesive, so they can deliver on their electoral promises, or should citizens be able to choose between politicians from the same political party (which increases individual accountability)?

4.2.1 Representative parliament versus government accountability

Proportional electoral systems maximise 'representation', since they achieve a proportional mapping of party vote-shares in the election into seat-shares in a parliament. So, if one party wins 20 per cent of the votes and another party wins 40 per cent, the two parties are likely to secure 20 per cent and 40 per cent of the seats in the parliament, respectively. Some PR systems are more purely 'proportional' than others. This is because the exact mapping of votes into seats depends on several factors, such as the seat calculation formula used, the number of MPs elected in each multi-member district (fewer MPs per district produces a less proportional outcome than more MPs per district), and whether a country has an 'electoral threshold' (for example, in Germany a party

needs at least 5 per cent of the national vote-share to win a seat in the parliament). Nevertheless, in general, proportional electoral systems are good at producing parliaments which are a microcosm of society – where the plurality of people's political preferences, as expressed in elections, are fairly represented in the main elected institution in a democracy – which many people believe is the *sine qua non* (indispensable condition) of the concept of 'representative democracy'.

That all sounds good. However, PR systems have a major downside: they tend to produce multi-party coalition governments rather than single-party governments. This is because it is highly unlikely in a proportional representation system that any party will win more than 50 per cent of the votes. This sometimes happens in some countries. However, it is rare, since in proportional systems there are few incentives for voters to vote for one of the bigger parties when they could vote for a smaller party which might represent their political preferences more closely, in the knowledge that a smaller party has a good chance of winning seats in a parliament. Put another way, in PR systems there are few incentives for voters to 'coordinate' on voting for big parties, and there are low entry thresholds for new parties to form. As a result, PR systems tend to produce multi-party systems rather than two-party systems, which in turn leads to coalition governments rather than single-party governments.

In terms of policy-making, coalition governments under certain conditions (if they are between similar parties) can be as effective as single-party governments, as we explain in Chapter 8 of this subject guide. However, in terms of accountability to the voters, many political scientists argue that single-party governments are more accountable than coalition governments. First, coalition agreements between parties are usually forged after an election has taken place, so when citizens are making their choices in an election, they do not know *a priori* which parties might end up in the government, and which policy promises parties have put in their election manifestos will end up being ditched once coalition negotiations begin. Second, once a coalition government has formed, it might be difficult for voters to judge which of the parties in the coalition is responsible for which policy. Because of these two factors, single-party governments have what political scientists call a higher 'clarity of responsibility' than coalition governments. If a pre-electoral coalition is formed before an election takes place, voters are more able to judge the likely policy consequences of their vote choices in an election. Nevertheless, a pre-electoral coalition which then forms a government is still not as accountable as a single-party government, as there will inevitably be some uncertainty about whether the coalition will remain together for the duration of a parliament.

Where majoritarian systems are concerned, the trade-off between a representative parliament and an accountable government is the other way around. A majoritarian system is more likely than a proportional system to produce a single-party government. The main reason for this is that in majoritarian systems small shifts in votes between parties ('vote swings') lead to big shifts in seats. This is illustrated in Figure 4.2. In a purely proportional electoral system, each party wins the same proportion of seats in a parliament as the proportion of votes they received in an election. As a result, there is a one-to-one relationship between vote-shares and seat-shares in proportional systems: as shown by the 45 degree line in the figure.

In a majoritarian electoral system, however, large parties are more likely to win seats than small parties. Maurice Duverger (1951) was the

first political scientist to identify why this was the case. He argued that electoral systems have two effects:

1. **Mechanical** – how the rules of the electoral system translate votes into seats.

2. **Psychological** – how the electoral system shapes voters' expectations about which parties are likely to win seats.

In a majoritarian system, for example, a candidate usually has to win at least 40 per cent of the votes in a constituency to win a seat. The mechanical effect of this is that only large parties are likely to win any seats. And, the psychological effect is that, realising this, citizens will decide not to waste their votes on small parties and only vote for big parties. So, in Figure 4.2, in a majoritarian system small parties are likely to win a smaller proportion of seats than their vote-share, whereas parties with more than 40 per cent of the votes are likely to win a far larger proportion of seats than their vote-share. Duverger consequently argued that pure majoritarian systems, with simple-plurality in single-member districts, should produce a two-party system (as was the case in the UK when he was writing), whereas a proportional electoral system should produce a multi-party system. This became known as 'Duverger's Law'.
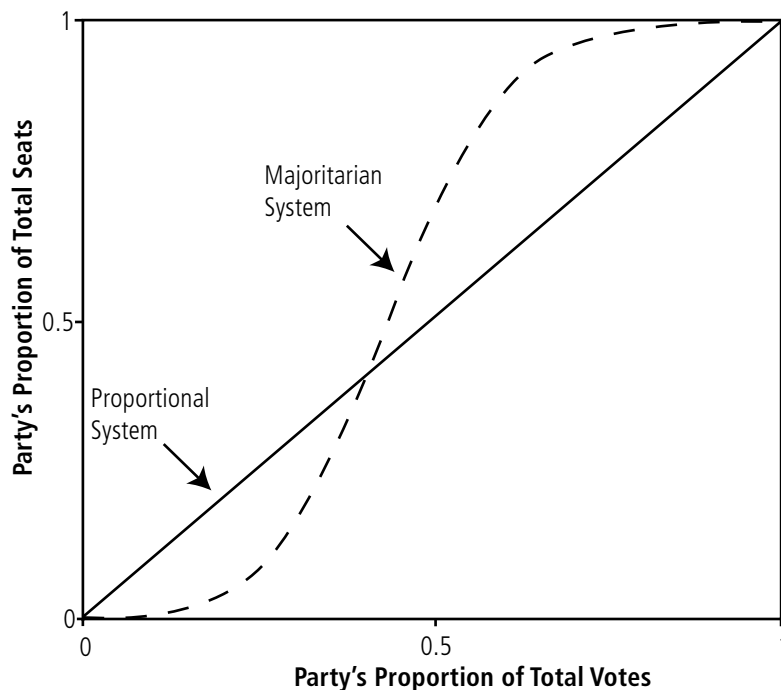
Figure 4.2: The seats-votes curve: proportionality or responsiveness?

By punishing small parties and rewarding big parties, majoritarian electoral systems tend to produce single-party governments, and so tend to have more accountable governments and a higher clarity-of-responsibility than do proportional electoral systems. On the other hand, parliaments in majoritarian systems can be highly unrepresentative, especially if a large proportion of the electorate votes for a smaller party.

Consider the case of the majoritarian single-member plurality electoral system in the UK, for example. In 1992, the Conservative Party won 41.9 per cent of the vote, against Labour's 34.4 per cent and the Liberal Democrats' 17.8 per cent. These vote-shares translated into 51.7 per cent of the seats in the House of Commons for the Conservatives, 41.6 per cent for Labour and 3.1 per cent for the Liberal Democrats. In other words, in

1992, the electoral system produced a significant bonus in terms of seat-shares for the largest party, a small bonus for the second largest party, while significantly penalising the third largest party.

The 1997 election saw a swing in votes from the Conservatives to Labour, which produced a massive shift in seats between these two parties. In terms of vote-shares, Labour won 43.2 per cent, the Conservatives 30.7 per cent and the Liberal Democrats 16.8 per cent. And this translated into 63.4 per cent of the seats in the Commons for Labour, 25.0 per cent for the Conservatives, and 6.9 per cent for the Liberal Democrats. So, an approximately 10 per cent shift in votes from the Conservatives to Labour produced more than a 20 per cent shift in seats, as Labour emerged as the largest party in a clear majority of the single-member constituencies across the country.

On the one hand, the British electoral system had translated a swing between the two parties into a decisive outcome, where a single party could govern on the basis of its electoral manifesto and then be rewarded or punished in the next election on the basis of its performance in office. On the other hand, the outcomes of the 1992 and 1997 elections were not very 'representative'. Neither the Conservative party in 1992 nor the Labour party in 1997 won a majority of votes. Put another way, a majority of people voted for parties to the left of the government that formed in 1992 and for parties to the right of the government that formed in 1997. So, the two governing parties did not have a clear electoral mandate in either election. Moreover, a large number of people voted for smaller parties, such as the Liberal Democrats, the Greens, the UK Independence Party, the Scottish National Party (SNP), and Plaid Cymru (the Welsh nationalists), who won far fewer seats in the House of Commons than they deserved given their vote-shares in the election.

The problem for the British electoral system is that Britain no longer has a single national party system. In the 1950s and 1960s, the Conservative and Labour parties were the top two parties in more than 90 per cent of constituencies. This produced highly representative parliaments (in terms of the relationship between vote-shares and seat-shares) as well as single-party governments. However, since the early 1980s, different voting patterns have emerged in different parts of the country, so much so that in the 2010 election the Conservative and Labour parties were the two largest parties in only 44 per cent of constituencies. The other constituencies were either Conservatives versus Liberal Democrats, or Labour versus Liberal Democrats, or Labour versus SNP, or Labour versus Plaid, or Conservatives versus Plaid, or Greens versus Labour, or several three-party races, or even a few four-party battles.

The problem, which Gary Cox (1997) pointed out, is that Duverger's logic only works at the constituency level, but not at the national level. So, if voters are strategic, then they should 'coordinate' around only those parties that have a realistic chance of being elected in each electoral district. So, in a single-member district, voters should focus on the battle between the top two parties. But, this does not mean that the top two parties will be the same in every district in a country. In fact, in geographically heterogeneous societies, such as Canada and now the UK, a single-member district majoritarian system will produce a multi-party system (with coalition governments) and not a two-party system (with single-party governments).

The problem for Britain, then, is that with the current geographical fragmentation of the vote, the electoral system is unlikely to produce decisive outcomes. This is exactly what happened in the 2010 election,

which led to a coalition government between the Conservatives and the Liberal Democrats. In fact, in 2010, the British majoritarian electoral system did not produce either a representative parliament or an accountable (single-party) government!

4.2.2 Accountable politicians versus cohesive parties

The second trade-off in the design of electoral systems relates to how the electoral system shapes the relationship between individual politicians and their parties. This trade-off has been less researched than the trade-off between representation and accountability, but has nonetheless received a lot of attention from political scientists in the last 10 years or so.

John Carey and Matthew Shugart (1995) were some of the earliest political scientists to look at the relationship between the 'ballot structure' and the incentives for individual politicians to respond primarily to their voters or primarily to their party leaders. Their framework can be summarised as follows. At one extreme are CLPR systems, which allow parties a lot of control over individual politicians, as party leaders are usually responsible for deciding the order of the candidates on the party lists, and because voters can only choose between parties in these 'closed' systems, there are no incentives for candidates from the same party to differentiate themselves from each other; for example, by campaigning on their own personal performance or policy positions rather than the policy positions of their party. CLPR systems consequently produce highly cohesive parties with no direct accountability of individual politicians to voters.

Next on the list are the MMP and MMM systems. In these systems, parties usually control who stands as a candidate in the single-member districts and also the order of the names on the multi-member party lists. These systems do, however, provide some incentives for the candidates in the single-member constituencies to campaign on their personal records. Nevertheless, as parties only stand one candidate each in the single-member districts, voters do not have a choice between candidates from the same political party.

This is exactly the same in the single-member district systems – with either SMP, the TRS or the AV. In these systems, individual politicians can campaign on their personal policy positions and performance and may receive an electoral boost over and above the level of their party's performance in an election. However, as with the single-member districts in mixed-member systems, since parties only stand one candidate in each district, in these systems voters are not able to choose between politicians from the same political party. For example, if a voter likes a particular party but does not like the candidate from that party in her district, she faces a unpalatable choice: between voting for a better candidate from a less-preferred party, or voting for a worse candidate from her most-preferred party. Hence, single-member district elections, as in the UK, do not provide very strong individual political accountability.

At the other extreme to the CLPR systems are the 'preferential' voting systems: OLPR and STV. In these systems, parties present several candidates to the voters, and voters can choose between candidates from the same party. This forces candidates to campaign directly to voters on their personal records, and also to differentiate themselves from each other. This makes elected politicians individually accountable. For example, Simon Hix and Sara Hagemann (2009) find that in European Parliament elections, citizens who live in countries that use OLPR or STV for these elections (such as Finland or Ireland) are much more likely to be

contacted by individual politicians in the election campaigns than citizens who live in countries that use CLPR systems (such as Germany, France or the UK).

Nevertheless, parties tend to dislike these preferential voting systems, as they weaken the ability of parties to present a single coherent message to the voters and then to act cohesively in parliament to implement their electoral promises. Under OLPR or STV, party leaders have less power over their 'backbenchers' in parliament than they do under CLPR, because they cannot threaten to move politicians down the party list at the next election if they vote against the party in the parliament. As a result, John Carey (2007) finds that parties in countries who use preferential electoral systems (OLPR or STV) tend to be less cohesive in their parliamentary voting behaviour than parties in countries that have single-member district or closed-list PR electoral systems.

So, once again, there is a trade-off: CLPR systems allow parties to deliver on their electoral promises but do not allow voters to hold individual candidates to account; OLPR and STV allow voters to hold individual candidates to account but undermine cohesive parties; and single-member district systems (SMP, TRS and AV) and mixed-member systems (MMP and MMM) are somewhere between these two extremes.

4.2.3 Is there a 'best of both worlds'?

In general, then, most political scientists see the design of electoral systems as essentially a trade-off between different 'visions' or 'models' of democracy, with no way of reconciling competing objectives (for example, Lijphart, 1999; Bingham-Powell, 2000). Nevertheless, not all political scientists have this view, and in many new democracies and some established democracies constitutional engineers have attempted to design electoral systems which achieve several allegedly contradictory goals, in an effort to achieve 'the best of both worlds'.
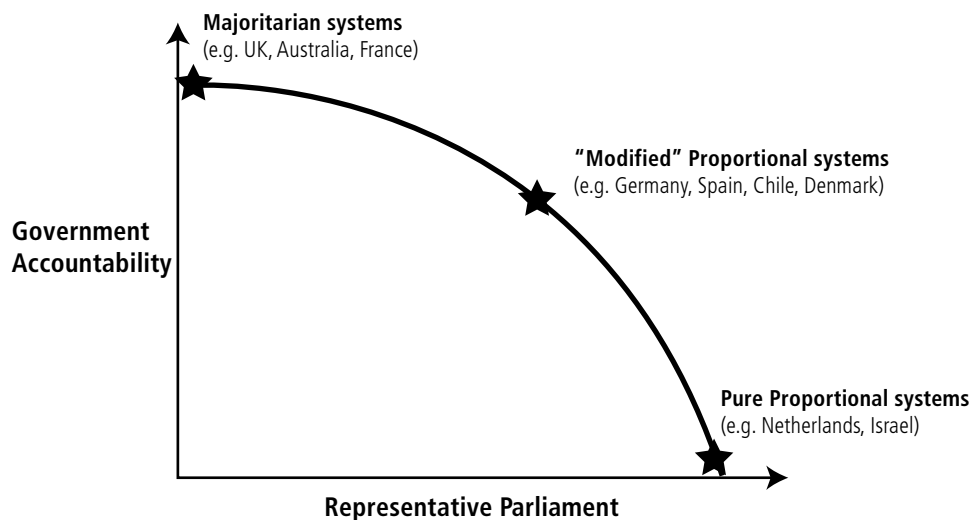
Figure 4.3: A maximisation problem in the design of electoral systems.

For example, Carey and Hix (2011) argue that the trade-off between a representative parliament and an accountable government might not be as linear as previous scholars thought. Their argument is illustrated in Figure 4.3. It may be the case that majoritarian systems (as in the UK, Australia and France) maximise government accountability at the expense of leading to unrepresentative parliaments, while pure PR systems (as in the Netherlands or Israel) maximise the representativeness of parliament yet lead to unwieldy and perhaps unaccountable coalition governments.

However, these are rare ideal types. Many countries these days have a form of 'modified' PR, which tries to strike a compromise between these two systems. Such modifications include:

1. small multi-member districts, which provide a seat-boost for larger parties yet allow medium-sized parties or geographically concentrated parties to win some seats (as in Denmark, Spain, Portugal or the Czech Republic)

2. a high electoral threshold, such as a 5 per cent minimum to win a seat, which prevents very small parties from winning seats and so makes coalition formation easier (as in Germany, Sweden, Hungary and Turkey)

3. a 'winner's bonus', which provides extra seats to the largest party or parties in the election, to provide incentives for voters to coordinate on the largest parties and for parties to try to win a majority of seats and so form a single-party government (as in Greece and Italy, since 2006)

4. MMM systems, which provide a significant boost for large parties, who can win many of the single-member district seats, while allowing smaller parties to win some seats from the multi-member party-list tier (as in Japan, South Korea or Taiwan).

The result, as the figure illustrates, is that the trade-off between a representative parliament and an accountable government might in fact be a maximisation problem, where there is an optimal 'sweet spot' design which allows for a reasonably representative parliament as well as a single-party government or a coalition government with only two parties (which is easier to hold to account than a coalition of three or more parties).

Similar claims have been made about the other trade-off: between cohesive parties and accountable politicians. In particular, many new democracies in the 1990s choose mixed-member systems (Shugart and Wattenberg, 2001). Mixed-systems, either MMP or MMM, allow for a strong personal link to local communities for the politicians elected in the single-member districts, as well as reasonable cohesive political parties, via party control of the candidates on the party-lists.

Nevertheless, since the introduction of mixed-member systems in several new democracies in the 1990s, there is growing evidence that these systems lead to increased fragmentation of the party system because large numbers of voters decide to use their two votes to support two different parties, which boosts support for many small parties (Ferrara et al., 2005). This has been less of a problem in MMM systems, which have tended to produce single-party governments, but has led to coalition governments with a large number of parties in some countries with MMP systems (as was the case in Italy before its MMP system was replaced in 2006).

4.3 Conclusion

Electoral systems have an impact on many aspects of democratic politics, from voting behaviour in elections, to how politicians and parties behave, to how representative parliaments are, to how many parties there are in government, and ultimately to the types of policies parties promise and governments produce. There are two main trade-offs in the design of electoral systems. First, proportional systems produce highly representative parliaments but they tend to produce less accountable governments; whereas majoritarian systems tend to produce opposite effects. In some instances, a high degree of inclusion may take precedence over accountability, while in other instances it may be the reverse. For

example, it has been argued that in the Arab Spring countries their new electoral system must prioritise inclusion because of the historically high degree of exclusion of certain viewpoints from the political process in these former authoritarian regimes (Carey and Reynolds, 2011). Second, whereas CLPR systems tend to produce highly-cohesive parties but less accountable politicians, OLPR systems tend to produce the opposite. However, leaving the Arab Spring countries aside for one moment, there is a definite trend in recent years for electoral system 'engineers' in new democracies and some established democracies (such as Italy, New Zealand and Japan) to attempt to design systems that achieve 'the best of both worlds'.

4.4 A reminder of your learning outcomes

Having completed this chapter, and the Essential reading and activities, you should be able to:

- explain the difference between majoritarian, proportional and mixed electoral systems

- discuss the main political consequences of the type of electoral system used in a democracy

- evaluate critically why some electoral systems are better than others in terms of achieving certain political outcomes, such as fair representation, accountable government, accountable politicians, and cohesive political parties

- discuss how some electoral systems are able to combine 'the best of both' worlds in terms of political outcomes.

4.5 Sample examination questions

1. 'Proportional electoral systems produce more representative parliaments but less accountable governments than majoritarian electoral systems.' Discuss.

2. How does the electoral system influence the relationship between individual politicians and their party leaders?

3. Is a proportional or a majoritarian electoral system better?

Chapter 5: Political parties – polarisation or convergence?

Aims of the chapter

The aims of this chapter are to:

- explain why political parties are central to modern representative democracy

- outline two different theories of party behaviour: the cleavage model and the strategic actor model

- introduce debates about why parties either converge or polarise

- discuss various methods of measuring parties' positions on a left–right dimension.

Learning outcomes

By the end of this chapter, and having completed the Essential reading and activities, you should be able to:

- explain the role of parties in modern representative democracies

- evaluate contrasting theories of parties' behaviour

- explain critically the reasons for party convergence and party polarisation

- analyse evidence and ways of measuring parties' different positions on the left–right dimension.

Interactive tasks

1. Locate the parties in your adopted country on a left–right scale or in a multi-dimensional space. Have the parties' positions changed over time, and if so have they converged or diverged?

2. To the extent that political parties in your adopted country have changed their political positions, have parties changed in response to the voters' preferences or have voters followed the parties?

3. In democracies in general, is it better to have two parties, three parties, four parties or lots of parties and why?

Reading

Essential reading

Clark, W.R., M. Golder and S. Nadenichek Golder *Principles of Comparative Politics*. (Washington DC: CQ Press, 2012) Chapter 14.

Downs, A. 'An Economic Theory of Political Action in a Democracy', *The Journal of Political Economy* 65(2) 1957, pp.135–150.

Lipset, S.M. 'The Indispensability of Political Parties', *Journal of Democracy* 11(1) 2000, pp.48–55.

Further reading

Benoit, K. and M. Laver *Party Policy in Modern Democracies*. (London: Routledge, 2006) [ISBN 9780415368322] Chapter 2; www.tcd.ie/Political_Science/ppmd/

Lipset, S.M. and S. Rokkan 'Cleavage Structures, Party Systems, and Voter Alignments' in Mair, P. (ed.) *The West European Party System*. (Oxford: Oxford University Press, 1990 [1967]) [ISBN 9780198275831].

Works cited

Colomer, J.M. *The Science of Politics. An Introduction.* (Oxford: Oxford University Press, 2011) [ISBN 9780195397741].

Katz, R.S. and P. Mair 'Changing Models of Party Organisation and Party Democracy. The Emergence of the Cartel Party', *Party Politics* 1(1) 1995, pp.5–28.

Klingemann, H.D., A. Volkens, J. Bara, I. Budge and M. MacDonald *Mapping Policy Preferences II. Estimates for Parties, Electors, and Governments in Eastern Europe, the European Union and the OECD, 1990–2003.* (Oxford: Oxford University Press, 2006) [ISBN 9780199296316].

Laakso, M. and R. Taagapera '"Effective" Number of Parties: A Measure with Application to West Europe', *Comparative Political Studies* 12(1) 1979, pp.3–27.

McCarty, N., K. Poole and H. Rosenthal *Polarised America: The Dance of Ideology and Unequal Riches.* (Cambridge, Mass.: MIT Press, 2006) [ISBN 9780262134644].

Schattschneider, E.E. *Party Government.* (New York, NY: Holt, Reinhart and Winston, 1942).

5.1 What are political parties?

Over 70 years ago, Schattschneider (1942, p.1) stated that 'political parties created democracy and …modern democracy is unthinkable save in terms of parties'. This viewpoint still sums up the way many political scientists think about parties today. Political parties are central to representative democracy and even though many people have predicted their demise or their curtailment over the years, parties have proved to be incredibly resilient. Throughout the twentieth century there have been many different conceptions of democracy that have attempted to bypass the idea of party democracy. For example, direct democracy, interest-group led democracy, participatory democracy and deliberative democracy all offered alternative visions for how democracies should operate and function. Yet, in practice, these systems have been rarely implemented or, when they have been attempted, they have often proved unwieldy and difficult. The rare cases of national democracies without parties are in specific Pacific islands with very small populations such as Palau and Tuvalu (Clark et al., 2012, p.611). Instead what we find is that parties are the necessary basis for organising large-scale liberal democracy. Given their centrality, they are worthy of close attention and analysis by political scientists.

Edmund Burke, writing in 1770, defined a party as 'a body of men united for promoting by their joint endeavours the national interest, upon some particular principle in which they are all agreed'. Burke's quote betrays the restricted nature of electoral participation in 1770 by viewing parties solely as bodies of men, but this aside, much of his definition is still highly relevant. For Burke, parties were people united together by a desire to shape the politics of a nation in some particular direction based upon a shared set of values or beliefs. We still see many echoes of these ideas in a much more recent definition of a political party as 'an organisation of individuals formed to compete for political power and provide public goods in the form of public policy' (Colomer, 2011, p.136). While there are certainly some differences between the two definitions,

such as Burke's explicit focus on the national level, which is replaced by Colomer's implicit acknowledgement that parties may not necessarily have a specifically national focus being perhaps supranational or subnational, there is also a lot of continuity in the two definitions. Both definitions view parties as groups of individuals who share a common bond and who are interested in influencing public political life (whether this common bond is ideological or merely a desire for elected office is an issue which we will address later). The fact that these two definitions over 200 years apart still emphasise many common characteristics provides proof for just how resilient parties are and how they are fundamental to the liberal democratic political process.

This is not to imply that parties have been immune from criticism over the years nor can it be assumed that parties are a positive force. For many political thinkers, particularly prior to the twentieth century, parties were viewed as bad for democracy. The most common criticism of parties over the years has been that by their very nature they are partisan groups that are only concerned with advancing one specific part of the general will. Mass political parties are often seen as groups of individuals in competition to gain control of the state so that they can further the interests of their supporters, even if that comes at the cost of other citizens in society (Katz and Mair, 1995). If parties are primarily interested in furthering the interests of only one particular sector of society, this runs the risk of creating polarisation and instability. It is precisely these very concerns that led the framers of the US Constitution to attempt to design the system in such a way as to prevent political parties from coming together. Of course, this attempt was unsuccessful in the long term, but *The Federalist* papers demonstrate the framer's scepticism.

There is also another set of criticisms of parties that focuses on their organisational structure rather than their partisan nature. For some, parties are seen as preventing politicians from representing their constituents' interests. This view argues that rather than responding to the will of their supporters, politicians must act in the interests of maintaining a coherent and viable party and often this means voting or acting in such a way that favours the party over their constituents. A recent criticism regarding the organisational structure of parties comes again from Katz and Mair (1995) who argue that parties have become 'cartel parties' intent upon capturing the state and then using the state's resources to preserve their party's position of power. This is most evident in the growth of state funding of parties and major parties' use of their power to restrict new parties from emerging. Belgium is a strong example of this, but they argue it is also evident in many other advanced democracies such as the United Kingdom, the USA and Sweden.

In spite of these criticisms, most political scientists today see parties as a necessary facet of political life which need not have inevitably negative consequences. In fact, in many respects parties help to manage the liberal democratic process efficiently. We can identify a range of reasons why parties are beneficial.

- Candidates that identify with a party reduce the 'information costs' for voters. In other words, party labels allow voters to know quickly and efficiently what a candidate stands for, the policies they endorse and the issues they disagree over with rival parties. Without this coordination it is difficult to imagine how politics would operate if every candidate ran independently – this would present very real challenges for voters to learn the policy stances of every candidate.

- Being a representative of a political party allows voters to hold a collective of politicians to account for previous policies in a way that would not be possible if a government was comprised of independent candidates. As such, parties act as a cheap and efficient method of creating a contract between voters and politicians.

- Parties recruit and train political leaders, providing them with the skills required to be an effective member of the political elite.

- Parties provide a method for politicians to engage in coordinated collective action across a range of issues and they produce coherent programmes of government. For example, individual voters may desire both lower taxes and higher spending but parties are forced to look across government as a whole to develop a more coherent and viable package of policies.

As can be seen, parties often act in the wider public interest rather than pursuing their own private goals as the negative view of parties may claim. Overall we can conclude that parties are a vehicle that allows for mass involvement in democracy and enables competition between elites to be possible. We can characterise today's understanding of parties as 'Responsible Party Government'. This embraces the viewpoint of parties as necessary and relatively benign. It views parties as presenting rival agendas for political action to voters, principally through manifestos, and citizens then make rational choices about the policy direction of the nation by choosing between the rival parties. Citizens also use elections to judge parties on how well they have implemented and maintained their manifesto pledges. In this way although parties may potentially have some negative tendencies, they offer a method of making large-scale democratic inclusion possible.

5.2 Measuring the number of parties

One way of thinking about democracies is to examine the number of political parties they have and their size. Laakso and Taagepera (1979) argued that when counting the number of parties in a state, it is important to distinguish between parties that are electorally successful and parties that run in elections but rarely win many votes or seats. They suggested a way of measuring the 'effective number of parties' that takes into account the number of votes that parties attract in order to examine if they are an effective member of the democratic system or if they are merely marginal to the whole political process. This allows for a more accurate representation of the number of parties to be identified. To achieve this they developed the following index:

$$N = \frac{1}{\sum_{i=1}^{n} p_i^2}$$

This equation means that in order to calculate the total number of effective parties in a state you take the total vote share of each party in an election (p) and square it, add them all together and then divide 1 by the answer. Imagine a situation where there are four parties, all of whom get 25 per cent of the vote. To calculate this we simply square each party's vote share (in this example that is 0.25, add them together and divide 1 by the answer.

$$\frac{1}{0.25^2 + 0.25^2 + 0.25^2 + 0.25^2} = \frac{1}{0.25} = 4$$

This shows that in our example there are four effective parties. This is logically intuitive because all four parties are equal in worth to the voters.

However, it is very rare that four parties would all achieve the same vote share as in the example above. Instead it is worth looking at how the index calculates the number of parties in a real case. Using data from the most recent Irish general election in 2011, we can calculate the effective number of parties. Eleven parties ran in the election: Fine Gael, Labour Party, Fianna Fail, Sinn Féin, Socialist Party, People Before Profit, Workers and Unemployed Action Group, Green Party, Workers' Party, Christian Solidarity and Fis Nua. Of course, not all these parties were equally important to the voters nor did they all get equal representation in the legislature. Therefore, it would be an oversimplification to state that Ireland has 11 political parties. Using Laakso and Taagepera's index we can calculate a more accurate picture.

$$\frac{1}{0.361^2 + 0.194^2 + 0.174^2 + 0.099^2 + 0.012^2 + 0.01^2 + 0.004^2 + 0.018^2 + 0.001^2 + 0.001^2 + 0.0^2} = 4.8$$

After weighting the parties according to the share of the vote they achieved we now see that Ireland in fact had 4.8 effective parties in the 2011 general election, rather than 11 parties as would be indicated from a simple head count.

In the graphs below we have presented the trends in the effective number of parties for selected countries in different regions of the world. Looking at Figure 5.1 we can see that in western Europe the general trend has been to see an overall increase in the effective number of parties in the post-Second World War era. Notably Britain has increased from two parties to almost 3.5 parties. Denmark had a boom in the number of parties in the early 1970s and, although this subsequently fell back somewhat, there is still a greater number of parties today than in 1945. France, Germany and Italy have all seen recent declines in the number of parties, but they still have more parties today than they had 60 years ago.
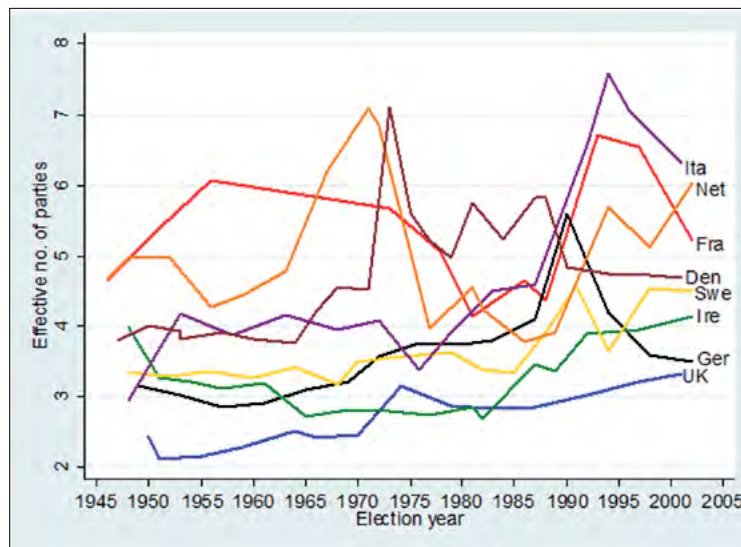
Figure 5.1: Effective number of parties in western European democracies.

Turning to eastern Europe (Figure 5.2), this data is much more limited in time because these countries have only had democratic elections since the end of the Cold War. Here we see a general downwards trend but from a much higher starting point. In the initial democratic elections many parties emerged that won support. Gradually over time parties started to merge, some parties lost votes and even disappeared. However, in spite of this downwards trend, there are still four or more effective parties in each country, which is a relatively high number.
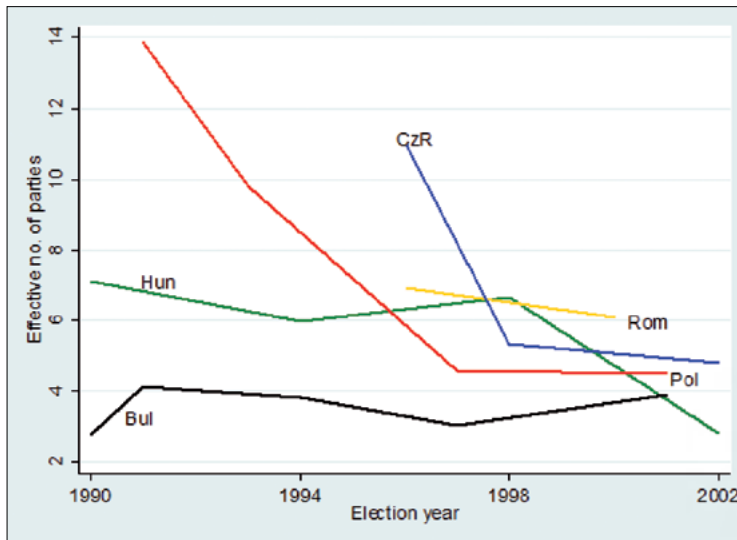
Figure 5.2: Effective number of parties in eastern European democracies.

The Americas shows some very contrasting trends (Figure 5.3). Brazil and Colombia have seen large jumps in the number of effective parties along with slightly more modest upwards trends in Argentina and Costa Rica. In contrast, throughout this time, the USA and Jamaica have maintained very consistent two-party systems.
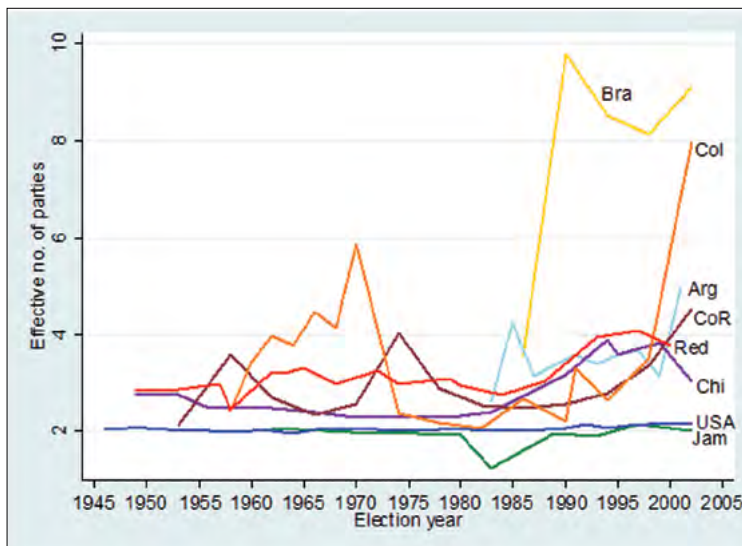
Figure 5.3: Effective number of parties in democracies in the Americas.

In the Asia-Pacific region, there is also no single clear pattern (Figure 5.4). India has seen a dramatic rise in the number of parties, as has New Zealand following its electoral reforms to introduce proportional representation (PR). Australia has also seen a smaller increase, while Sri Lanka and Japan have seen more uneven trends in the post-war period.
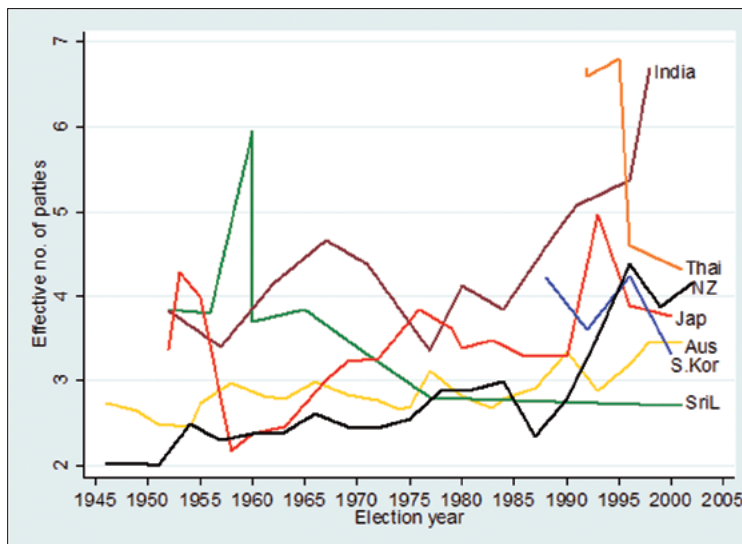
Figure 5.4: Effective number of parties in democracies in the Asia-Pacific region.

Finally, data from Africa is very limited due to the restricted nature of democracy in many African states (Figure 5.5). Both Madagascar and Benin have seen dramatic reductions in the number of parties from very high starting points. Meanwhile, other African countries, such as Botswana, South Africa, Mozambique and others have maintained a very low level of parties.
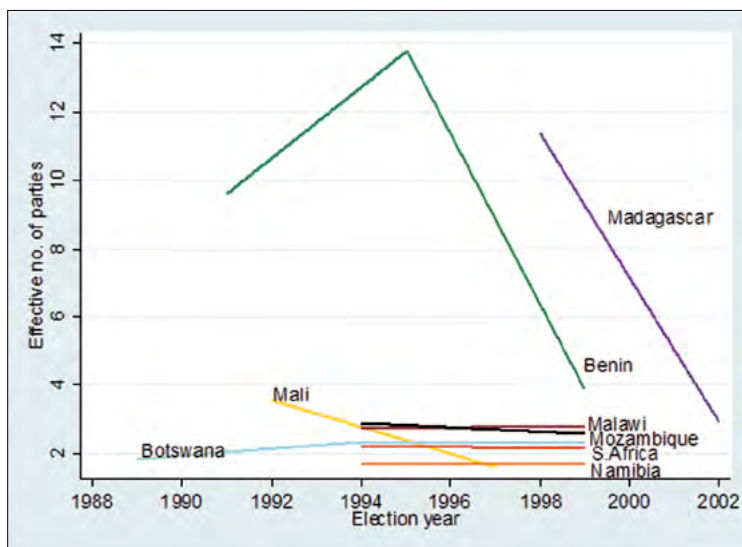
Figure 5.5: Effective number of parties in African democracies.

Clark et al. (2012) note that identifying the effective number of parties in a state is valuable because it can serve as a useful method of classifying different types of democracies. We can categorise states as having one or another type of 'party system' based on the number of competitive parties. Clark et al. (2012, p.611) identify five different party systems.

1. **Non-partisan democracies** – states with no official political parties.

2. **Single-party democracies** – states where only one political party is legally allowed to hold power.

3. **One-party dominant systems** – states where only one party has a realistic chance of gaining power even though there may be multiple parties competing.

4. **Two-party systems** – states where only two major political parties have a realistic chance of gaining power.

5. **Multi-party systems** – states where more than two parties have a realistic chance of gaining power.

The first two types of party systems are forms of autocratic rule while the other three systems are mainly associated with democratic rule. By thinking in terms of party systems we are able to compare the nature of party democracy in different countries and over time. We are also able to understand the main lines of political competition within each country.

5.3 Explaining party behaviour: the cleavage model and the strategic actor model

There are two contrasting approaches to explaining the emergence and behaviour of parties. Similar to the approaches discussed in Chapter 3 of this subject guide on voting behaviour, one explanation focuses on political cleavages while the other views parties as strategic actors.

5.3.1 The cleavage model

As previously discussed, the cleavage model was developed by Lipset and Rokkan (1967) who argued that deep rooted social divisions structured political conflict within societies. According to this model, parties form to represent different interests along these divisions. Therefore, parties will appeal to specific social groups and claim to represent these specific interests. They have a fundamental connection with their members and they will constantly try to increase the number of members that they have. The objective of parties is to introduce policies that benefit their supporters – as such, they are primarily motivated by the pursuit of policy and it is unlikely they will compromise on their policy goals to win or to remain in office. Rather, implementing and influencing policies that benefit their members and supporters is their *sine qua non*.

Following the logic of the cleavage model, we can use it to make predictions about the number of major parties that will emerge in a society, which will be dependent upon the number and nature of social cleavages. In a society with one strong cleavage, most typically the class cleavage, we would expect there to be two main parties. One party will emerge either side of the cleavage and this will shape political competition. In other words, it will be a two-party system. The presence of a single decisive cleavage has been offered as an explanation for why there are only two main political parties in a number of democracies, most notably the UK, the USA, Australia and Japan. These countries were seen as relatively homogeneous where the only and fundamental division was a class division and so only two major parties emerged and competed.

It is also possible to have two parallel cleavages within a society. In this instance, the two distinct cleavages will produce three main political parties. Once such example is the Netherlands where there is both a class and a religious cleavage. In Holland the Labour Party (PvdA) represents secular working class voters, the Liberal Party (VVD) represents secular middle class voters and the Christian Democratic Party (CDA) represents both religious working class and religious middle class voters.

However, a society that has multiple cross-cutting cleavages can produce a large number of parties. This is the case in Belgium where class, religious and linguistic divisions have produced six major parties. Working class Flemish voters are represented by the Flemish Socialists (SPA); middle

class Flemish voters are represented by the Flemish Liberals (CDandV); and religious Flemish voters are represented by the Flemish Christian Democrats (VLD). Similarly, working class Walloons are represented by the Walloon Socialists (PS); middle class Walloons are represented by the Walloon Liberals (CDH); and religious Walloons are represented by the Walloon Christian Democrats (MR). In addition to these parties, there is also a smaller Green Party and some far-right parties. This complex party system has at times rendered Belgium close to ungovernable and in 2011 it broke the record for the greatest number of days a country has gone from an election without forming a government – a record previously held by Iraq.

The notion that the number of cleavages in a society and their relationship to each other will systematically produce a certain type of party system links to the wider idea of the existence of broad 'party families', as Table 5.1 shows. Classically political scientists have thought of European countries as composed of parties that fit within a broad series of party families. What is more, these party families were seen as very resilient and almost immutable. Regardless of other factors, such as the type of electoral system or how elections are organised, this view argued that societies ultimately still ended up with these political families represented somewhere in the political system. The families and their 'natural' constituents are shown moving along an economic dimension from left to right in the table below. However, the last two families of Regionalists and Anti-Europeans may be either left or right. For example, the Scottish Nationalist Party (SNP) are left-wing, while the largest Catalan nationalist party (CiU) are typically right of centre. Similarly, anti-European parties can be either left or right, with Scandinavian anti-Europeans typically left-wing while UK anti-Europeans are more right-wing.

Party family	Expected characteristics of voters
Radical Left	Low skilled working class; students
Greens	Public sector middle class; students
Social democrats	Skilled working class; public sector middle class
Liberals	Private sector middle class; small business-people
Christian democrats	Religious working and middle class
Conservatives	Private sector middle class; small business-people; farmers
Radical right	Unemployed; low skilled working class
Regionalists (left or right)	Ethno-linguistic minorities
Anti-Europeans (left or right)	Low skilled working class; small business-people

Table 5.1: European party families and their expected voters under the cleavage model.

What is most remarkable about the political families of Europe is that there is largely the same set of parties prevalent today as was prevalent in the 1920s. Of course, some of these parties are more recent arrivals than others, such as the Greens, but overall the same broad families of major parties continue to dominate the political landscape almost a century later, providing strong evidence of their resilience.

5.3.2 The strategic actor model

In stark contrast to the cleavage model's view of party behaviour is Anthony Downs's (1957) view of parties as strategic actors. Downs differs in many of his conceptions of the basic characteristics of parties from those of the cleavage model and his view of parties can be summed up

with the following quote: 'Each political party is a team of men who seek office solely in order to enjoy the income, prestige, and power that go with running the government apparatus' (1957, p.137). This viewpoint goes completely against the cleavage model's assumptions that parties are anchored in a particular cleavage representing a particular social group and this gives them a fixed policy platform that cannot be altered.

The strategic view makes a number of assumptions about political parties, the most fundamental of which is that parties are primarily interested in getting into office rather than being motivated by influencing and implementing policy. Instead, policy is viewed as a tool which parties use to gain office. This means that parties will be willing to change policy if party elites believe that this will increase their chances of getting elected. Therefore, they are more likely to appeal to 'pivotal voters', that is voters who will help them to win elections, rather than targeting a specific social group as a whole. Given their office-seeking nature, this means that parties are formed by like-minded elites rather than forming out of the mass of society. While some parties may initially be formed with the motivation to shape policy, often groups of elites emerge from these parties and come together to form their own parties. Rather than having a strong emphasis upon building a mass of members within the party, Downs argues that parties would rather not have a large membership base as this typically restricts the range of choices open to elites and leaders by tethering them to a group of ideologically driven members.

Also, according to the strategic actor model, having established his assumptions about the nature of parties, Downs goes on to argue that the best way to understand party behaviour is to focus upon what parties are expected to do rationally in order to win an election. Downs's theory of party behaviour is outlined in Figure 5.6. Along the x-axis there is a left–right dimension and along the y-axis is the number of voters. In this figure, voters are normally distributed. In other words, there are very few voters at either the extreme left or extreme right and there is a single peak of voters in the centre. This implies that most voters in this figure are centrist. Two parties are also shown in the graph: Party A is a left party while Party B is a right party but nearer to the centre than Party A. As we did in Chapter 3, let us assume that voters will vote for the party that is nearest to their preferences regardless of whether that party is to the left or to the right of their ideal point. If this is the case, then the median voter becomes central to who will win an election. The median voter refers to the voter precisely in the middle of a range of voters (or the middle voter along the left–right dimension in our example, as shown by the highest point of the peak). Based on these assumptions we can see that in the first instance Party B will gain more votes than Party A because it is closer to the median voter. This is because if voters vote for the party nearest their preferences, then all the voters to the right of B will vote for Party B as this is much closer to their ideal point than Party A, and it will also get the support of half the voters between Parties A and B that are closer to Party B's policy position. Therefore, the rational strategic decision for Party A is to move closer to Party B in order to gain more votes than their rival and thus win the election. In response, Party B will also move closer to the median voter to bolster their vote share. Therefore, Downs predicts that in equilibrium parties will converge on the median voter.
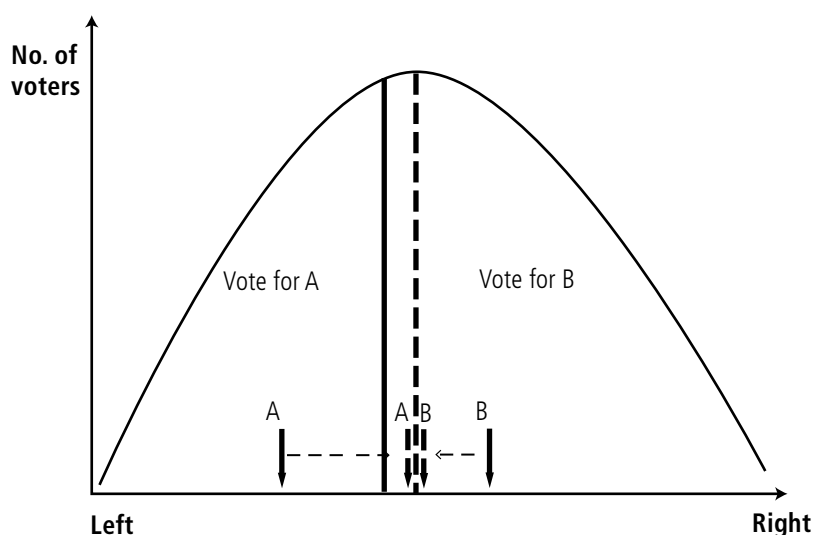
Figure 5.6: Down's theory of party convergence.

However, it should be noted that it is not always inevitable that parties will converge and in certain circumstances we may not see any convergence. We have already discussed how the cleavage model argues that voters are not normally distributed but rather they are distributed into distinct social groups and rigid parties will emerge from these groups. Nonetheless, an additional factor that restricts the likelihood of convergence is the threat of competition from other parties. As parties move from the left or from the right to a more centrist position, it opens up the political landscape for a new party to emerge that will 'outflank' the major party. This is much more likely to occur if there is a proportional electoral system rather than a majoritarian electoral system in place because majoritarian systems typically reward larger parties and so they are less likely to be successfully outflanked. Downs's model also assumes that there is only one dimension around which parties compete. However, if there is more than one dimension, then converging on the median voter does not provide a stable equilibrium. This is often seen as a way of explaining the emergence of Green parties. Major parties had converged on the median voter along a general economic or social left–right dimension but they were not addressing environmental and ecological issues. Therefore, Green parties emerged causing many of the established parties to change position. Finally, convergence can be hindered if party members choose leaders or if members retain strong control over the policy position of parties. The average party member is typically much further to the left or to the right than the average voter. If members choose the leaders, then they will choose a leader that has a policy position closer to their own ideal point rather than closer to the overall median voter, thus limiting the extent to which the party will converge. In fact, the process of selection of candidates through member driven primaries in the USA is often used to explain the growing polarisation of American party politics.

5.4 Measuring party positions

To test ideas of whether there has been convergence between major political parties as predicted by Downs it is necessary to be able to identify each party's political position. We can do this by locating them on a left–right dimension in much the same way that we placed voters' preferences on a left–right dimension in Chapter 3 of the subject guide. There are three different methods for measuring parties' positions.

The first and most established method of locating a party's political position is to code party manifestos according to the policies they advocate. The Comparative Manifestos Project uses the election programmes of political parties in a wide range of countries as indicators of their policy positions at certain points in time. Trained individuals go through each manifesto and code every sentence into specific categories, such as 'external relations', 'economy' or 'welfare and quality of life'. Coders also judge whether each sentence is for or against certain policies. For example, if a coder decides part of a manifesto deals with economic issues, they then need to state if this sentence expresses a positive or negative stance on protectionism or a positive or negative stance on free enterprise, and so forth. The final stage is that the different policy issues are integrated to give an overall sense of the party's position on a left–right dimension (Klingemann et al., 2006).

However, Benoit and Laver (2006) are sceptical of handcoding of election manifestos as they argue that the process is very subjective with the possibility that two different people would code the same aspects of the manifesto in completely different ways. Therefore, they developed the alternative approach of surveying expert political scientists on a regular basis to ask them to locate political parties in their country. Benoit and Laver present identified experts with specific policy dimensions, such as economic policy, social policy, the decentralisation of decision-making and environmental policy, and ask the expert to state where every party in their country of expertise is located along a scale. They then aggregate the findings from each expert to give an overall policy position.

The final method comes from McCarty et al. (2006) who initially used their method to examine polarisation in US politics, but it is now being used in a number of other countries as well. They looked at past voting behaviour to identify policy positions. Specifically, they examined how members of parliament and parties voted on different policy issues and they then used this voting behaviour to locate parties and parliamentarians in a multi-dimensional space.

Using data from these three different methods we can now turn to examining patterns of party convergence of polarisation in Britain, the USA and across Europe as a whole.

Beginning with Britain and using data from the Comparative Manifestos Project, we can examine convergence and polarisation between the three major parties. Figure 5.7 shows the locations of party manifestos of the Conservative Party, the Labour Party and the Liberal Alliance/Liberal Democrats between 1945 and the present day. On the y-axis is the left–right position of each party calculated by looking to see how many right-wing statements a party made minus the number of left-wing statements, so negative scores represent a left policy position while positive scores represent a right policy position. On the x-axis are the years between 1945 and 2005. There was an initial convergence between the Conservatives and Labour in the 1950s in the centre-left, largely stemming from a national consensus over the development and expansion of the welfare state in the immediate aftermath of the Second World War. However, the parties gradually diverged to the point where they became strongly polarised in the early 1980s following the Conservatives' move to the right under Margaret Thatcher and Labour's hard left position under the leadership of Michael Foot. Following the disaster of the 1983 election for the Labour Party, their new leader Neil Kinnock gradually began to try to move the party to more centrist positions, a process taken up with even more gusto by Tony Blair from 1994 onwards. Following the departure of

Thatcher, the Conservative Party also moved closer to the median voter, and today, according to the Comparative Manifestos Project data, there is clear convergence around a slightly right of centre position. The Liberals too, after a colourful history of moving from right to left around the major parties, have also converged around the right of centre position. This pattern would seem to confirm Downs's theory of party convergence.
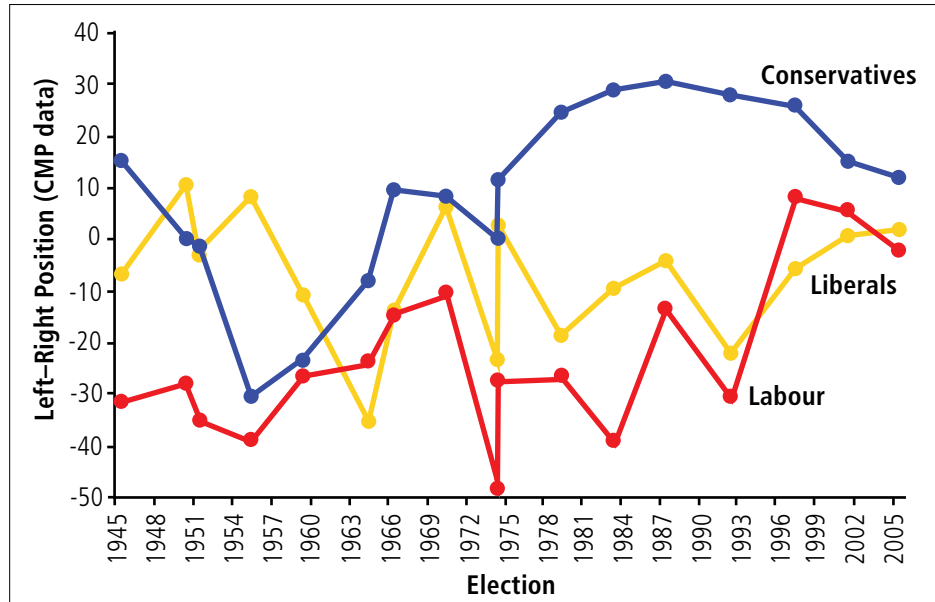
Figure 5.7: Left–Right location of British Parties in general elections.

Data source: Comparative Manifestos Project;
Website: https://manifesto-project.wzb.eu/

We can also examine the case of the Congress and the Senate in the USA using data from McCarty et al. (2006). They found that in the late nineteenth century there was a high degree of polarisation between the parties in both the Congress and the Senate in the aftermath of the Civil War. However, polarisation steadily declined over time, beginning in the second decade of the twentieth century and there was a very low degree of polarisation until 1980. Yet in the last 30 years or so, they found that the degree of polarisation between the parties increased greatly and today the parties are almost as polarised as they were immediately after the American Civil War. This pattern would seem to confound Downs's prediction. Downs is American and when he wrote his theory in the late 1950s, US parties were indeed converging and his model seemed to offer a way of explaining this. However, the strategic actor approach to party behaviour struggles to explain why polarisation has subsequently increased.

Finally, we can turn to Europe as a whole and examine party positions using data from Benoit and Laver's expert surveys. Figure 5.8 shows the position of a large number of European parties grouped into their party families. Running along the top of the figure is a left–right scale while down the side is a list of European countries. Each party is then placed according to its left–right position. What we can see is that the party families broadly predict where a party will be located, but that there is a large degree of variance between each country's party system. Of the social democratic parties, the Belgian socialists are far more left-wing than their counterparts in Britain or Greece. Similarly, while the Greens are consistently to the left of the social democratic parties, overall there is once again large variance, with the Danish and French Green Parties far

more left than the Finnish and German Greens. The Christian Democrats in Austria, Belgium and Germany tend to be more centrist than the Conservative parties in Spain, Sweden or Britain. The Liberals perhaps have the greatest variance of all the party families, scattered over a wide range across all countries. The other factor worth noting is that the degree of convergence or polarisation between major parties in the centre-left and centre-right varies in each country. The gap between the major parties in France and Italy is very large, while the gap in Belgium, Germany and Holland is much smaller in comparison.
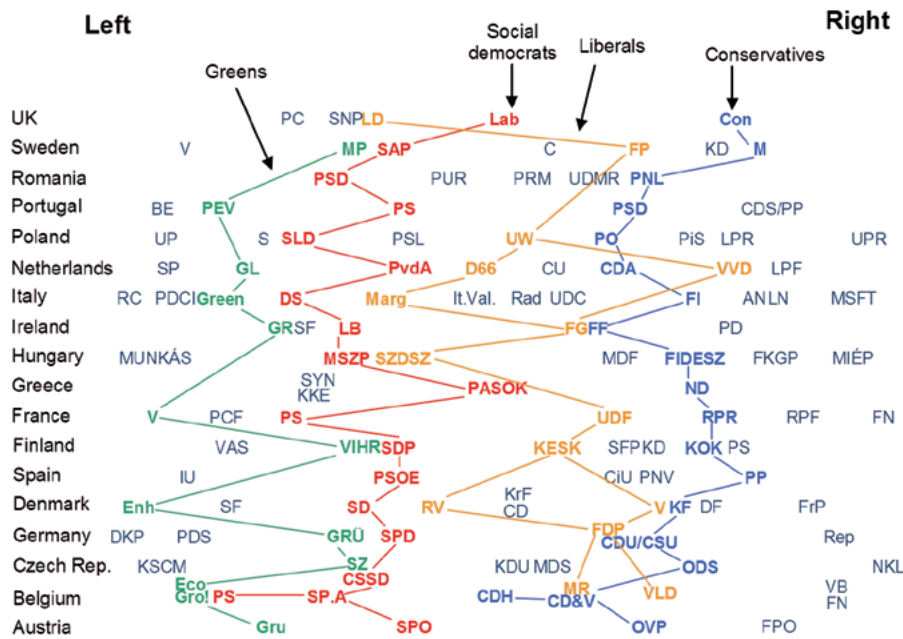
Figure 5.8: Left–right location of selected European parties in general elections.

5.5 Conclusion

Parties usually initially form for policy motivations, but once formed then they have to win votes and seats in order to survive. This introduces the need to think as strategic actors. Parties were first formed in Europe prior to the introduction of mass elections. This implies that the initial emergence of parties cannot be explained by electoral incentives. For example, in the UK, in Scandinavia and in Germany, parties were initially formed by groups of like-minded individuals in order to shape the policy outcomes of a nation. They realised that a collective of like-minded individuals had a greater opportunity to achieve this than individual politicians. However, there can be little doubt that with the expansion of the franchise and the onset of mass elections, major parties began to act strategically in order to maximise their vote share. Of course, the ability to implement policy is strongly related to a party's ability to win office, and so parties began to compromise on policy and target pivotal voters in order to maximise their chances of electoral success. As such, modern parties should be seen as strategic and rational actors and not solely as the representatives of one particular social group in society.

Nonetheless, as we have seen, this does not necessarily imply that parties will inevitably converge. We have seen evidence of both convergence and polarisation in various countries as well as examining reasons for why parties may not converge as might be expected according to Downs's model. A difficult challenge is trying to explain the different trends in

each country. This is because they are typically 'path dependent'. To understand the evolution of a country's party system it is necessary to take into account specific historical, social and political factors unique to each country. Notably, a nation's political institutions, especially the electoral system, will be very influential in terms of both the effective number of parties and whether parties converge. If a country has a PR system, this makes it easier for smaller parties to win office and thus it is likely there will be more parties. This will also prevent major parties from converging due to fear of being outflanked and losing votes if they move to the centre ground. However, a majoritarian system reduces the number of parties and allows for convergence because of the way it favours large parties. Yet as we saw in the case of the USA, even this is not inevitable if party activists maintain strong influence over the party elites.

It is worth repeating once again, that although the number of effective parties may increase or decrease in a country over time, parties are highly resilient and the complete disappearance of all parties is almost unimaginable as long as we have the form of modern representative democracy that we do.

5.6 A reminder of your learning outcomes

Having completed this chapter, and the Essential reading and activities, you should be able to:

- explain the role of parties in modern representative democracies
- evaluate contrasting theories of parties' behaviour
- explain critically the reasons for party convergence and party polarisation
- analyse evidence and ways of measuring parties' different positions on the left–right dimension.

5.7 Sample examination questions

1. 'Parties are the product of social cleavages.' Discuss.
2. 'Large parties in democracies tend to converge on the political centre.' Discuss.
3. Why do some countries have more political parties than others?

Notes

Chapter 6: Interest groups and social movements

Aims of the chapter

The aims of this chapter are to:

- define a social movement, define an interest group and explain what their aims are
- present the main approaches to understanding why some groups are more able to mobilise support than other groups
- present political explanations for why some groups are more successful/influential than others
- consider whether lobbying is good or bad for democracy.

Learning outcomes

By the end of this chapter, and having completed the Essential reading and activities, you should be able to:

- explain the difference between a social movement and an interest group
- evaluate contrasting explanations for interest group mobilisation
- explain critically how political factors influence whether a group is influential
- discuss the evidence in support of and against lobbying within democracies.

Interactive tasks

1. Do you personally belong to any 'interest groups'? If so why, or if not why not?

2. Which social movements and interest groups are most influential in your adopted country and what explains their higher level of influence compared to other groups?

3. If you had £10 million to influence politics in your adopted country, how would you spend it: would you fund a political party, fund an interest group, employ a lobbyist or start a social movement? Justify your chosen path.

Reading

Essential reading

McFarland, A.S. 'Neopluralism', *Annual Review of Political Science* 10 2007, pp.45–66.

Tarrow, S. 'Social Movements in Contentious Politics: A Review Article', *American Political Science Review* 90(4) 1996, pp.874–83.

Thies, C.G. and S. Porche 'The Political Economy of Agricultural Protection', *Journal of Politics* 69(1) 2007, pp.116–27.

Further reading

Dahl, R. *Who Governs? Democracy and Power in an American City*. (New Haven, Conn.: Yale University Press, 1961) [ISBN 9780300000511].

Olson, M. *The Logic of Collective Action: Public Goods and the Theory of Groups*. (Cambridge, Mass.: Harvard University Press, 1971 [1965]) [ISBN 9780674537514] Chapter 1.

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Becker, G.S. 'A Theory of Competition Among Pressure Groups for Political Influence', *The Quarterly Journal of Economics* 98(3) 1983, pp.371–400.

Lijphart, A. *The Politics of Accommodation: Pluralism and Democracy in the Netherlands*. (Berkeley, Calif.: University of California Press, 1968) and new 1976 edition [ISBN 9780520029002].

Lindblom, C. *Politics and Markets: The World's Political and Economic Systems*. (New York, NY: Basic Books, 1977) and new 1980 edition [ISBN 9780465059584].

Schmitter, P.C. 'Still the Century of Corporatism?', *Review of Politics 36*(1) 1974, pp.85–131.

Tarrow, S. *Power in Movement. Social Movements and Contentious Politics*. (Cambridge: Cambridge University Press, 1998) and new (2011) third edition [ISBN 9780521155724].

Tilly, C. *Social Movements 1768–2004*. (London: Paradigm Publishers, 2004) [ISBN 9781594510434].

Truman, D.B. *The Governmental Process: Political Interests and Public Opinion*. (New York, NY: Knopf, (1951) 1957) [ISBN 9780394315546].

Wilson, J.Q. *The Politics of Regulation*. (New York, NY: Basic Books, 1980) [ISBN 9780465059676].

6.1 Social movements or interest groups?

Political behaviour cannot be reduced solely to voting behaviour and party behaviour. Rather individuals also undertake actions and engage with organisations with a view to influencing politics outside of the formal structures of political parties. Social movements and interest groups are the route through which this is achieved. They are universal and prevalent in both democracies and non-democracies alike. They represent attempts by individuals and organisations to influence the political direction of a country but without actually taking power and this is the crucial difference that sets social movements and interest groups apart from parties. Two vitally important questions in political science are: why some groups are able to mobilise supporters better than other groups; and what makes one group more influential than another. Answering these questions is the core focus of this chapter.

National social movements can be traced back to the middle of the eighteenth century and although their form has evolved since then, their core features have remained the same. A **social movement** is a broad concept that refers to an informal grouping of individuals or organisations which aims to promote a particular contentious political or social issue. The notion of contention and confrontation is vital to understanding social movements. Tarrow (1998, p.2) states that 'contentious politics occurs when ordinary people, often in league with more influential citizens, join forces in confrontations with elites, authorities, and opponents… mounting, coordinating, and sustaining [confrontations] against powerful opponents are the unique contribution of the social movement'. In order to be able to confront authority figures and institutions, it is necessary that

social movements build organisations, elaborate ideologies, and mobilise supporters, and it is necessary that their members construct some form of collective identities. Tilly (2004, pp.3–4) outlines some similar key characteristics and behaviour of social movements. He argues that social movements undertake sustained campaigns that make collective claims on authorities. To do this they use a repertoire of methods including creating associations, holding public meetings, vigils, rallies and demonstrations, issuing statements and raising awareness. Finally, participants consistently try to demonstrate worthiness, unity, numbers and commitment ('WUNC' to use Tilly's phrase) on the part of themselves or their constituencies. Although Tarrow and Tilly make it clear that there is a large degree of coordination underpinning a social movement, their relatively informal nature compared to other forms of political organisation should not be overlooked. As such, one significant reason why social movements are distinct from interest groups is because they revolve around ordinary people and the organisational structure is a loose network that connects citizens rather than a hierarchy of professional lobbyists.

As alluded to above, an **interest group** is a more formal organisation than a social movement and it can be viewed as any group which seeks to promote a particular policy or set of policies. It aims to achieve this by directly lobbying policy makers. Interest groups typically have a less confrontational relationship with the state than social movements and they engage more positively with a state's structures and institutions, although it is not completely unheard of for an interest group to undertake confrontational actions. Although interest groups generally do not seek political participation, except in limited instances and then only on a small or limited basis, their main motivation is to influence policy-making in order to achieve certain goals that favour their supporters or protect them from opponents. Therefore, it is clear that a desire to influence policy-making is central to interest groups (Truman, 1957). In order to influence policy effectively through existing political institutions, interest groups are likely to have professional organisational structures and staff, rather than being based around ordinary people. Furthermore, they are often geographically located near to centres of political power, such as Brussels and Washington DC.

Although social movements and interest groups are distinct in many respects, these two concepts often complement each other. The labour movements that emerged in many industrial countries at the start of the twentieth century can be considered as social movements; however, the emergence of formal trade unions and their institutionalisation renders these groups as interest groups. Similarly, we can think of general campaigns for increased environmental causes as social movements; however, Greenpeace is best understood as an interest group given their formal organisation and policy focus. The revolutions and demonstrations of the Arab Spring can be understood as social movements, but if formal groups emerge to represent these movements, they would most likely either take the form of political parties or interest groups.

Although we can see a distinction, it is also clear that both groups are concerned with mobilising support, albeit using somewhat different methods. Due to this shared concern with mobilisation, political science uses similar approaches and a similar logic to understand both groups and how they work and whether they are successful or not. With this in mind, it is worth turning to contrasting explanations for why some groups mobilise while others do not.

6.2 Dahl's pluralist theory of interest group mobilisation

Robert Dahl refined what was for a long time one of the most established approaches to how democracy should function. In the early 1950s, he undertook a study of democracy in the town of New Haven in Connecticut (the town where Yale University is based, which was where he worked) with a particular focus upon explaining who actually governed the town and how decisions were made (Dahl, 1961). Dahl's study was both descriptive and normative. He not only tried to capture the essence of political life in New Haven but he also argued that New Haven's democratic system was the way democracy **should** be arranged. His approach is called a pluralist approach to democracy. At its core, pluralism argues that although most decisions and direct influence lies with elected government in a democracy, many other groups should also be able to use their influence and resources to shape policy-making. Using Dahl's work we can gain an insight into the pluralist ideal of how interest groups should work.

What he found was that that no single group was able to dominate the politics of New Haven. Instead he discovered that power was spread throughout a range of different groups. Politicians and political elites had the most **direct** influence over policy-making and government but other groups, such as business leaders, community leaders, and concerned citizens, also exerted an important degree of **indirect** influence. Crucially, one of the most important ways they exerted influence was because there was a high degree of access to political elites and the political classes were relatively easy to penetrate. Although he found that some citizen and business groups were more powerful than others, these inequalities were dispersed and some groups were more influential when it came to one set of issues while other groups were more influential over other sets of issues. As a result, no one group was able to dominate every aspect of political life. Dahl argued that this understanding of New Haven was most likely representative of democracy throughout the USA as a whole and that the combination of periodic competitive elections alongside the ongoing indirect influence of a multiplicity of social groups helped to ensure the stability of democratic values and practices.

Dahl's pluralism became a powerful force for how politics should be arranged and it was viewed as having many strengths. Under an ideal pluralist system of government, there is full and open access to policy makers and politicians. This ensures that proposed policies can be challenged or encouraged by interests groups and concerned citizens because they will have relatively open access to power. In this way, the usually apolitical citizen contacts an expert politician or policy maker if a proposed policy impacts upon them in some manner and politicians will be responsive to the influences of the citizenry. The assumption is made that citizens will mobilise and contact policy makers if the policy is particularly salient or harmful to them and therefore pluralism provides privileged access to those groups who are more affected by a policy because these citizens are more likely to mobilise. What is more, open access ensures that a countervailing power emerges if there is one – in other words, groups both in favour and in opposition to a policy will have equal access to try to influence the reins of power and then the policy maker can act as a neutral referee to adjudicate in the best interests of society as a whole. For theorists such as Dahl, this level of pluralism is preferable to a system that offers elections as the sole means of citizen engagement because pluralism not only has competitive elections but it also offers a route

for continuous indirect influence by non-elites even outside of election times. The key points from Dahl for the purposes of this chapter is that individuals and groups will mobilise when a policy is proposed that will adversely or positively impact upon them and that given the open access to policy makers, citizens or groups from all sides of the debate put forward their viewpoints to government which then adjudicates after taking into account all vested interests.

The pluralist viewpoint has been heavily criticised by many scholars as unrealistic and embracing an overly simplistic view of politics. The degree to which politicians can be seen as neutral referees adjudicating over competing interests has been called into question. Dahl himself acknowledges that politicians are vote seeking and this is what renders them sensitive to the indirect influence of interest groups and concerned citizens. However, he neglects to take into account that precisely this need to garner votes also compromises their ability to arrive at neutral decisions. For example, if a politician relies on pivotal voters from a farming community then they are more likely to be favourably disposed to pro-farming lobbying than lobbying which opposes farming interests. In other words, politicians are much more likely to prioritise the interests of groups who share the policy preferences of their voters.

Others have criticised the pluralist belief that groups and citizens with more at stake should gain privileged access to policy makers. Rather the classic liberal view of politics is that everyone should be counted equally – prioritising the viewpoints of those most affected by a policy runs counter to this basic tenet. Related to this, critics have argued that some groups have a greater capacity for mobilisation than others. Therefore, it is naïve to assume that everyone impacted by a policy will have equal access to policy makers as some groups will be able to mobilise their supporters and use this influence over policy makers better than others. For example, business interests typically have more resources than citizen groups, and higher levels of resources can be translated into a greater capacity to lobby. This potentially leads to the capture of policy makers by those groups most able to mobilise. Finally, strategic alliances between lobby groups challenge the ideal of equal potential influence for all those who are concerned. Large lobby groups often 'trade' support – for example, farmers may agree to support industry lobbying if industry agrees to support farming lobbying in return. This has the potential to lead to perverse policy outcomes and an increase in public spending.

While Dahl's notion of pluralism offered a very positive experience of democracy that was empowering and encouraging, its main shortcoming was its failure to explain why some groups were more likely to mobilise than others. Mancur Olson attempted to offer an explanation for this variation in his theory 'The Logic of Collective Action' (1965), which was to become just as influential as Dahl's earlier work.

6.3 Olson's logic of collective action

Olson's ability to explain different rates of interest group mobilisation hinges upon the distinction between public goods and private goods. A public good is something which is seen as benefiting society as a whole rather than a specific group in society. It is defined as being non-excludable and non-rivalrous. **Non-excludable** means that a person cannot be excluded from consuming a good whether or not they pay for that good. **Non-rivalrous** means that if the good is consumed by one person this does not undermine the ability of another person to

consume that good also. A classic example of a non-excludable and non-rivalrous public good is the air we breathe. A more specific policy example of a public good is national defence. Citizens cannot be excluded from benefiting from a national defence policy and if one citizen is benefiting from national defence this does not prevent any other citizens from also benefiting. An interest group which seeks a public good is typically called a 'public interest group'. Environmental groups are generally viewed as public interest groups because a cleaner environment is something that benefits everyone and which cannot be withheld from any citizen living in that environment.

In contrast a private good is both excludable and rivalrous and private goods are seen as benefiting one particular sector or group in society. If a good is excludable this means that some people can be excluded from consuming the good. Similarly, if a good is rivalrous this means that if one person consumes more of the good this reduces the amount remaining for others. Any consumption product is a private good. A public policy example of a private good would be an agricultural tariff. This is excludable in that it is targeted at a specific sector of the population and it is rivalrous because the subsidy is finite and so giving a subsidy to one farmer prevents it from being given to another. An interest group which seeks a private good is typically called a 'private interest group'. The car industry or farming groups are classic examples of private interest groups that look for resources that benefit their specific members rather than society as a whole.

Olson (1965) argued that the key difference to understanding why some groups are more likely to mobilise than others is related to the fact that public goods benefit large groups while private goods benefit concentrated groups of people. Olson's starting point was to identify how an individual approaches the issue of whether to join a social movement or an interest group. He argued that each individual has a 'collective action function' and this will decide whether a person will participate or nor. He stated this function was as follows:

$R = B * P - C$

'R' refers to the reward an individual will gain from participating in a group or what is the policy the group will get if successful. 'B' is the benefit of the good provided by the group. 'P' refers to the probability that the individual's actions or participation will make any difference to the outcome. Finally, 'C' is the cost of participation, such as time or effort as well as financial costs.

Based on this equation Olson argued that public goods are likely to be undersupplied while private goods are likely to be oversupplied. This is because public interest groups are less likely to mobilise supporters and are therefore less likely to influence policy outcomes than their private counterparts. The lower level of mobilisation is due to the 'free rider problem' associated with public goods but not as strongly associated with private goods. The free rider problem arises when a group is already going to mobilise or influence policy outcomes and this reduces an individual's reason for participation. This is because if a campaign for public goods is successful, then all individuals will benefit from them regardless of whether they are engaged in the campaign or not. As noted earlier, public goods are non-excludable and non-rivalrous and so will benefit the whole of society. Therefore, the individual loses the incentive to participate and pay the costs of participation when they will benefit either way.

An example will make this clearer. Imagine an individual facing the decision about whether to join a planned march organised by an environmental group against building a new airport in their neighbourhood. In this case the benefit (B) is that no airport will be built and therefore there will be less air pollution and noise pollution. The probability of success (P) is fairly low as the government has previously announced this as a policy intention and, what is more, the march is going ahead anyway and one more person's attendance is unlikely to induce the government to change its mind. The cost (C) might be relatively high in terms of spending the day marching, which is an opportunity cost that prevents the individual from doing other things they enjoy or perhaps hindering their earnings by having to take a day off, and so on. In this instance, the individual's reward will be less than zero due to a combination of benefit being accrued anyway if the campaign is successful, multiplied by the fact that one more individual joining the march is perceived as marginal to its success minus the costs of protesting. Olson argues that such an outcome is fairly common when it comes to collective action in support of public goods, precisely because of the free rider problem and the fact that public goods are non-excludable and non-rivalrous.

This can be contrasted with an individual facing a decision about whether to lobby for the provision of a private good. Imagine a society with 20,000 citizens and 400 of these citizens are farmers. A farm subsidy exists whereby each citizen pays a £1 subsidy and each farmer receives £50 to support their farming production. A politician proposes abolishing the farming subsidy which confronts the 400 farmers with the decision of whether to mobilise or not. In this instance, each citizen's costs and benefits can be shown as follows:

	Farm tax	Farm subsidies	Individual outcome
Farmers (x 400)	£1	£50	£49
Non-farmers (x 19,600)	£1	£0	-£1

In this instance the farmers' benefit for mobilisation will be £49. The probability of making a difference is somewhat greater than in our earlier example given that farmers are a much smaller group. The costs will be the same in terms of opportunity costs for loss of time and money. If a counter-march is organised by a citizens' group that wants to abolish the subsidy, their benefit will be £1 while the probability of making a difference will be lower than for the farmers. Therefore, each farmer has a much greater incentive (in our example 49 times more incentive if P and C are assumed to be equal in both cases) than the anti-subsidy protestors. Farmers are seeking a private good with concentrated benefits solely for them while the anti-subsidy protestors are seeking a public good in the form of a tax cut that has a diffuse benefit. This cost-benefit differential implies that farmers will mobilise to retain their subsidy while the taxpayers will be a lot less likely to bother.

Based on his findings, Olson argued that public goods should be provided by the state regardless of the level of interest group mobilisation in their favour because otherwise they will be undersupplied. Additionally he noted the potential for some aspects of policy-making to be captured by private interest groups. Olson's work was seen as offering a major breakthrough in explaining the contemporary prevalence of economically inefficient subsidies. At the time that he was writing in the mid-1960s, there was a wide array of subsidies within democracies not just to farmers but also to the steel industry, the coal industry, ship-building and other such traditional industries. By the 1980s many of these had disappeared,

but interestingly farming subsidies appear to be more resilient and today every democratic country in the world, except Australia, subsidises farming. This is an issue we will return to shortly.

Some years later, Becker (1983) further qualified Olson's work by noting that if you follow his arguments to their logical extreme, then farmers will just continue to mobilise to seek greater subsidies while taxpayers fail to mobilise in order to prevent them leading to astronomically high subsidies. Becker suggested that this was not the case but that, in fact, the subsidy will reach a point where the tax is high enough for tax payers to mobilise effectively to oppose the subsidy. Therefore, the system will reach an equilibrium before this point is reached.

Olson's work certainly attracted its critics. It was seen as being very powerful and offering a telling insight into interest group mobilisation, but it did not always hold true. There were many examples of social movements and interest groups mobilising and lobbying for public causes that were not explicable using Olson's logic, such as environmental marches and campaigns. Related to these criticisms, Wilson (1980) argued that Olson's logic only applied to certain kinds of policy areas and it does not hold true in all policy-making. To highlight his argument he noted that the costs of a policy can be concentrated or diffuse and the benefits of a policy can be concentrated or diffuse and depending on this varied arrangement, interests will be more or less likely to mobilise. This is presented in the table below.

	Concentrated benefits	**Diffuse benefits**
Concentrated costs	*Interest group politics* (for example, car standards, banking regulation)	*Entrepreneurial politics* (for example, public smoking bans, wealth tax)
Diffuse costs	*Client politics* (for example, farm subsidies, import restrictions (Olson's logic will apply))	*Majoritarian politics* (for example, healthcare, education)

According to Wilson, when the costs of a policy are diffuse and spread throughout the whole of society but the benefits are concentrated to one specific group, this is where Olson's logic applies. Yet importantly, this is not the only type of public policy. Much of politics is concerned with policies where the whole population pays in and the whole population benefits (diffuse costs and diffuse benefits), such as broad welfare programmes. These types of policies do not tend to lead to mass mobilisation of interest groups on either side of the issue. It is also possible to observe policies where the costs are concentrated but the benefits are diffuse. A good example is a tax on high levels of wealth which only presents costs to a small segment of the population but the benefits of an increased tax intake are spent on the whole of society. In these instances a form of entrepreneurial politics will emerge, where political parties take up populist positions to promote the preferences of a broad public, which concentrated groups will try to oppose. Finally, it is possible to have a policy that has both concentrated costs and concentrated benefits. In these instances, highly professional interest groups will emerge on both sides but they will deal with very specialised issues that tend to be of low salience to the wider public.

In short, Olson's ideas failed to explain some instances of mobilisation as well as failing to realise that policy-making was a broader process than his work acknowledged.

6.4 Alternatives to pluralism

Although Wilson points out the limits to Olson's logic, nonetheless Olson's ideas had a significant impact upon how interest group politics is organised in different democracies. In response to his critique of Dahl, many polities moved away from the model of a very deregulated interest group market with high levels of open access to policy makers. Olson's claim that groups with concentrated benefits have a much bigger incentive to spend resources than those with diffuse benefits implied that if the state continued to act as a neutral referee this would not necessarily lead to policy outcomes that were in the interests of society as a whole. Rather the process of indirectly influencing policy-making would be skewed by private interest groups. Therefore, a range of ideas emerged about alternative ways of organising interest group politics.

The first of these alternatives was **corporatism**. Schmitter (1974) describes this as a process whereby the state provides privileged access to key groups when undertaking policy-making on key topics. The typical example is that the state will bring in representatives from trade unions and from industry when attempting to strike a wage-bargain. This model of pluralism dominates much of continental Europe, is particularly prominent in Sweden and Germany, and was prominent in the UK until the 1970s. The main criticism of this arrangement is that, as traditional cleavages in society have declined, it is no longer possible to organise people into groups neatly, such as employees and employers. Therefore privileging these two groups may well exclude many interests and representatives that do not fit neatly into this divide. Instead new issues have arisen that cut across the traditional cleavage and these interests are systematically disadvantaged by a corporatist model.

The second alternative to pluralism comes from Arend Lijphart (1968), which he calls **consociationalism**. This is analytically similar to corporatism but was proposed more with deeply divided societies in mind, especially those with deep ethno-linguistic or religious divides. Under a consociational arrangement, the state grants privileged access to representatives of each ethno-linguistic or religious community. Such a model is evident in the Netherlands and in Belgium. There is also some evidence of such thinking in the United Kingdom with the government's relationship that privileges the Muslim Council of Great Britain as a voice and spokesperson for Britain's Muslim communities.

The final alternative worth considering is **neo-pluralism** as argued by Lindblom (1977), which as the name suggests, attempts to redeem many of the positive aspects of Dahl's original approach to managing interest groups. Neo-pluralism can also be understood as artificially created pluralism because under this model the state is no longer viewed as a neutral referee, but rather it adopts a much more proactive role. The state identifies groups it would like to be part of the interest group process and it then subsidises public interest groups as required in order to create a level playing field between these and private interest groups. As such, this approach attempts to overcome the inherent tendency for public interest groups to mobilise less than their private counterparts and therefore redeem the benefits of a pluralist approach to policy-making. This system is most visible in both the European Union and the USA where environmental groups, consumer groups and so on are commonly subsidised in order to help them mobilise.

What each of these alternatives has in common is that they emerged as a response to Olson's insight about the increased incentive for private

interest groups to mobilise and that they tackle this by promoting a much more active role for the state in the support of groups which are less likely to mobilise or in granting access to these groups.

6.5 Political explanations for interest group influence

Having considered what factors are important in understanding why some groups are more likely to mobilise than others, it is now worth turning to consider what factors will determine why some groups are more successful than others. The main challenge when doing this is that it is very difficult to measure the impact of a group directly. This is because there is very little data across countries and over time that is able to identify the successful outcomes that can be directly attributed to social movements or interest groups. Therefore, political scientists tend to measure success indirectly – in other words, they ask what one would expect the impact to be if the group was successful and they look at this. Measuring the expected impact of an interest group is much easier than measuring the expected impact of a social movement. This is because interest groups are specifically focused on shaping policy; as opposed to social movements which may want to change policy but, as discussed earlier, also have broader aims such as confrontation, raising awareness and creating shared identities. Therefore, to look at why some groups are more successful than others we are going to look specifically at a recent study dealing with interest groups.

Thies and Porche (2007), one of our required readings, set out to understand what are the predictors of the level of agricultural subsidies in 30 countries in a range of regions, including East Asia, North America, western Europe and eastern Europe between 1986 and 2001. They tried to identify what factors impacted upon the level of support given to farmers in a country in any given year. The level of support was measured by looking at the difference between the price a farmer received for their products and the price of those products on the world market. This serves as an indicator of government subsidies because most agricultural protection regimes rely on the fact that a government will guarantee farmers a certain price for their goods and if the price on the world market falls below this level, then the government will make up the shortfall. Typically, the level of subsidy is explained in terms of economic factors, so Thies and Porche examined a number of potential economic determinants. However, crucially they also included a range of political factors to examine if politics had any effect upon the level of subsidy.

Starting with economic factors, they examined the percentage of the total labour force employed in agriculture (called 'agricultural employment'); the share of agriculture in the gross domestic product (called 'agriculture/GDP'); whether there was a recession (called 'recession'); whether there had been a financial shock (called 'fiscal crisis' and 'terms of trade'); and whether agriculture had a comparative advantage (measured using 'labour productivity ratio', 'factor endowment ratio').

In addition to these economic factors, they also examined a range of political factors to see if these had an influence. They examined the number of veto players in the system – we will look at veto players in Chapter 7 but they are individuals or parties that can block legislation from being passed and so the more veto players there are, the more chance a farming interest group has of accessing a person who could block a subsidy from being reduced or repealed. They also examined if a country was federal, which would provide more levels of government

open to lobbying and whether members of an upper house had a territorial constituency – in other words, if the upper house represents constituents living in a specific region. Additionally, they examined the number of parties represented in the legislature (called 'party fragmentation') with the belief that the more parties that are present, the more likely that an interest group would be able to influence at least one of these parties. Finally, they examined if subsidies were higher in an election year (called 'election'). They also controlled for a number of factors such as whether a country was a member of the European Union and whether the subsidy-year was after the 'Uruguay Round' trade agreement.

Crucially, for our purposes, Thies and Porche (2007, p.123) found that politics matters when explaining the level of agricultural protection in a country. As expected, they discovered that economic factors matter, notably the comparative advantage of agriculture in a region where the lower the comparative advantage, the greater the subsidy, as well as finding that if there was a recession this will lower subsidies. In addition to these economic explanations they also found that federal states had higher levels of protection; the more parties present in the legislature the greater the level of protection; and if members of the upper house had a specific territorial constituency, this lowered the level of protection (perhaps because having constituents insulated elected officials from the pressures of lobbying). In short, they discovered that the way the political institutions of a state were set up in part explained whether an interest group was more successful in influencing policy towards their more favoured direction.

Theis and Porch concluded: 'Economists, in particular are puzzled by the persistence of agricultural producer support in the developed countries… This type of inefficiency troubles economists… Political scientists, on the other hand, are probably not as puzzled about the persistence of agricultural producer support. Political scientists are more likely to simply assume that political factors are responsible' (2007, p.25).

6.6 Conclusion: is lobbying good or bad for democracy?

This chapter has made it clear that if the conditions are appropriate, then social movements and interest groups can have a significant impact upon political outcomes. While social movements are generally seen as a positive and important forum for the expression of citizen's demands, there is a somewhat more sceptical view of the role of interest groups. Therefore, it is worth considering whether interest groups are of value to the democratic process or if they are harmful.

There can be little doubt that lobbying by interest groups provides vital information to policy makers and politicians during the policy-making process. This is especially important in a complex society where it is unrealistic to expect policy makers to have a high level of expertise upon all issues which require legislation. This can sometimes limit their ability to evaluate the impact of proposed policies accurately and interest groups serve as a correction for these shortcomings. According to this viewpoint, interest groups are best understood as providers of an 'advocacy service' on behalf of their clients, much in the same way that lawyers represent clients or people before courts. This view is a logical complement to Dahl's positive view of interest groups within a pluralist democracy.

In contrast, the more cynical view of interest groups draws on Olson's findings to argue that private interest groups mobilise more effectively, they command more resources and have a greater interest in influencing

policy outcomes in their favour. This leads to the policy-making process being captured by a small group of private interests who wield an undue degree of influence while public goods are systematically undersupplied. This implies that lobbying goes against a liberal conception of equality within the democratic process.

Combining lessons from this chapter can help to provide us with the knowledge to evaluate these two different viewpoints. Dahl's pluralist ideals seem naïve in light of Olson's explanation for why some groups mobilise more than others. Private interest groups are more likely to mobilise than public interest groups and there will be a systematic bias against groups that seek a policy with a diffuse benefit for the whole of society. Yet there are a large number of cases of public groups mobilising completely contrary to Olson's logic. Also to the extent that Olson's ideas are accurate, some governments have become more proactive in their dealings with interest groups in order to attempt to overcome this bias. States have developed a number of strategies to try to level the playing field for interest group politics, such as corporatism, consociationalism and neo-pluralism. What is more, while mobilisation is vital to any understanding of interest groups, it is also important that we take into account what happens after a group has mobilised. The evidence tells us that once groups have mobilised, then a range of political factors is important in explaining whether they will be influential. Most notably the number of opportunities a political system provides for lobbying will affect how influential an interest group can become. In conclusion, perhaps whether lobbying is good or bad depends on how well a democracy can proactively create opportunities for **all** interests to take advantage of potential opportunities to influence policy equally.

6.7 A reminder of your learning outcomes

Having completed this chapter, and the Essential reading and activities, you should be able to:

- explain the difference between a social movement and an interest group
- evaluate contrasting explanations for interest group mobilisation
- explain critically how political factors influence whether a group is influential
- consider the evidence in support of and against lobbying within democracies.

6.8 Sample examination questions

1. Why do some groups always seem to get what they want?
2. 'Interest groups have no place in a liberal democracy.' Discuss.
3. 'Business interests are more powerful than environmental interests in most democracies.' Discuss.

Section C: Analysing political institutions

We mentioned in Chapter 1 of the subject guide that political institutions are rules that shape how political power is distributed and organised within a state. They empower and constrain individuals and make some forms of political behaviour and outcomes more or less likely. This section looks at four different sets of institutional arrangements. **Chapter 7** looks at the differences between parliamentary, presidential and semi-presidential regimes and what are the strengths or drawbacks of each one. **Chapter 8** considers the differences between having either a single party in government or a coalition in government, looking specifically at trade-offs between accountability and representation. **Chapter 9** is concerned with whether a state centralises power in the government or if it decentralises this power, perhaps through a federal system of government. Finally in **Chapter 10** we look at why states might delegate power to independent institutions, like courts, central banks or even the European Union, and what are the benefits and dangers of doing this.

This section will provide you with the ability to analyse how different institutional arrangements (for example, whether a state is parliamentary or presidential or whether a state is highly centralised or highly decentralised) lead to different political and policy consequences.

Notes

Chapter 7: Regime types, agenda setters and veto players

Aims of the chapter

The aims of this chapter are to:

- explain the difference between majoritarian and consensual governments
- discuss the concepts of agenda setters and veto players and show their usefulness for understanding political decision-making
- outline the difference between parliamentary, presidential and mixed regimes and examine the political and policy consequences of each.

Learning outcomes

By the end of this chapter, and having completed the Essential reading and activities, you should be able to:

- apply a spatial model of politics to understand how governments in democracies work
- apply Lijphart's distinction between majoritarian and consensual democracies and Tsebelis's notion of veto players to policy-making scenarios
- explain the differences between parliamentary, presidential and mixed regimes and evaluate the consequences of each.

Interactive tasks

1. What are the institutions of government in your adopted country in terms of the following. Does it have:

    i.   single-party, coalition or minority government?

    ii. a federal or unitary design?

    iii. unicameral or bicameral legislature?

    iv. a strong referendum system?

    v.   strong or weak independent courts?

2. How does government work in your adopted country and who are the agenda setters and veto players?

3. What is the relationship between the executive and legislature in your adopted country and is the executive directly elected? What type of regime does this make it – presidential, parliamentary or mixed?

Reading

Essential reading

Clark, W.R., M. Golder and S. Nadenichek Golder *Principles of Comparative Politics*. (Washington DC: CQ Press, 2012) Chapters 12 and 15.

Tsebelis, G. 'Decision Making in Political Systems: Veto Players in Presidentialism, Parliamentarism, Multicameralism and Multipartyism', *British Journal of Political Science* 25(3) 1995, pp.289–325.

Further reading

Benedetto, G. and S. Hix 'The Rejected, the Ejected and the Dejected: Explaining Government Rebels in the 2001–2005 British House of Commons', *Comparative Political Studies* 40(7) 2007, pp.755–781.

Cheibub, J.A. and F. Limongi 'Democratic Institutions and Regime Survival: Parliamentary and Presidential Democracies Reconsidered', *Annual Review of Political Science* 5(1) 2002, pp.151–179.

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Horowitz, D. 'Comparing Democratic Systems', *Journal of Democracy* 1(4) 1990, pp.73–79.

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Lijphart, A. *Democracy in Plural Societies: A Comparative Exploration*. (New Haven, Mass.: Yale University Press, 1977) and new 1980 edition [ISBN 9780300024944].

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7.1 Majoritarian and consensus democracies

As political scientists, we are interested in understanding how governments work in democratic systems. This entails examining a range of different features of a democracy, such as:

- why do governments pass the policies that they do?

- are some democracies designed better than others?

- what are the consequences of different designs of democratic institutions?

This chapter looks at some of the most common ways and tools used to answer these questions.

One of the most useful distinctions between different types of democratic governments was developed and refined by Arend Lijphart. He outlined the normative justifications behind two alternative visions of democratic government: government by a majority and government by consensus. In part Lijphart developed his ideas in order to challenge the dominant view in political science at that time which argued that democracy could only function at an optimum level in very homogeneous societies (Lijphart, 1977). This view emphasised that homogeneity is more conducive to

effective democratic rule because ethnic and cultural differences divide society and make democratic compromise more difficult to achieve. These divides within society can become entrenched and political actors often try to mobilise voters along ethnic lines, thus entrenching the divides in society even further. In contrast, a homogeneous population is easier to rule democratically because there is less division between citizens, thus making it easier to come to agreement. A society divided by class and ethnic group is much harder to govern than a society divided by class alone.

Lijphart, although studying in the USA, was originally from the Netherlands and this was important in forming his thinking. The Netherlands is not a homogeneous society nor was its nearby neighbour Belgium. Lijphart rejected the idea that somehow these countries struggled with democratic rule more than their more homogeneous counterparts, such as France and Great Britain. Admittedly neither the Netherlands nor Belgium had majoritarian governments and instead they had proportional representation (PR) and coalition governments, but Lijphart argued that this form of government was at least as good, if not better, than the ideal parliamentary form of government seen in Great Britain.

Over the course of his career Lijphart expanded on the division between what he saw as two different types of government and the contrasting normative justifications that underpinned each model of democracy. These he called the majoritarian model and the consensus model. The primary distinction between these two models lies in how they differ in their answer to the same fundamental question: 'Who will do the governing and to whose interests will the government be responsive when the people are in disagreement and have divergent preferences?' In majoritarian democracies the answer is 'the majority of the people'; while in consensus democracies the answer is 'as many people as possible' (1999, pp.1–2).

A majoritarian model pursues the democratic ideal of not allowing rule by an elite minority by giving power to the majority wishes of the population. The idea underpinning this model is that an electoral majority is formed and this majority should be able to govern untrammelled and without constraints. The government represents the majority will of the sovereign people and therefore it has the right to act freely, without being constrained by minority political groups or actors. The ideal typical version of a majoritarian democracy is the Westminster model of government used in Great Britain. In the Westminster model, the largest party is awarded many more seats than they won according to their proportion of the vote and this is done deliberately in order to give them the ability to govern – in other words, a majority is manufactured out of a plurality. The majority government then rules with a cohesive party system that allows them to push through legislation unchecked; there are few if any constraints on their ruling power; such as a written constitution, a powerful upper house, lower levels of government and so on. In this fashion, the majoritarian system concentrates large amounts of power in the government, leading some to describe this as 'dictatorship of the majority'.

An alternative vision of democracy is rule by consensus. Rather than building a simple majority and awarding it unchecked power, this model of democracy tries to encourage policy-making that is supported by as many groups and interests as possible in a deliberative process. Northern and western Europe tends to be characterised by many typical consensus democracies, such as the Netherlands, Belgium, Luxembourg and the European Union. To ensure that consensus is required for policy-making, institutions are designed in such a way as to place constraints on the

political majority. The core idea behind consensus government is that it is necessary to build broad support across a range of institutions in order to pass a new policy and this ensures that no single individual or political group can become overly dominant.

A range of institutional features can be implemented in order to constrain the power of the majority, and consensus democracies typically use most or all of the following:

- A presidential regime (versus a parliamentary regime): A presidential system separates powers between the executive and the legislature. This ensures that coalitions have to be built on an issue-by-issue basis. As we shall see in more detail later in this chapter, the president cannot force his party to support his policy proposals in the legislature and this increases the need for compromise with a wider range of interests in order to earn their support. One such example of how this was necessary is visible in President Obama's deficit reduction plan in late 2011 which he struggled to pass until appeasing interests from all sides of the political divide.

- Coalition and/or minority government (versus single-party government): a proportional electoral system increases the likelihood of coalition government, which forces compromises to be made within cabinets and within legislatures. In the UK under Tony Blair, the Labour Party could 'whip' Labour MPs to support policy proposals through a series of carrots and sticks, even if the MPs did not necessarily agree with all aspects of the proposal. In contrast, the Conservative–Liberal coalition government from 2010 onwards requires negotiation and discussion over policy proposals in order to get support from two parties. Similarly, minority governments entail compromise in order to get policies passed through the legislature with opposition support.

- Bicameral legislature (versus unicameral legislature): a bicameral legislature is a parliament with two chambers, such as a Congress and a Senate. If these chambers are composed of different groups or if representatives are chosen in different ways in each chamber, this ensures that governments need to get support from another body before getting policies passed. Germany's parliament is comprised of two chambers – the lower house is the *Bundestag* and the upper house is the *Bundesrat*. The *Bundestag* is elected across the whole country while the *Bundesrat* is elected on a regional basis. Therefore, in order to get a bill passed, the government must win support from a body representing the national interest as well as a body representing regional interests. It is worth noting that even though some parliaments, such as the Westminster parliament, have two chambers, the upper house is often so weak and powerless that the system effectively operates as a unicameral democracy.

- Federalism/Decentralisation (versus unitary government): a federal arrangement restricts the power of central government by reserving certain policy areas for a regional authority.

- Referendums (versus parliamentary sovereignty): the use of referendums to decide whether a policy should be implemented or not constrains the government by placing the power in the hands of the people directly. In Switzerland there is a strong programme of binding referendums which the government must follow if enough of the voters demand that a referendum be held.

- Written constitutions, bills of rights and constitutional courts (versus parliamentary sovereignty): a written constitution or a bill of rights enshrines the limits of what policies are acceptable and what policies are not. If a policy is passed, it can be challenged in a court and if

an independent judiciary agrees that this contradicts a country's constitution or a human rights act, the judiciary can strike down the legislation and force parliament to redraft or abandon it.

Lijphart (1999) also mentions some other factors, such as corporatist versus pluralist interest groups and whether central banks are independent or not, but the above list contains the most fundamental list of institutions that constrain majority power.

What we have seen so far is that the basic institutional set up of a democracy can be categorised as majoritarian or consensus and each of these models embraces a very different logic of who should rule in a democracy. This divide can be simplified down further to the two most important features that decide whether a democracy concentrates or disperses power – is the democracy parliamentary or presidential; and is it characterised by single-party or coalition government? We have displayed these configurations in Figure 7.1 below. From this we can identify four types of models.

1. A parliamentary system characterised by single-party governments is majoritarian, such as the typical Westminster model.

2. A parliamentary system characterised by coalition government is consensus in nature, such as those of continental Europe.

3. A presidential system that is characterised by single-party government is consensus, such as that of the USA.

4. A presidential system with multiple parties in the legislature is 'super-consensus', such as those in Latin America.

Regime Type

	Parliamentary	Presidential
Single-Party	Majoritarian **'Westminster' Model**	Consensus **United States Model**
Coalition	Consensus **Continental European Model**	Super-Consensus **Latin American Model**

Government Type

Figure 7.1: Designs of democracy.

We have mapped the democracies of the world according to these categories in Table 7.1, which immediately shows that there is a regional dimension to the way democracies are designed. Europe has mainly parliamentary or semi-presidential regimes and prefers coalition systems to single-party systems (although single-party government is not a complete rarity). The Americas highly favour presidential regimes and are evenly split between two-party and multi-party systems. Meanwhile the rest of the world is slightly more evenly spread in their choices of democratic institutions.

It should also be noted that the majoritarian and consensus models are ideal types and very few countries in the world today exist which are pure examples of either model. The Westminster system is constrained by factors such as the Human Rights Act, devolution of power and an independent central bank. Likewise, many consensus systems introduce electoral thresholds in order to limit the number of parties in parliament

and in government and make the system slightly more majoritarian. Rather the main purpose of Lijphart's distinction is to show the contrasting logic of two different ways to arrange democratic institutions on a general level.

	Parliamentary		Hybrid (for example, Semi-Pres.)		Presidential	
	Single-Party	Coalition	Single-Party	Coalition	Single-Party	Coalition
Europe	Greece, Spain, UK	Belgium, Czech Republic, Denmark, Estonia, Germany, Hungary, Ireland, Italy, Latvia, Moldova, Netherlands, Norway, Sweden	Portugal, Romania, Russia	Austria, Bulgaria, Croatia, Finland, France, Lithuania, Macedonia, Poland, Serbia, Slovakia, Switzerland, Ukraine		Cyprus
Americas	Canada, Jamaica, Trinidad and Tobago				Argentina, Costa Rica, Dominican Rep., El Salvador, Guatemala, Guyana, Honduras, Mexico, Nicaragua, Peru, USA, Venezuela	Bolivia, Brazil, Chile, Colombia, Ecuador, Panama, Paraguay, Uruguay
Asia, Pacific, Africa, Middle East	Australia, Botswana, Japan, Lesotho, Nepal, South Africa	Bangladesh, India, Israel, Mauritius, New Zealand, Papua New Guinea, Sri Lanka, Thailand, Turkey	Madagascar, Mongolia, Taiwan	Mali	Indonesia, Malawi, Mozambique, Namibia, S. Korea	Benin, Philippines

Table 7.1: Designs of democracy around the world.

7.2 Mapping majoritarian and consensus governments using the spatial model

Having identified two contrasting models of democracy we need to ask ourselves how we can think about the policy and political implications of each model. To understand this it is useful to use the spatial model of politics, which we have already touched upon in some of our earlier chapters. The spatial model makes four core assumptions about political actors and their behaviour.

1. Politics and policy-making can be conceptualised in a political 'space', such as the left–right dimension which we used to map political preferences in Chapter 3.

2. Each political actor, whether they be an individual politician, a party or a political institution, has an 'ideal point' in their policy space based on their preferences.

3. When making a choice between different policies, each actor will vote for the policy which is closest to their ideal point.

4. If no policy is agreed, then the existing policy (also called the 'status quo') will remain.

Based on these assumptions, Black (1958) argued that in a decision-making environment with no institutions (for example, no political parties) then policies will converge on the position of the median voter. This is known as Black's median voter theorem. We can map this out spatially on one dimension to help understand why this would be the case. Imagine a scenario like the one shown in Figure 7.2 – there are five political actors, A, B, C, D and E, and each is positioned somewhere along a left–right dimension. We also have marked the current status quo (SQ), or the existing policy position – a radical left policy. E is the first person to propose a new policy, X, at precisely her ideal point. C, D and E will all vote for this new policy as it is closer to their ideal points than the existing SQ. A and B will not support it as the SQ is closer to their ideal points than the new policy. Nonetheless, it is passed by a 3–2 majority. However, then B decides to propose a new policy, Y, that matches her ideal point. Now what happens is that A, B and C prefer Y to X because this is closer to their ideal points and this becomes the new policy. Finally, C is elated that the policy keeps getting closer to her ideal and decides to propose the policy Z, which is precisely where she would like it to be. C, D and E all prefer this to the policy Y and so this gets endorsed as the new policy. Now there is no other policy which can defeat this new point. A, B and C would all come together to defeat any move to the right, while C, D and E would all come together to prevent any movement of the policy position to the left.
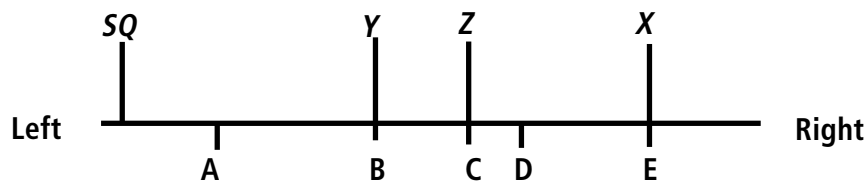
Figure 7.2: The median voter theorem.

This illustrates that in any decision-making situation, as long as it is along one dimension and there are no political institutions constraining behaviour, then the median voter is the equivalent of a dictator. Black's median voter theorem was a very important idea because up until he proposed his idea, dominant thinking assumed that the average policy position would emerge. While very often the average voter's position and the median voter's position are close together, it is possible for the median to be a lot more skewed to the left or the right – imagine a situation where C, D and E are all bunched to the far right of our graph and what would the final outcome be?

George Tsebelis, a mathematician turned political scientist, wrote a book in 2002 that came up with a way of thinking about how democratic institutions that constrain governments' power can be mapped using the spatial model of politics. He identified two different types of powers that political actors might have.

1. Agenda setting power – this refers to the power to make an initial policy proposal or the power to propose an amendment to a policy proposal. For example, in a parliamentary system the government of the day is the agenda setter. They can impose their policy proposals upon the legislature and generally prevent any other group from proposing policies too.

2. Veto power – an actor with veto power is any actor who has the ability to prevent a policy from being passed or as Tsebelis (2002, p.19) phrases it: 'veto players are individual or collective actors whose agreement is necessary for a change of the status quo'. In a parliamentary system we can view the median members of the legislature as veto players because their support is required to get a policy passed. If you have a bicameral system, then the median member in the second chamber will also be a veto player. If there is an independent supreme court with the power to strike down legislation, then this will also be a veto player. In other words, many of the institutional constraints we discussed in Lijphart's model of consensus government can be viewed as veto players.

We can use Tsebelis's framework to understand what impact institutional constraints have upon policy-making. Figure 7.3 plots the same policy dimension and political actors as used in our earlier example, but this time A, B and C are members of a Left Party while D and E are members of a Right Party. A, B and C are the majority so they are the government. Imagine B is the leader of the Left Party and the agenda setter. In a parliamentary system, parties can use a series of incentives and disincentives, such as offers of promotion and threats of de-selection to force party members to act as one cohesive party with a single mind (we will explore this process in more depth later in this chapter). As such, B can propose a new policy position precisely at her ideal point and force C to vote for this even though C prefers the SQ to the new policy. Because the Left Party acts as a single cohesive party and they hold a majority, then the party leader has the ability to become the policy dictator.
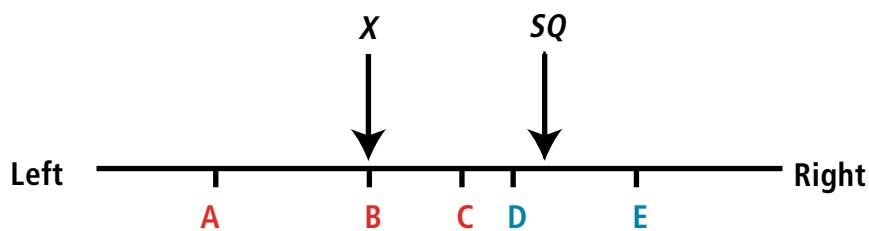
Figure 7.3: Policy-making under majoritarian (single-party) government.

But what happens when we introduce one of Lijphart's institutional constraints of consensus government into the scenario? Imagine there is a proportional electoral system in use, which increases the number of parties gaining representation in the parliament. Now we have the exact same left–right dimension as before and the same political actors at the same ideal points, as shown in Figure 7.4. However, this time A and B are members of the Left Party, C is a member of the Centre Party, and D and E are members of the Right Party. A, B and C are in a coalition government together. In this example, the Left Party no longer has the same degree of control over the voting behaviour of C as it did when she was a member of the Left Party. In other words, C becomes a veto player. C will now only agree to a new policy position if it is closer to her ideal point than the existing status quo. This range of possibilities that C prefers to the current SQ and for which she will vote is what Tsebelis calls the 'winset'. In this scenario, B has to compromise. She can no longer introduce a policy exactly at her ideal point, so instead she will propose a policy that is as close as possible to her ideal point while still being preferable to C compared to the status quo. This will be the point at the very left-hand edge of C's win-set.
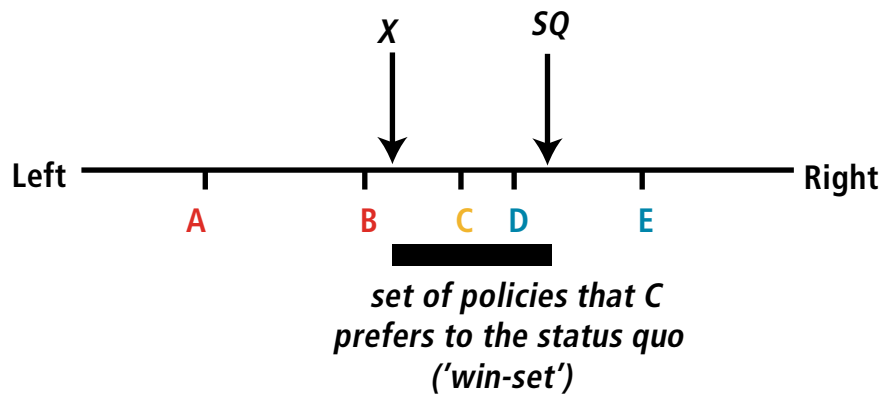
Figure 7.4: Policy-making under consensus (coalition) government.

A further important implication of consensus governments which introduces veto players into the policy-making process is that some policies suddenly become impossible to change. The range of policies that cannot be changed is known as the **gridlock interval** and any policy within the gridlock interval will inevitably be vetoed by one or other veto player. Looking at Figure 7.5, which has the same line-up of actors as in Figure 7.4, any SQ that lays between the ideal points of B and C cannot be changed as both B and C are veto players. Any move to the right in the position of the SQ will be vetoed by B as this moves it further away from her ideal point, and any move to the left in the position of the SQ will be vetoed by C for the same reason.

It is also worth noting that as the gap between coalition partners gets bigger, then the size of the gridlock interval increases and it becomes increasingly difficult to change the SQ. Again imagine A and B as members of the Left Party in coalition with C in the Centre Party, but this time their preferences are much further apart. This creates a bigger range of policies that will be vetoed by one player or the other, and thus leads to greater policy stability within the system.
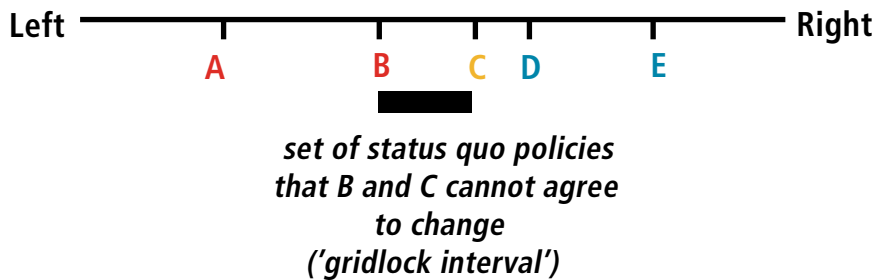
Figure 7.5: Potential for policy gridlock.

Using the insights generated by the application of agenda setting and veto powers, Tsebelis identified two important propositions.

1. 'The addition of a new veto player increases policy stability or leaves it the same' (2002, p.25). In other words, the more veto players there are in a democratic system, the less policy change there will be.

2. The bigger the policy-distance between different veto players, the less policy change there will be.

It should be noted that low levels of policy change is neither inherently good nor inherently bad. In some situations it may be highly desirable to have a low level of policy change. Political minorities who are worried that their rights will be eroded in favour of the majority would welcome any processes that delay or prevent policy change. A political minority does not

necessarily solely refer to an ethnic or linguistic minority, but it can refer to any minority viewpoint within a democracy. Ensuring minority protection is exactly the logic that underpins Belgium's institutional design given the wide range of ethno-linguistic groups that comprise its population.

However, in other situations rapid policy change is desirable. The onset of the global recession that began in late 2007/early 2008 required speedy responses from many governments to reassure markets and investors. In this instance, new policies needed to be introduced quickly and effectively but consensual systems with a large numbers of veto players or with veto players that were ideologically distant from one another struggled to respond to the financial crisis in a timely fashion. Compare the response of Belgium to that of the United Kingdom. Belgium at the time could not even form a sitting government because no one group of veto players could agree a programme for government. Instead after much delay an emergency session of parliament was called in order to pass financial crisis legislation. This is exactly the outcome Tsebelis (2002, p.185) would have predicted because as he notes: 'If an exogenous shock occurs, a government with many veto players with big ideological distances among them cannot handle the situation and cannot agree on the necessary policies'. In contrast, Gordon Brown's highly majoritarian UK government was viewed as a world leader in passing legislation that responded rapidly to the crisis.

Through the veto players' framework, we can see exactly the nature of the trade-off between consensus and majoritarian democracy, and we have presented these in Table 7.2. Consensus governments encourage slow and deliberate policy-making based around broad coalitions of interests. This ensures that the rights of political minorities are protected from a dictatorship of the majority. Yet this comes at a cost. Decision-making can be too slow, especially in times of an exogenous shock such as a recession. It is also normatively questionable how much minorities should be allowed to prevent the majority will from being implemented in a democracy. Additionally, coalition governments and the existence of other veto players who influence the policy-making process render it difficult to create a clear line of responsibility between a government and policy outcomes. A clear line of responsibility like this is vital for helping voters to make informed judgments at election times.

The trade-offs associated with majoritarian government are almost a mirror image of those of consensus government. It offers decisive government with a clear line of responsibility between government action and the policy outcomes it produces. This in turn helps to ensure that parties stick to their manifesto commitments. This is not only because they do not need to compromise as coalition governments must, but also because clearer lines of responsibility promote voter accountability. However, on the negative side, fast policy-making can sometimes result in poorly thought through policies or policies that harm the position of minority groups. Additionally, unchecked power creates an elective dictatorship.

	Majoritarian	Consensus
Pros	Decisive government	Slow and deliberative decisions
	Clear responsibility	Broad political compromises
	Electoral promises kept	Protection of minority interests
Cons	Decisions too quick	Decisions too slow
	'Elective dictatorship'	No clear responsibility
	No compromises	Electoral promises broken
	Threat to minority interests	Vetoes by minority groups

Table 7.2: Pros and cons of majoritarian and consensus models.

7.3 Parliamentary, presidential and mixed systems

We can take many of these ideas about consensus versus majoritarian governments and agenda setters and veto players and apply them to another important dimension of how governments work. As we shall see, whether a democracy is a parliamentary, a presidential or a mixed system will have direct consequences for the nature of policy-making and other political outcomes. Issues such as whether power is concentrated in the hands of an executive or if it is dispersed throughout a range of political actors; whether the executive is directly elected or indirectly appointed out of the legislature; and whether it is possible to remove the chief executive or their cabinet all have important implications for how a democracy works in practice.

To begin it is useful to understand the distinguishing features of each type of system. Presidential and parliamentary regimes are based on different constitutional principles and 'whether a democracy is parliamentary, presidential or mixed depends on the relationship between (a) the government, which comprises the political chief executive and the ministers that head the various government departments, (b) the legislature, and (c) the president (if there is one)' (Clark et al., 2012, p.458).

A **parliamentary democracy** is characterised by a fusion of powers between the executive and the legislature. The prime minster is appointed by the ceremonial head of state (usually a constitutional monarch or ceremonial president with very limited power) based on being the leader of the largest party or coalition of parties in the legislature rather than being directly elected by the people as is the case in a presidential system. The prime minster then appoints his cabinet and together these form the executive. This executive is responsible to the legislature at all times and very often they require a vote of investiture before taking up office. This is a formal vote in the legislature which the proposed government must win in order to take up office. The legislature retains a right to dismiss the executive during its tenure usually through a vote of no confidence. This is a vote tabled against the government by the legislature which the government must win to stay in office. In some countries there is a constructive vote of no confidence where a government can only be voted out of office if an alternative replacement government can be found, such as in post-Second World War Germany. The government can also dissolve the parliament and call new elections at any time. Given the nature of the relationship between the executive and the legislature, the parliamentary model of democracy has been described as a system of 'mutual dependence'.

If a parliamentary democracy is based around the principle of a fusion of powers, then a **presidential democracy** is characterised by a separation of powers. This means that there is a complete separation between the executive and legislative branches of government. The presidency is also a job that combines two distinct roles – the head of government and the head of state. A president is directly elected by the people rather than appointed by a parliament (although the US president is indirectly elected by an electoral college, this is still more direct than voting for a parliament which in turn chooses a prime minister). It is a fixed term appointment and a president cannot be removed from his post by the legislature. In fact, the only way to remove a president is through the legal process of impeachment. The president appoints his cabinet and although cabinet members may need approval from the legislature, once they are in post they cannot be removed by the legislature. Equally, the president and his cabinet cannot dismiss the legislature. In this way there is a clear separation of powers between the executive branch and the legislative branches of government in a presidential system, which has been described as 'mutual independence'.

The final type of system is a **mixed democracy**, also known as a semi-presidential democracy. A mixed democracy has both a president, who is more than a ceremonial figurehead, and a prime minister – in other words, executive power is shared between the president, the prime minster and the cabinet. The president is directly elected by the people and they then appoint a prime minister. The prime minister then chooses a cabinet. Usually in mixed democracies, the prime minister cannot dissolve parliament but the president can. The most often cited example of a mixed democracy is France and the current French system was designed under the influence of Charles de Gaulle who wanted to overcome the chronic stability problems experienced by the parliamentary system of the French Fourth Republic. De Gaulle hoped that this model would deliver the best of both worlds by providing increased accountability through a directly elected head of government but without having the separation of powers that prevents fast or effective policy-making. If the president's party also holds a majority in the legislature then it is possible to achieve policy-making in much the same way as in a pure parliamentary system.

Clark et al. (2012, p.464) present data on the number of democracies over time according to whether they are a presidential, parliamentary or mixed democracy. They show that all forms of democracy have increased since 1945 and that parliamentary democracies are by far the most common type of democracy, followed by presidential democracies, followed in turn by mixed democracies. However, in recent years the number of presidential and semi-presidential democracies has increased faster than the number of parliamentary democracies – for example, in eastern Europe many of the former communist countries chose semi-presidential regimes when designing their new democracies. So while parliamentary systems remain more common, the trend in recent years is to favour some variety of presidentialism.

7.4 Policy and political implications of regime types

We now wish to turn to examining the different policy and political implications of parliamentary, presidential and mixed systems. To do so we will look at three specific factors: the policy-making process, the degree of party cohesion, and the survival rates of each type of system. We will do this in part by drawing on the spatial model and the ideas of Tsebelis. Approaching them in this systematic way will provide us with tools and

evidence to evaluate the overall strengths and limitations of each different regime type.

7.4.1 Policy-making

To understand the policy-making processes in each regime it is useful to begin with an overview of who has agenda setting and veto power.

1. **Parliamentary systems**: Agenda setting power usually lies with the government who propose the legislative agenda they wish to debate at the start of a parliamentary term. Veto power lies with the majority in parliament who choose whether to support or reject the policies proposed. Officially, the head of state, such as the ceremonial president or monarch, must also sign a proposed bill before it becomes law, but this does not in fact give them a real veto. If a constitutional monarch were to refuse to sign a bill already sanctioned through the democratic process this would most likely lead to a constitutional crisis. One such interesting case arose in Belgium in 1990 when King Baudouin I who was a devout Roman Catholic refused to sign a bill liberalising Belgium's abortion laws because it conflicted with his religious beliefs. Rather than veto this bill, King Baudouin asked the government to declare him temporarily unable to reign, during which time the government took over his duties and endorsed the bill and then declared him fit to reign once again the next day. This example shows that the head of state's veto power is actually close to non-existent in a parliamentary system, although in some cases such as Ireland they do have the power to refer bills to the Supreme Court and request the court to assess their constitutionality. Policy-making in a parliamentary system is one where the government proposes policies which the legislature accepts or rejects.

2. **Presidential systems**: In a presidential system the roles are reversed. Agenda setting power lies with any member of the legislature. In some cases the president also has agenda setting power. Veto power lies with the majority in the lower chamber of the legislature and they can refuse to support a bill proposed by a colleague. The president also has veto power and he can veto any bill, even those that may have majority support in the legislature. Therefore, policy-making in a presidential system can largely be seen as a system where the legislature proposes policies which the president then accepts or rejects.

3. **Mixed systems**: Agenda setting power lies with the parliamentary government in a mixed system; however, given that the president appoints the prime minister this gives the president indirect agenda setting power too. Veto power then lies with the majority in parliament who will either accept or reject the proposed bill and the president does not have a veto power in the mixed system.

Now we can turn to examining the policy-making process in each system. In a parliamentary system, the government usually has a majority in the legislature, whether this is a single-party majority or a coalition majority government. Additionally, the government has a monopoly on agenda setting power. The government sets out a legislative timetable which usually only dedicates a very limited time to private member bills where non-governmental parliamentarians can propose legislation and instead the government of the day completely dominates this process. In other words, the government restricts the legislative agenda so that parliament only discusses things the government wants to debate and it squeezes out other concerns. Additionally, the government can enforce party cohesion to ensure its policy proposals are supported by its majority in the legislature.

The strong agenda setting power combined with the ability to force the majority in the legislature to support them, means that governments dominate parliaments in parliamentary systems. As we mentioned earlier, this can be understood as a dictatorship of the majority. Reflecting his position as a minor backbench parliamentarian, the British Labour Party Member of Parliament (MP), Austin Mitchell, once stated 'my career in parliament has been spent throwing paper aeroplanes at a bulldozer'.

The policy-making process in presidential systems is completely different and the exact nature of policy-making depends on whether there is unified or divided government in place. **Unified government** in a presidential system refers to when the party of the president also commands a majority in the legislature. Where this is the case then members of the president's party can propose policies on behalf of the president and as such, the president can set the legislative agenda. However, unlike in parliamentary systems, support for proposed bills has to be built on an issue-by-issue basis because the president cannot enforce party cohesion. Given the mutual independence of the legislature and the executive, the president cannot force cohesion through a threat to dissolve parliament and call new elections.

Divided government in a presidential system refers to a scenario where the party of the president does not command a majority in the legislature. In this scenario two different outcomes are possible. First, the president may become very weak. The leader of the majority party in the legislature sets the legislative agenda regardless of the wishes of the president and then the president's main influence over policy is whether to veto or approve a proposed policy. In such a scenario the legislative majority will propose the policies that it prefers over the status quo and as close as possible to its ideal point but which are also more acceptable to the president than the status quo. One recent example of divided government in action was during US President Bill Clinton's second term. Clinton had been a strong advocate of welfare reform but because he could not command a majority in the legislature he could not propose his own preferred welfare reform programme. Instead, the opposition Republican Party proposed their preferred welfare reform programme which Clinton then chose not to veto because although this was not exactly aligned with his ideal point, nonetheless he believed that some welfare reform was preferable to the existing policy.

The second possible outcome under divided government is that gridlock will occur. It is possible that if the majority in the legislature and the president want two very different policies with no common ground between them then the legislature will not propose any policies that the president will support and the president will veto all bills that come before him.

We can return to our earlier spatial maps to see how these illuminate each of these policy-making scenarios. Figure 7.3 discussed earlier illustrated decision-making in a parliamentary system where one party (the Left Party in the scenario) controls a majority of seats in the parliament. As we saw, in this situation, the leader of the party who controls the majority (B in our scenario) is the dictator, and the status quo will shift to her ideal point.

This can be contrasted with policy-making under a unified presidential system, as Figure 7.6 shows. We take the same left–right dimension and again A, B and C are members of the Left Party and D and E are members of the Right Party. In this scenario, B is the president rather than the prime minister and due to the nature of the presidential system, which

lacks mechanisms to enforce party cohesion, she can no longer force C to support a policy proposed at her ideal point. Therefore, the policy is passed as close as possible to the president's ideal point but while still being within C's win-set of policies that they prefer to the current status quo. This is much the same as if C was in a parliamentary coalition with A and B but from a different party, thus reducing cohesion between the three members of government.
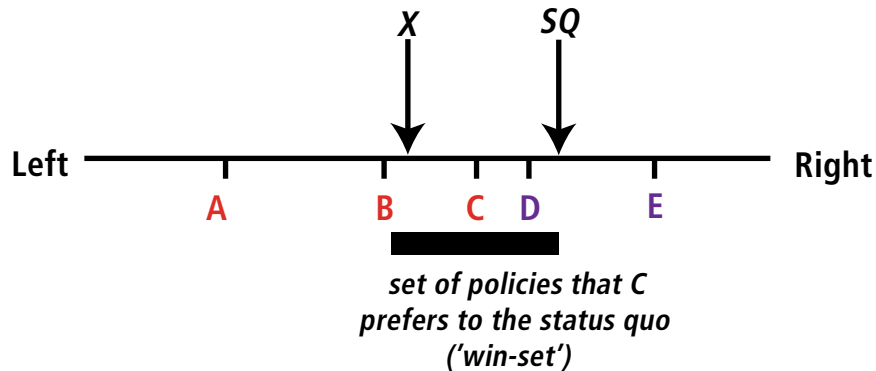
Figure 7.6: Policy-making in a presidential system with unified government.

Policy-making in a divided presidential system is somewhat more challenging for the president. In this example, A and B are the Left Party and B is the president, but C is now a member of the Right Party along with D and E. C is now the agenda setter and she will propose policy X over SQ1 as this is exactly her ideal point while still being more acceptable to the president than SQ1. In this instance, the president merely decides whether to veto or support the proposed policy but is unable to set the agenda herself. It is also worth considering what happens if a status quo exists that lies somewhere between the ideal points of the agenda setter and the veto player. This is the case with SQ2 and this will result in gridlock as any attempt to move this policy closer to C's ideal point will be vetoed by the president because she prefers the status quo. Thus as we can see, policy-making in divided presidential systems either results in a weak president or in policy gridlock.
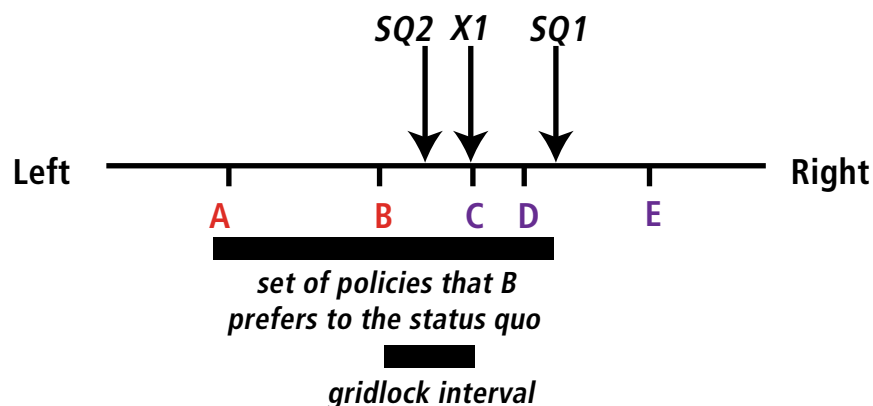
Figure 7.7: Policy-making in a presidential system with divided government.

In mixed systems there are also two possible scenarios. Once again it is possible to have a system of **unified government** where the party of the president also holds a majority in the parliament, in which case the system will work exactly like policy-making in a unified presidential system. The president appoints the prime minster who will propose the president's legislative agenda, which the parliamentary majority will then endorse. However, it is also possible to have a system of cohabitation. This refers to a scenario where the party of the president does not command a majority

in the legislature. In this instance the system works like a coalition parliamentary system. The president is forced to appoint a prime minster from the party or coalition which commands a majority in parliament (as the prime minister usually has to pass a vote of investiture in the parliament) and the prime minster and their cabinet then govern much as in any other parliamentary system. However, the president retains the right to dismiss the parliament. A system of cohabitation can often lead to great difficulties between the president and parliament, much as was the case when Francois Mitterrand was president and Jacques Chirac was prime minster in France (1986–1988) and subsequently when Chirac was president and Lionel Jospin was prime minster (1997–2002).

7.4.2 Party cohesion

As we have already mentioned briefly, policy-making ability is in part influenced by party cohesion and in general parliamentary systems can force higher levels of party cohesion than presidential systems. We now turn to why this is the case.

High levels of party cohesion are possible in parliamentary systems as a result of a combination of incentives to encourage supporting the party leadership and disincentives for rebelling against the leadership, or what are known as carrots and sticks. Benedetto and Hix (2007) have explored these in-depth in the case of the Westminster parliament. The primary incentive that party leaderships can offer is promotion from the backbenches of the legislature to a cabinet position. In fact, in almost all parliamentary systems there has been a steady expansion of the size of the executive in the post-Second World War period in part to allow the government to offer more promotion opportunities to their parliamentarians and thus ensure their loyalty. Disincentives can also be used to enforce party cohesion and the ultimate disincentive which governments use is to attach a vote of no confidence to a proposed bill. In other words, the government tells parliament that if the proposed bill is not passed then new elections will be held. This holds the possibility that the ruling party or coalition might not be re-elected and some parliamentarians may lose their seats. Therefore, the backbench party member might not like the proposed legislative bill, but the risk of new elections is even worse. Additionally, some systems confer severe consequences upon party members who do not support the leadership. Closed list proportional representation offers the leadership the ability to move a party member much further down their list of candidates at the next election in order to reduce greatly or eliminate their prospects of re-election. Even in some majoritarian electoral systems, such as that of Australia, the party leadership can prevent certain candidates from contesting the next election for their party. This is a huge blow given that most voters do not know the voting records and performance of individual politicians but rather use the party label as an 'information shortcut'. Thus if a candidate is not endorsed by the party they are liable to gain far fewer votes than if they are a member of a major party.

The power of these 'carrots and sticks' is evident from the fact that throughout Tony Blair's 10 year reign as prime minister he lost only one whipped vote in the House of Commons, when he attempted to extend the period of detention of terror suspects without charge from 14 to 90 days.

In contrast, in a presidential system the president may well want his party members always to vote in favour of certain policies but there is very little they can do to force this to happen. This is because presidents do not possess the same range of carrots to offer their party members nor

do they have the same power to make threats. There is no real possibility of promotion within a presidential system with many members of Congress preferring to remain in Congress over cabinet office, especially given that many scholars claim that a cabinet seat is less influential in a presidential system compared to a parliamentary system (Lijphart, 2004). The president also lacks the potential disincentive of threatening to call new elections because of the separation of powers between the executive and the legislature. Finally, because the president and the legislature are elected separately this means that members of the legislature are much less dependent on the performance of the president for their re-election, which once again means that they do not have the same incentive to support unconditionally the party leadership.

John Carey (2007) examined what factors influence party cohesion in 19 different democracies looking at 268 political parties. He created a party cohesion index between 0 and 1, where 1 implies that all party members vote the same way while 0 implies that half the party votes one way while the other half votes the other way. After controlling for whether an open list or closed list electoral system was used, whether it was a federal democracy or not, whether there was a mechanism for a vote of confidence and the size of the parliament, he found that across all democracies the average party cohesion score was 0.8. He found that if a party was in government it immediately had 0.12 more cohesion on average. However, if the party was in government in a presidential system this actually reduced the level of cohesion by 0.17 on average.

We can further confirm this finding by looking at how party members voted in each of the three types of systems. In these graphs each dot represents a member of parliament and how they voted. We have located their voting position in a spatial map along two different dimensions. The closer together the dots are the more cohesively party members are voting; while the more spread out the dots are the less cohesively they are voting. In these figures, the dimensions do not have any substantive meaning, as they are simply a product of how MPs actually vote in parliaments.
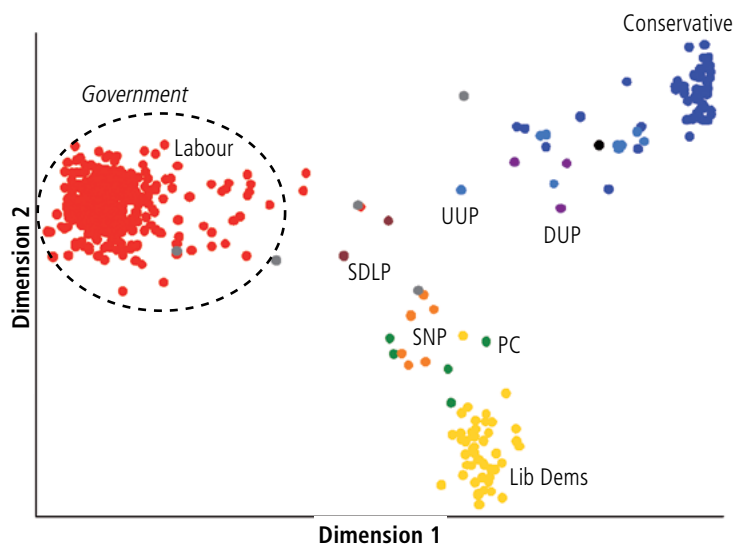
Figure 7.8: Map of voting in the UK House of Commons, 1997–2001.

Looking first at voting in the Westminster parliament between 1997 and 2001, in Figure 7.8, we can see that the members of the three largest parties fall into three very distinct groups. Members of the Labour Party are located in the top left, members of the Conservative Party are located in the top right and members of the Liberal Democrats are located in the

bottom centre. The other smaller parties are located in different areas. In this graph there is clear cohesive block voting between the major parties.

This pattern can be contrasted against voting behaviour in the US House of Representatives between 1993 and 1995 while Bill Clinton was the president, as Figure 7.9 shows. Although there is clearly some block voting with Democrats more likely to be on the left and Republicans on the right, nonetheless the gaps between party members is much more widely spread and not nearly as cohesive as in the Westminster example. In other words, as expected party cohesion is weaker in presidential systems compared to parliamentary ones.
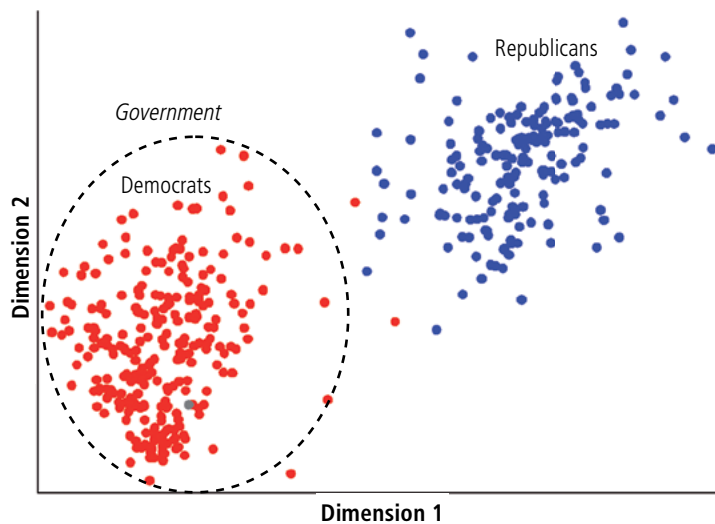
Figure 7.9: Map of voting in the US House of Representatives, 1993–1995.

Finally it is worth looking at the French mixed system between 1997 and 2002, during which Jacques Chirac was president of a unified government. As can be seen from Figure 7.10, this period was characterised by cohesive block voting between the French Socialists and the Conservatives, although the Green Party and the Gaullists were fairly spread on one dimension but not on the left–right dimension. Under unified government, a mixed system appears to behave more like a parliamentary system in terms of party cohesion than a presidential system.
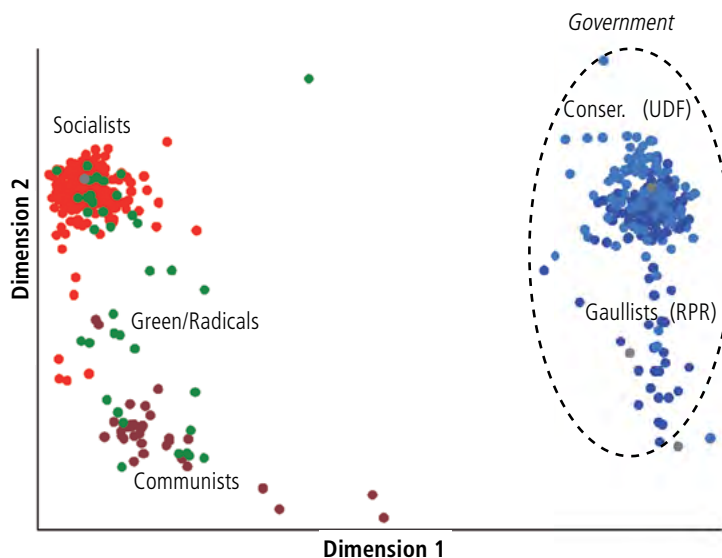
Figure 7.10: Map of voting in the French National Assembly, 1997–2002.

7.4.3 Regime survival

A long running debate about the different regimes relates to whether parliamentary regimes have a better survival rate than presidential regimes and why (this debate tends to overlook the role of mixed systems entirely). This debate began in earnest with an article written by Juan Linz (1990) in which he argued that parliamentary systems are more likely to lead to democratic consolidation in new democracies than presidential systems. He argued that this was particularly the case for countries with deep political cleavages and a large number of political parties.

According to Linz the fusion of executive and legislative power in parliamentary systems ensures that governments are supported by a majority in the legislature and because parliamentary parties are highly cohesive this allows for functioning policy-making. In contrast, presidential systems are less likely to deliver functioning and capable governments. The separation of powers allows for the possibility of divided government and given that both the president and the members of the legislature are directly elected with mandates from the people there is no way to know whose view should prevail should they disagree over policy. As such, policy gridlock can lead to system deadlock. This is further compounded by the fact that presidential systems have fixed terms of office which means that, short of impeachment, it is impossible to remove a president from office mid-term in order to relieve the gridlock. Equally, it is impossible to hold new legislative elections mid-term. Finally, he also argues that the president is just one individual and as such it is a winner-takes-all election. There is little room for coalitions and the highly majoritarian nature of presidential elections can lead to minorities feeling permanently excluded from power.

These factors were the main reasons cited by Linz to explain the collapse of many of the new democracies in Latin America in the 1970s and 1980s. Presidential regimes which could not count on majorities led to policy gridlock and system deadlock. Given the lack of political mechanisms to resolve this deadlock (such as a vote of no confidence as exists in a parliamentary system), this tempted some actors to step in and resolve the deadlock through extra-constitutional methods. One typical example cited in support of this view is the overthrow of Salvador Allende in Chile in 1973 in a military coup.

Linz's pessimistic view of presidentialism has been challenged by a number of authors. Horowitz (1990) argued that Linz over-relied on a limited sample of Latin American countries and if he looked at Africa he would have found many new democracies that collapsed but which were parliamentary systems. Rather, according to Horowitz the real problem is highly majoritarian systems which produce an adversarial political culture. This is the real root of the winner-takes-all mentality and in fact many presidential systems use novel election methods to encourage presidents to appeal across cleavage divides as well as to build coalition cabinets.

Cheibub and Limongi (2002) also challenge Linz's generalisations. They argue that many of Linz's arguments are not supported by the empirical facts. They note that majority government occurs in almost 79 per cent of all parliamentary democracies since 1945 while it has occurred in 61 per cent of presidential democracies. Meanwhile coalition government occurred in 43 per cent of parliamentary democracies and in 30 per cent of presidential democracies. So although there is some difference between these two regimes, the difference is not great enough to support Linz's claims. Presidential systems are more likely to be unified than divided, thus reducing the likelihood of policy gridlock. Also, they need not be

winner-takes-all in their governing patterns. Cheibub and Limongi (2002) also argue that many presidential systems have mechanisms in place to overcome policy gridlock, such as a legislative override to counter presidential vetoes. In contrast to Linz, Cheibub and Limongi reject the idea that presidential systems are more likely to collapse as a result of gridlock and deadlock, but rather they argue that presidential systems are more likely to be used in countries with a strong history of military involvement in political life and it is actually this history of militarism which reduces their chances of democratic survival compared to parliamentary systems.

7.4.4 Evaluating different regime types

Drawing together our findings from policy-making, party cohesion and regime survival, we can tease out the relative strengths and limitations of each regime type. We have set these out in Table 7.3.

The strongest advantage of presidential systems is that they have a directly elected executive, as opposed to the post-electoral process of selecting an executive which occurs in parliamentary systems. Additionally, the role of the legislature is seen as being much stronger in presidential systems – it is able to defy the executive and counter balance their power. This fundamental check and balance increases deliberation which presumably leads to better thought out and more inclusive policies.

Yet the fusion of powers characteristic of parliamentary systems is not without its strengths too. This system allows for strong government that can deliver significant policy change, something cited as a great asset at times of exogenous shock. Parties under parliamentary systems tend to act a lot more cohesively, which facilitates strong policy-making. Perhaps the greatest strength of parliamentary systems is that there are no conflicting mandates to govern between the executive and the legislature and should policy gridlock ever arise, then there are clear mechanisms in place which can be used to resolve the gridlock and prevent system deadlock from emerging.

The drawbacks of each system are then the flip side of the strengths.

	Presidential	Parliamentary
Pros	Directly accountable executive	One election
	Strong ('working') parliament	Powerful executive
	Checks and balances	Cohesive parties
	More deliberative decision-making	=> a mandate to govern
Cons	Prone to legislative 'gridlock'	Indirectly accountable government
	Weak executive	Weak parliament ('talk shop')
	Weak parties	Powerful party whips
	Regime instability	Policy change can be too quick

Table 7.3: Pros and cons of presidential and parliamentary systems.

7.5 Conclusion

This chapter looked at different ways that governments work. It is clear that democracies are not homogeneous in how they design their institutions. Lijphart has provided us with a clear distinction between majoritarian democracies that concentrate power in the hands of the executive; and consensual democracies which disperse power through a wider range of political actors. This distinction reflects an underlying

normative divide regarding who should govern in a democracy when there is no clear agreement throughout the population as a whole – should the will of the majority of the citizenry prevail or should as many citizens as possible be involved in the decision-making process?

The political implications of majoritarian and consensual democracies can be analysed using the spatial model of politics. This toolkit clearly displays why actors behave the way they do, especially when combined with Tsebelis's concepts of agenda setters and veto players. Through the application of Tsebelis's ideas it is clear that majoritarian systems with fewer veto players have a greater potential for policy change than consensual systems which have a higher number of veto players. Policy change in itself is neither good nor bad but rather it depends on the context. On occasion it can be useful to provide political minorities with protection from extensive policy change by the majority but at times of an exogenous shock the ability to implement significant policy change can be a valuable asset for a democracy.

We also explored how different regime types can be mapped upon the majoritarian and consensual divide and also understood in terms of agenda setters and veto players. The distinction between parliamentary, presidential and mixed systems lies in the different relationships between the executive and the legislature and whether the executive is directly elected or not. Once again we used ideas from the spatial model to highlight how policy-making differs between these regimes. Not only was this related to the distinction between the fusion or separation of powers, but it was also related to a higher degree of party cohesion in parliamentary systems. For some critics, the limitations to strong policy-making in presidential systems can seriously undermine the suitability of presidentialism as a system of rule for new and polarised democracies; however, these claims have been strongly challenged.

In conclusion it is worth noting that the ideas in this chapter not only serve to illuminate the ways different types of democracies work, but they also show why a spatial approach has come to be such a valuable approach within political science.

7.6 A reminder of your learning outcomes

Having completed this chapter, and the Essential reading and activities, you should be able to:

- apply a spatial model of politics to understand how governments in democracies work

- apply Lijphart's distinction between majoritarian and consensual democracies and Tsebelis's notion of veto players to policy-making scenarios

- explain the differences between parliamentary, presidential and mixed regimes and evaluate the consequences of each.

7.7 Sample examination questions

1. Discuss the pros and cons of majoritarian and consensus models of government.

2. 'Parliamentary systems are less prone to policy gridlock than presidential systems.' Discuss.

3. 'Semi-presidential systems combine the best of the parliamentary and presidential systems of government.' Discuss.

Notes

Chapter 8: Coalition and single-party government

Aims of the chapter

The aims of this chapter are to:

- outline the range of different types of democratic governments (majority, minority, single-party, minimum-winning coalition and surplus coalition)
- discuss different approaches to understanding the process of government formation in parliamentary democracies
- examine the consequences of different types of governments in terms of duration, policy-making, accountability and representation.

Learning outcomes

By the end of this chapter, and having completed the Essential reading and activities, you should be able to:

- discuss the variety and patterns of different types of governments
- evaluate different theories for understanding the process of government formation
- outline and assess critically the consequences of different types of governments according to four criteria: duration, policy-making ability, accountability and representation.

Interactive tasks

1. Does your adopted country tend to have coalition governments or single-party governments? What are the consequences of this?

2. Thinking of the coalition government that came to power in the United Kingdom in 2010 between the Conservative Party and the Liberal Democrats, does an office-seeking theory or policy-seeking theory better explain the formation of this coalition and why?

3. Generally within democracies what is a preferable form of government: single-party or coalition? Justify your answer.

Reading

Essential reading

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8.1 Types and patterns of government

How governments are formed and how they operate have important consequences for the politics and policy-making of a country. When trying to understand different types of government we generally think of two different aspects to this debate. First, it is vital to understand how electoral outcomes translate into different types of government. In other words, how do the results of an election lead to either a coalition or single-party government or a minority or majority government? Laver and Schofield (1990, p.89) state that understanding which parties get into government is 'simply one of the most important substantive projects in political science'. Second, it is important to consider the political and policy consequences of the different types of government that are formed. Factors such as how stable a government is, how accountable it is to the people, and how well different viewpoints are represented in a government all shape the type and nature of policies that are passed. Therefore, understanding why different types of government form in different circumstances and the range of consequences associated with various forms of government are fundamental to understanding politics.

When examining different types of governments, there are two important distinctions to keep in mind. The first is the distinction between whether a government is a majority government or a minority government. Simply put, a **majority government** is a government where the party or parties in government control the majority of the seats in the legislature. In contrast, **a minority government**, which used to be a relative rarity but has become more common in recent years, is when the party or parties in government do not control a majority of seats in the legislature.

The next distinction is that between single-party governments and coalition governments. This is separate from the previous distinction because a **single-party government** may be either a majority or a minority government and it is the same for a **coalition government**. A single-party government is where one party has all the seats in the government cabinet. A coalition government occurs when two or more parties hold seats in the governing cabinet. There are two different types of coalition government: a minimum-winning coalition and a surplus majority coalition. A **minimum-winning coalition** describes a situation where all parties in the government are not required to control a legislative majority. In other words, if any one party leaves the coalition, then the government will no longer control a majority of seats. The other type of coalition government is a **surplus majority coalition**. This is used to describe a coalition where at least one of the parties in the coalition is not required to control a legislative majority. In other words, it is possible for a party to leave the coalition and the government may still continue to control a majority of seats. Interestingly, political science struggles to explain why a polity ends up with a surplus majority coalition. They tend to occur in times of crisis or political change, much as we see in Tunisia following the Arab Spring revolution that resulted in the removal of the authoritarian government which was replaced by a transitional government of national unity.

	40.9% of governments were single-party governments	**59.1% of governments were coalition governments**
37.1% of governments were minority governments	24.8% of governments were 'single-party minority'	12.3% of governments were 'minority coalition'
62.9% of governments were majority governments	16.1% of governments were 'single-party majority'	29.7% of governments were 'minimum-winning coalition' 17.1% of governments were 'surplus majority coalition'

Table 8.1: Types of government in 13 European countries 1945–1998.

Source: Adapted from Clark et al. (2012, p.482).

To begin with, it is useful to look at the patterns of each type of government to examine which type is most common. Clark et al. (2012, p.482), using data from Müller and Strøm, show how often these different types of governments occur in 13 specific west European parliamentary democracies between 1945 and 1998. During this time period there were a total of 310 different governments formed in these 13 countries. Of these, 92 were minimum-winning coalitions, 77 were single-party minority governments, 53 were surplus majority coalitions, 50 were single-party majority governments, and 38 were minority coalition governments. These findings are presented in percentages in Table 8.1. Overall, we can see that in these countries, coalition governments were more frequent than single-party governments and majority governments were more common than minority governments.

Yet although coalitions and majority government are more common, no one type of government dominates in all countries nor is any form of government a complete rarity. Rather, the full array of government types is observable in a range of countries. For example, of the 20 British governments during this period, one was a single-party minority government while 19 were single-party majority governments. Clearly,

until 2010 the British political system had not resulted in sharing executive power. In contrast, all of Luxembourg's 16 governments were coalitions: one was a surplus majority coalition while 15 were minimum-winning coalitions. Italy, which had the most governments of any of the 13 countries, is a more mixed picture: it had 23 minority coalition governments, three minimum-winning coalitions and 22 surplus majority coalitions. Sweden also had extensive experience of minority government but significantly more of the single-party variety, with 17 single-party minority governments and two minority coalitions as well as two single-party majority and five minimum-winning coalition governments.

8.2 Theories of coalition formation

Having established the different types of government and their patterns, it is now worth considering how different governments are formed in parliamentary democracies. First, it is worth remembering that, as we saw in a previous chapter, in parliamentary systems voters are voting for parties to sit in the legislature and these parties in turn nominate and support a government. Voters in a parliamentary system do not vote directly for an executive and this is one of the key distinctions between parliamentary and presidential regimes.

Second, government formation is a relatively straightforward process in the case of single-party majority government. The party with the majority forms the government and then votes to support it in the legislature where there is no opposition grouping large enough to defeat them. However, the process is somewhat more complicated when it comes to thinking about situations where no single party holds a majority of the seats. Here we need to ask ourselves some additional questions, such as: which coalitions form and why?; what motivates parties when entering into a coalition?; how is executive power shared in a coalition?; and in what circumstances will a minority government emerge?

We can identify a series of stages that represents a standard government formation process for parliamentary democracies to begin to help us to understand the process. This is not a definitive description that will hold true in all parliamentary democracies, but it portrays the typical processes and stages that parties are faced with when forming the next government and most of these aspects will exist in some shape or form in every parliamentary system. These are as follows.

1. An election is held and, based on the votes received and the type of electoral system used, each party is assigned a proportion of seats.

2. If a party controls a majority of the seats, this party will form the government. In practice, typically the head of state has the formal role of inviting the leader of the party to form a government. This function is either stipulated in a set of constitutional rules or emerges by convention. For example, in constitutional monarchies the monarch usually has this role and, for example, in the UK the Queen invites the largest party to form a government. However, in parliamentary republics it is most likely a ceremonial president that has this right, such as in Turkey.

3. If no single party controls a majority of seats, then typically the largest party becomes the '**formateur**'. The formateur is the person who is tasked with forming a coalition government.

4. The formateur reviews the state of the parties and decides which government is best for meeting its own interests and then invites their favoured coalition partner(s) to form a cabinet.

5. Negotiations begin between the formateur's party and the invited parties. They typically negotiate over at least two aspects: the number of cabinet seats and the portfolios to be assigned to each party. However, they may also negotiate a general coalition agreement that specifies a range of policy goals for the upcoming parliamentary session.

6. If an agreement is reached then the new government takes office, unless a different party can offer a better deal to the potential coalition partners. If a government takes office, this may entail a vote of investiture to confirm the acceptance of the new government by parliament, although not all countries require this.

7. If the largest party cannot form a government within a certain timeframe typically specified by a constitutional rule or a convention, then the role of formateur shifts to the second largest party.

8. If no parties can form a coalition within a certain time period, then the largest party is invited to form a minority government.

These stages are useful for understanding the sequences through which parties pass after an election. However, rather than purely thinking of coalition formation in this technical and procedural way, some political scientists have begun to develop theories regarding what motivates parties when it comes to coalition formation. Such theories help us to understand the decision-making processes at play during each stage in more depth. There are two basic theories to explain coalition formation: the office-seeking theory and the policy-seeking theory.

The 'office-seeking theory' comes from the work of William Riker (1962) who argued that parties are motivated by trying to maximise the number of cabinet seats that they can achieve. Similar to the assumptions of Downs that we saw in our earlier chapters, Riker asserted that parties are more motivated by government office rather than by forwarding a specific policy agenda. Therefore holding executive power should be seen as their *sine qua non*. One implication of this argument is that if there is a large party negotiating with a number of smaller parties about forming a government, the large party will pick the smallest party possible that will take them over the 50 per cent threshold in order to minimise the number of cabinet seats that they need to share. It is useful to think of the implications of this theory for bargaining between coalition partners during the coalition formation process. A number of propositions can be extrapolated from the office-seeking theory.

1. Only majority cabinets will form because if receiving portfolios is all that matters, then it makes no sense for a majority coalition in parliament to tolerate the existence of a minority government instead of taking the spoils of office for itself.

2. Only minimum-winning coalitions will form because any surplus parties are not needed but they will demand cabinet seats. Office-seeking parties would view this as wasteful and reducing their opportunity to hold as much executive power for themselves as possible.

3. The largest party will typically try to enter coalition with the smallest party possible, again in order to maximise its share of cabinet seats.

In contrast to office-seeking theories are approaches that emphasise the policy-seeking motivations of parties. This approach can take two forms. First, there is the viewpoint that politicians and parties are often motivated by a particular ideology and therefore policy goals will not be compromised purely to gain office. This is similar to the cleavage approach

to politics that we discussed previously. Second, a more subtle variant comes from Axelrod (1970) who argued that even though politicians may be motivated by gaining office, it is still not possible for them to neglect policy. Rather he argues that to neglect policy goals or manifesto commitments in order to attain office would merely lead to a party's subsequent rejection at the hands of the electorate. Therefore, it is in the long-term strategic interest of parties to retain a strong policy focus. Both the assumption that parties are motivated by policy and the assumption that voters will punish parties if they stray too far from their policy commitments, lead to the idea that politicians do not just want political office but they also want policy outcomes. A corollary of these viewpoints is that politicians will try to achieve a policy outcome as close as possible to their ideal point. Therefore, rather than parties negotiating a deal that will prioritise the party's interests and their share of executive power, parties will consider how like-minded other potential coalition partners are in order to achieve certain policy goals. The propositions that we can extrapolate from the policy-seeking theory are as follows:

1. Only 'connected coalitions' should form between parties that are next to each other on a policy scale as this minimises likely policy disagreements between parties.

2. It may not matter to parties how many cabinet seats and portfolios each party will have because a similar set of policy outcomes will be delivered by a like-minded coalition partner regardless of who holds office.

Having outlined the two contrasting approaches to coalitions and the propositions to which they lead, it is now worth considering some evidence to test these approaches. A useful starting point is to look at how cabinet seats are distributed within a coalition government. One of the outcomes that an office-seeking model predicts is that when parties bargain over their portfolios in a cabinet, they should end up with a number of cabinet seats in proportion to their size in the government coalition. The idea of a very close linkage between the proportion of legislative seats a coalition party contributes to the total controlled by the government and the share of the cabinet portfolios it receives in that government was first proposed by Gamson (1961). Using the UK's 2010 minimum-winning coalition government we can test Gamson's proposition.

Party	No. of MPs	% of MPs in legislature	% of MPs in coalition	No. of cabinet seats	% of cabinet seats
Conservatives	307	47.2	84.3	23	82.1
Liberal Democrats	57	8.8	15.7	5	17.9

In this case, the Conservative Party and the Liberal Democrats formed the first coalition in the history of the country since the Second World War. Our table above shows that the Conservatives alone only had 47.2 per cent of MPs and although they were the biggest party, they were not able to form a single-party government. Therefore, as the biggest party they were invited to act as formateur by the Queen and they commenced coalition negotiations with the Liberal Democrats. During negotiations, the parties discussed how to allocate cabinet seats and what portfolios to give to each party. The Conservative Party contributed 84 per cent of MPs to the coalition governing majority and the Liberal Democrats contributed 16 per cent. The Conservatives gained 82 per cent of cabinet seats while the Liberal Democrats were awarded 18 per cent of cabinet seats out of a 28-person cabinet. This outcome fits exactly with Gamson's predictions. In fact, Gamson's proposition is so accurate and holds so well across a wide range of different coalitions, that it is often called 'Gamson's Law'. What is

more, Druckman and Warwick (2006) found that not only the number of cabinet seats matches the proportion of seats contributed to the coalition, but they also found that the importance of the portfolios mirror seat contributions too. In other words, larger and more influential parties who act as formateur cannot monopolise the allocation of portfolios in terms of either numbers or importance.

This is strong evidence in favour of an office-seeking understanding of coalition formation because it demonstrates that the number of cabinet seats awarded matters to the parties involved rather than the ultimate policy outcomes taking priority. However, before we immediately dismiss policy-seeking approaches as overly idealistic, it is worth turning to an in-depth example of coalition formation to explore this process in more depth.

Clark et al. (2012, p.474) use the example of coalition formation in Germany in 1987 to examine the motivations of parties. This election resulted in a hung parliament where the Christian Democrats (CDU/CSU) secured 44.9 per cent of seats, the Social Democrats (SPD) received 37.4 per cent of seats, the Free Democrats (FDP) received 9.3 per cent, the Greens 8.5 per cent and no other parties received any seats. No single party could form a government and so coalition negotiations began with the CDU/CSU acting as the formateur. The question then became, what government would form and why?

Clark et al. (2012, p.475) show all the possible coalition governments that could form in this election and also the number of surplus seats that each potential coalition government would control that was not required for obtaining a legislative majority. Five of these were minimum-winning coalitions where if any one of the parties from the following governments left the coalition they would no longer hold a majority:

- CDU/CSU + FDP + Greens (62 surplus seats)
- SPD + FDP + Greens (25 surplus seats)
- CDU/CSU + SPD (160 surplus seats)
- CDU/CSU + FDP (20 surplus seats)
- CDU/CSU + Greens (16 surplus seats)

Three possible governments were surplus majority coalitions:

- CDU/CSU + SPD + Greens + FDP (248 surplus seats)
- CDU/CSU + SPD + Greens (202 surplus seats)
- CDU + SPD + FDP (206 surplus seats)

In a classic office-seeking model, we would expect the minimum-winning CDU/CSU and Greens coalition to form (16 surplus seats). This would be because the CDU was the formateur and they would choose a coalition that gave them just enough seats to pass the majority threshold while still retaining as many cabinet portfolios as possible. The Greens were smaller than the FDP and therefore the CDU would have to give them less seats. Yet this did not happen. Rather, in order to explain which government formed, Clark et al. argue that it is also necessary to consider the policy positions of the parties.

Running from left to right, the parties' policy positions were as follows: the Greens were the most left party, the SPD were centre left, the CDU/CSU were centre right and the FDP were the most right party. Recalling that the CDU/CSU were the formateur, they were hesitant about entering into a coalition with the Greens. This entailed a centre-right party entering a coalition with the most left party in the legislature. Instead, realistically

the formateur needed to look for a connected coalition for the reasons pointed out by Axelrod that we discussed earlier. This left the CDU/CSU with two options: a coalition with the SPD with a 160 seat surplus or a coalition with the FDP with a 20 seat surplus. Given this choice, the CDU/CSU entered a minimum-winning connected coalition with the FDP as this secured them many more cabinet seats under Gamson's Law than entering a grand coalition with the SPD. In Germany in 1987, policy considerations imposed constraints on the CDU/CSU in terms of which coalitions were really feasible for them to pursue given the entire range of options. Once policy connectedness was taken into account, the party then chose the coalition based on office-seeking considerations which gave the CDU/CSU the greatest share of cabinet portfolios.

This example is a powerful way of highlighting how in reality office-seeking and policy-seeking motivations interact when understanding the process of coalition formation. This finding is mirrored in an earlier study by Martin and Stevenson (2001) who study why 220 governments emerged out of a possible 33,256 different coalition opportunities in 14 countries between 1945 and 1987. They found that both policy and office benefits played a significant role in government formation (2001, p.41). They found that minimum-winning coalitions were more likely than any other form of coalition but also that parties tried to select coalition partners that minimised the policy differences between them. In other words, both size and ideology mattered when forming coalitions. Interestingly, they also found that other institutional factors mattered too. They found that the largest party was more likely to be selected as the formateur, but if for some reason it was not appointed formateur, it was no more likely than any other party in the legislature to be brought into the government. However, the median party was highly likely to be in a coalition government, probably because it was well placed for forming connected coalitions with a large range of other parties.

As we have seen, majority governments are more likely to form than minority governments. However, it is also worth considering what happens if there is no single party with a majority of seats but, for whatever reasons, a coalition cannot be formed. In these cases the largest party will often form a minority government. Although generally speaking minority governments are not as stable or long lasting as majority governments (a point to which we will return to below), it is certainly possible for some minority governments to be stable. Stability typically occurs when the minority government is a centrist party/coalition or the government includes the median party. In such a case, opposition parties will be spread both to the left and the right of the minority government. This greatly limits the ability of the other parties to find common ground to form their own majority coalition because their policy interests are too far apart. In other words, once again we see that policy considerations matter when forming a coalition.

An example of a stable minority government can be seen in the Swedish government that came to power in 2010. The Swedish Riksdag has 349 seats, meaning that 175 seats are needed for a majority. Figure 8.1 shows all the parties in Sweden and the number of seats they won at the 2010 election. In this case, no party won an overall majority and although pre-election pacts that determine what parties will go into coalition were used in Sweden, no coherent group of parties won an overall majority either. The Moderates, led by Frank Reinfeldt, formed a centre-right coalition along with the Liberal People's Party, the Centre Party and the Christian Democrats. Prior to the election, Reinfeldt had ruled out forming

a coalition with the far-right Swedish Democrats. In this instance, the minority government is relatively stable because the left of centre parties do not have enough votes to remove the ruling minority government and there is simply no possibility of them forming an alliance with the far-right Swedish Democrats. This means that the centre-right coalition can function by proposing legislation that will sometimes be supported by the Swedish democrats and sometimes supported by one of the parties to the left, but that overall these groups are too disparate to form a coherent alliance to remove the minority coalition government.
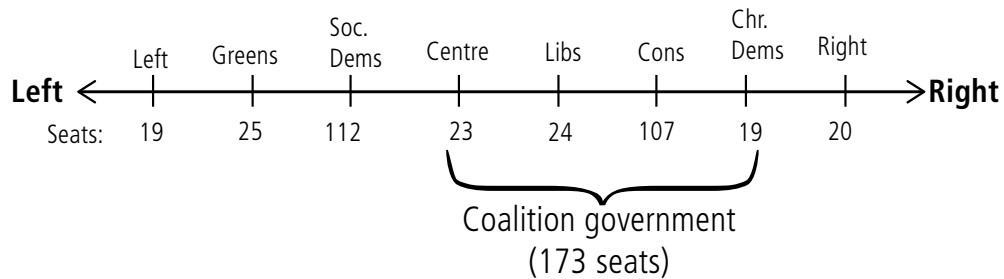
Figure 8.1: Left–right location of Swedish parties and seats in the *Riksdag*, 2010.

8.3 The consequences of single-party and coalition government

Having established the different contexts in which single-party and coalition governments form, it is now worth considering the political and policy consequences of these different types of cabinets. We can examine these consequences under four headings: duration, policy-making ability, accountability and representation.

8.3.1 Duration

It is widely accepted that it is highly desirable to have stable government. Too much instability and frequent governmental collapse can threaten the overall democratic stability of a nation. One of the most direct ways to measure stability is through the duration of a government. Coalitions are often thought to be a less stable form of government than single-party government, and the frequent changes of government in coalition-prone Italy and Israel are often cited as evidence in favour of this viewpoint. Therefore, it is worth examining which form of government is likely to endure for longer and to what extent coalitions are more unstable than single-party governments.

Returning to Clark et al's analysis of the Müller and Strøm's data for 13 countries, they examined how long each type of government lasted on average (2012, p.495). Overall, majority governments tended to last longer than minority governments, and while single-party majority governments lasted the longest, they did not hugely outperform minimum-winning coalitions. The average duration of any type of government was almost 700 days. Single-party majority governments lasted the longest, typically enduring for 967 days. However, minimum-winning coalitions also performed very well, lasting for 864 days. This was only 103 days less than a single-party majority government and also greater than the overall average of all government types. Single-party minority governments and surplus majority governments both lasted over 100 days less than the average government and almost a year less than a single-party majority government. A minority coalition lasted the least amount of time at less than 450 days.

The other important factor that Clark et al. demonstrate is that cabinet instability is not the same as political instability or ministerial instability. According to the data (2012, p.499), coalition cabinets may collapse leading to a new government being formed. However, often the new government may contain many of the same parties and ministers, but with a different prime minister and a new coalition agreement to correct the policy disagreement that caused the collapse in the first instance. They find that the average duration of a government is less than the average level of political experience of governing parties and less than the average level of ministerial experience. In other words, there is a high level of continuity among political leaders that form governments even though these governments may change more frequently than their single-party counterparts. Government instability and political instability should be seen as separate entities and therefore government collapse will not necessarily lead to democratic collapse.

The final aspect that Clark et al. examine is the termination of governments. Of the 302 governments of any type that they studied, they found that in 37 per cent of cases these ended for technical reasons beyond the control of the government, such as because a constitutionally mandated election needed to be held. The remaining 63 per cent of terminations were as the result of discretionary decisions by politicians within the government. Of these discretionary terminations, 43 per cent were as the result of intercoalition conflict, while 57 per cent were for other reasons, such as a government choosing to hold an early election or else the government was defeated in a parliamentary vote. This indicates that while intercoalition conflict is a possibility in leading to the termination of a coalition, it is not inevitable. Similarly, Lupia and Strøm (1995) previously found that while exogenous shocks, such as recessions or wars, deeply affected coalition governments, they did not determine whether it would terminate or not. Instead coalition termination was more likely to result from the strategic choices of politicians, especially around a party's anticipated feelings of the electorate, within the legislative and institutional constraints of the state. Combined, the work of Clark et al. and Lupia and Strøm imply that coalitions do not inevitably terminate due to instability between governing parties or an inability to cope with political developments, but rather it is more likely to be as a result of strategic decisions by coalition leaders.

8.3.2 Policy-making ability

The main distinction that is drawn between policy-making in each type of government is in terms of the speed and ease of policy-making. The standard assumption is that coalition governments tend to take longer to pass legislation and that it tends to be a more difficult process of obtaining agreement on the contours of new policies. In order to test these ideas we can use the work of Tsebelis that we looked at in the previous chapter. Tsebelis (2002) makes two clear propositions about policy stability:

1. **The more veto players there are in a system, the less policy change there will be**. In single-party government there is only one veto player in government involved in the policy-making process *ceteris paribus* and therefore wherever they would like to move the status quo is possible if they hold a majority in the legislature. However, in coalition governments there are at least two veto players involved in the policy-making process so it will be harder for them to agree how policy should be changed. Therefore, greater policy stability will ensue.

2. **The bigger the policy distance between the veto players, the less policy change there will be**. This implies that in a coalition government where the parties have a similar set of policy preferences or are close together on a left–right dimension, they often act in a similar fashion to a single-party government. It is easy to find agreement for proposed policies. However, if the coalition partners are far apart on a left–right scale and have divergent policy interests, it will be much harder for them to agree on the shape and form of any proposed policy due to having less common ground from which to work. This also means that less policy will be passed and greater policy stability will ensue.

We can illustrate these propositions using our spatial model of politics. In Figure 8.2 we present a left–right dimension that locates the position of five politicians involved in the policy-making process. In this example, A, B and C are all in the same party and B is the party leader and prime minister. D and E are opposition politicians. In this example, B is the agenda setter and they will propose a new policy position, X, which is closer to their ideal point than the current status quo (SQ). Given that A, B and C are a single party with a majority it is relatively straightforward for them to propose and pass this new policy.
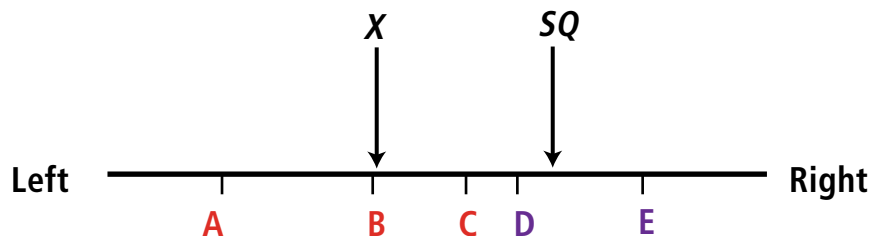
Figure 8.2: Policy-making in a single-party government.

In contrast, imagine a very similar situation but this time with a majority coalition rather than single-party government. In our example in Figure 8.3, A and B are both members of the left party which is in coalition with C from a centrist party. In this instance, B can no longer propose a new policy X at their ideal point because C will veto this policy as it moves the SQ further away from C's ideal point. In other words, it is too far left for C's liking given his centrist preferences. We have also highlighted C's win-set, or the range of policies that are closer to C's ideal point than the SQ. Anything outside of this win-set will be vetoed by C. Therefore, B can only expect to pass a policy that falls within this win-set. However, B will only propose policies that also fall within their own win-set and so the range of policy options available to the coalition narrows greatly compared to the earlier single-party majority government example. Therefore, the new compromise position, X_1, is now as close to B's ideal point as possible while still falling within C's win-set.

set of policies that C
prefers to the status quo ('win-set')
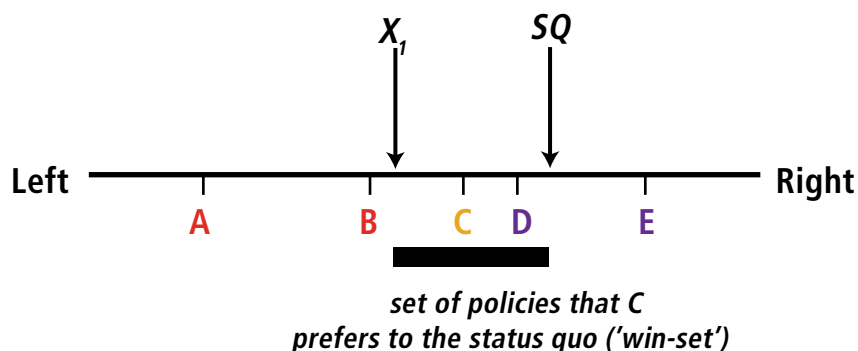
Figure 8.3: Policy-making in a coalition government.

If you recall, Tsebelis also discusses the notion of a gridlock interval. This refers to the space where the SQ will always be preferable to any proposed policy because it will inevitably take it further away from the ideal point of one of the veto players and so they will veto the proposal. If the current SQ lies somewhere in the space between B and C, rather than outside this interval, then it will result in policy stability because any movement to the left would take it further away from C's ideal point, leading to them using their veto; and any movement to the right would take it further away from B's ideal point, leading to them using their veto. This is illustrated in Figure 8.4.

Left ──────────────────────── **Right**

A   B   C   D   E

set of status quo policies
that B and C cannot agree
to change
('gridlock interval')
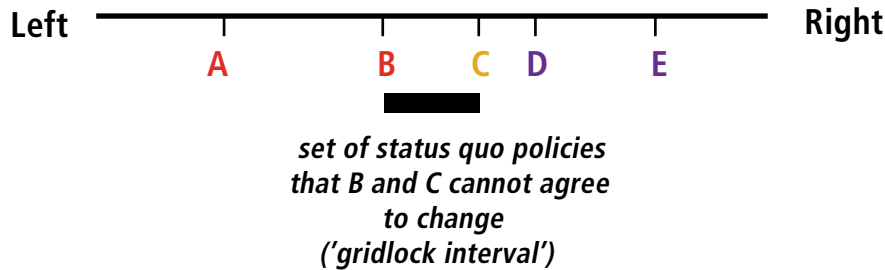
Figure 8.4: Gridlock in a coalition government.

The gridlock interval is important because we can immediately see that the bigger the distance between the veto players' ideal points, the bigger the gridlock interval. Now let us imagine a coalition between A and B in the left party and C in the centrist party, but with B much further to the left than in our previous examples. If this were the situation, the gridlock interval would be considerably bigger than in Figure 8.4. Now any policy SQ that falls within this much bigger area will be vetoed and so much greater policy stability will ensue. In other words, the bigger the ideological distance between the veto players, the greater the level of policy stability.

Tsebelis (1999) tests these ideas by examining the number of pieces of significant legislation passed regarding working time and working conditions in 15 west European countries between 1981 and 1991. He identified the ideological range between coalition partners in these governments using expert surveys and then counted the number of significant laws passed. Unsurprisingly, he found that the longer a government lasted the more legislation it passed and that the greater its ideological distance from the previous government, the more legislation it passed (presumably because it had to 'correct' more previous legislation than it disagreed with). However, even when taking these into account and controlling for them, he found that the greater the ideological distance between coalition partners, the less legislation that was passed. This should not imply that single-party majority governments or coalitions with a small ideological range will always pass more legislation (they have no need or no desire to pass it), but it does mean that coalitions with a wide ideological range between partners greatly reduce the amount of significant legislation that can be passed.

What is important to note is that policy stability in and of itself is neither inherently good nor inherently bad. Recall our earlier comparison between Belgium and the UK. In Belgium it could be considered highly desirable to have a large degree of policy stability because any significant policy change may upset one of the many disparate groups living in the country. However, when an exogenous shock hits a country, rapid policy-making can be vital, such as the response of Gordon Brown's government at the onset of the financial crisis in 2008/09. Therefore, the desirability of

policy stability compared to ease of passing significant legislation is highly dependent on the nature of the legislation and the context in which it is required.

8.3.3 Accountability

Accountability refers to the clarity of responsibility that voters have when it comes to rewarding or punishing parties in government for their previous or prospective performance. This is especially important when we recall from our earlier Chapter 3 on voting behaviour that one of the main motivations behind people's voting choices in a post-cleavage age is judgmental voting. In this context, accountable government refers to the ability of voters to attribute praise or blame on a government and then reward or punish them accordingly in future elections.

One of the main strengths of single-party government is that there is a high degree of clarity of responsibility. There is only one party in government and so it is abundantly clear to voters which party is responsible for the policies produced and the party can be held to account according to its manifesto promises. This high degree of accountability was often given as justification for retaining a 'First Past the Post' electoral system in the British referendum on voting reform in 2011. Many feared that introducing an Alternative Vote (AV) system would produce more coalition governments in the UK, which would sacrifice the high accountability offered by single-party governments (Forder, 2011).

Coalition governments generally muddy this clarity of responsibility. It is often the case that there will be at least two parties in government that promised different policies in their pre-election manifestos. What is more, when voters attempt to assess retrospectively a government's performance it is difficult to know which party should be attributed reward or blame for the policies that were passed. Additionally, it is not uncommon for coalition partners to engage in blame shifting which adds further opacity to the process.

However, it is not inevitable that coalition governments will result in a definite loss of accountability. If parties announce pre-electoral coalition pacts, this mitigates somewhat against the expected loss in clarity of responsibility. To return to our Swedish example from the 2010 general election, prior to the election, all the major parties announced the coalition governments they would form if they won enough seats to form a government. This resulted in the Alliance grouping comprised of the Moderate Party, the Liberal Party, the Centre Party and the Christian Democrats competing against the Red-Greens comprised of the Social Democrats, the Green Party and the Left party. In advance of the election, these parties drew up a single manifesto, they stood on the basis of this manifesto and they clearly made a commitment to share office. Pacts such as these reduce the issue of voters being unsure of whom to reward and blame. They also ensure that a government's composition is not entirely negotiated after the election in a bargain between parties behind closed doors. While these measures certainly enhance coalition accountability they still will not produce as high a degree of clarity of responsibility as in the case of single-party government.

A recent study by Hellwig and Samuels (2008) highlights the effects of clarity of responsibility. They studied 560 elections in 75 countries to test what was the effect of clarity of responsibility upon voting behaviour. They specifically focused on whether accountability impacted upon voters' abilities to reward or punish a government based on the state of the economy, an issue that usually forms the backbone for many voters'

decisions regarding their voting behaviour. They grouped elections into cases where there was a high degree of clarity of responsibility (for example, single-party governments and coalitions based on pre-electoral pacts); and a low degree of clarity of responsibility (for example, multiparty coalitions without pre-electoral pacts). They then examined the percentage of votes that the president's or prime minister's party received in an election. They argued that it should be expected that if the economy was doing well this would lead to an increase in the vote share of the incumbent's party but if the economy was doing poorly this would lead to a reduction in their party's vote share. They found that this was indeed the case in high clarity elections but there was no such relationship between vote shares for the incumbent party and economic performance in low clarity of responsibility elections. In other words, low clarity of responsibility elections hinder judgmental voting behaviour.

8.3.4 Representation

Our final dimension for examining the consequences of different forms of government is representation or how representative the government's policies are of the preferences of the electorate. The way that political scientists generally measure representation in this context is by examining the proximity of the government's policies to the ideal point of the median voter. This assumes that a policy will please the greatest number of people possible the closer it is to the median voter's preferences and thus it will 'maximise social utility'.

Representation is a concept that is closely related to accountability because as we saw in our earlier Chapter 4 on electoral systems, there is generally a trade-off between accountability and representation where as one increases the other decreases. Similarly, in this debate it is generally assumed that coalitions tend to be more representative than single-party government. Coalitions often include the median party and include more viewpoints in the policy-making process. This is especially true when we note that coalitions are more likely to be produced by proportional electoral systems (although not exclusively so), and thus majority governments will generally have earned a majority of the votes. However, single-party governments are often produced by majoritarian voting systems that assign a seat bonus to the largest party to ensure a single-party government. This means that often the ruling government has not secured a majority of the votes and they are sometimes off-set to the left or the right of the median voter.

This can be well highlighted by the UK general election of 2010. Of course, the UK's majoritarian electoral system usually produced single-party governments, but this election produced a coalition government. As such, it is an ideal case to test if coalition governments include the median voter. In Figure 8.5 we have outlined the parties represented in the House of Commons along a left–right dimension and their share of the vote. Based on this distribution of vote shares we can state that the median voter (the 50th percentile) is just to the right of the Liberal Democrats at the point marked X. Therefore, it could be argued that the Conservative-Liberal Democrat coalition is a largely representative government that reflects what the voters voted for at the election. If the Conservatives or Labour had formed a single-party government, as has generally been the case historically speaking, this would have been off-set to the left or to the right of the position of the median voter.
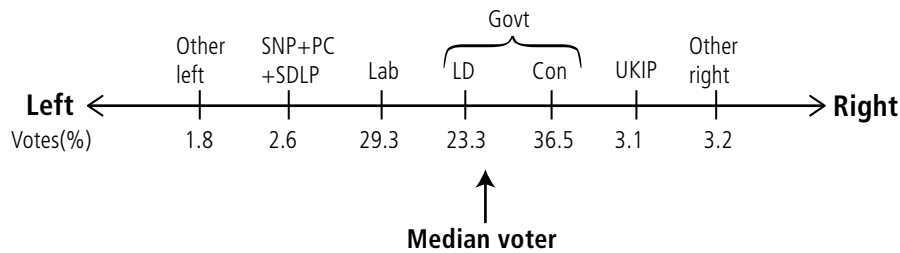
Figure 8.5: Location of parties and vote-shares in the 2010 UK election.

However, it is not enough to assume that if a coalition includes the median voter it will inevitably produce policies that match this ideal point. Rather if the biggest coalition partner is further to the left or right of the median voters, as in the case of the Conservatives in the UK, then perhaps the policies produced will more closely reflect the policy preferences of the biggest party. Additionally, if we think back to Downs's theory of party convergence in a two-party system, it could be argued that if there are two parties competing to form a single-party government they will inevitably end up converging on the position of the median voter whereas multiparty systems may restrict this convergence. Therefore, perhaps single-party governments will produce policies closer to the median voter due to their convergence.

These very issues were investigated in a study by Huber and Bingham-Powell (1994). They tested the congruence between the policies produced by a government and the preferences of the median citizen. They also tested the congruence against the preferences of the mean citizen to make their study as robust as possible. They studied governments from 12 different countries between 1968 and 1987. They divided governments into three different types based on their electoral systems: majority control, mixed, and proportional influence. For the purposes of our interests in this chapter we can say that 'majority control' refers closely to single-party majority governments, while 'mixed' and 'proportional influence' closely match coalition governments. This is because majority electoral systems are more likely to produce single-party governments and mixed and proportional electoral systems are more likely to produce coalition governments. Using the measures of government distance to median voter and government distance to mean voter they find that all three types of systems produce a close congruence between the government and the preferences of the median/mean citizen, but that mixed and proportional systems are somewhat closer (1994, p.310). In other words, on average coalition governments will be closer to the median/mean voter's preferences than single-party governments. Thus they are more representative not only in terms of including the position of the median voter in a coalition but also in terms of the policies that they produce.

8.4 Conclusion

The array of different types of governments and the conditions that produce them have long been studied by political scientists. Yet in spite of this, some aspects of the debate have not been entirely resolved. Debates still remain over whether coalition formation is spurred by the office-seeking or policy-seeking motivations of parties, although recent empirical evidence has begun to converge on the idea that both motivations play a role and that they interact with each other and with the other institutional arrangements in a country.

There is more certainty regarding the consequences of different forms of government and we have discussed four of the main consequences studied by political scientists. Using these criteria, it is possible to begin to evaluate the two forms of government and their relative strengths and weaknesses. There is little to distinguish between them when it comes to stability and duration. While there are clear differences in policy-making processes it is difficult to claim that more or less policy stability is inherently preferable – rather it depends on the needs of society. There is certainly a trade-off between accountability and representation, with single-party government outperforming in accountability but coalition government seemingly providing more representative policies. Therefore, any evaluation of these types of government must be balanced with reference to the needs and structure of the electorate in the society under discussion.

What is also certain is that given the centrality of different forms of government to political life, these issues will continue to be discussed and researched within the discipline for a long time to come.

8.5 A reminder of your learning outcomes

Having completed this chapter, and the Essential reading and activities, you should be able to:

- discuss the variety and patterns of different types of governments
- evaluate different theories for understanding the process of government formation
- outline and assess critically the consequences of different types of governments according to four criteria: duration, policy-making ability, accountability and representation.

8.6 Sample examination questions

1. What are the political and policy consequences of coalition government compared to single-party government? Use examples from at least two countries.

2. 'The fact that most coalition governments are minimum-winning coalitions demonstrates that parties are office-seekers during the process of coalition formation'. Discuss.

3. 'Coalition governments tend to be more representative than single-party governments'. Discuss.

Chapter 9: Levels of government: federalism and decentralisation

Aims of the chapter

The aims of this chapter are to:

- explain the difference between federal, unitary and decentralised systems of government
- examine five different case studies of federal and unitary states around the world
- discuss reasons for decentralisation, namely to bring government closer to the people and introduce more democratic accountability, to manage diversity within a state, and to promote fiscal federalism
- provide an overview of the main political and policy consequences of decentralisation.

Learning outcomes

By the end of this chapter, and having completed the Essential reading and activities, you should be able to:

- explain the differences between federal states and unitary states and how they relate to decentralisation
- assess the reasons why states decentralise powers
- evaluate the political and policy consequences of decentralisation in terms of accommodating or exacerbating ethnic conflict, promoting market competition, and malapportionment.

Interactive tasks

1. What is the territorial structure of government in your adopted country? For example, is it unitary, decentralised or federal?

2. What factors explain this structure? For example, historical divisions, ethnic divisions, imposition by a foreign power, or the absence of any of these factors.

3. What are the political consequences of this structure for your adopted country in terms of the political stability and integrity of the country and in terms of the economic performance of the country?

Essential reading

Essential reading

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'Federalism', http://en.wikipedia.org/wiki/Federalism

Further reading

Erk, J. and L. Anderson 'The Paradox of Federalism: Does Self-Rule Accommodate or Exacerbate Ethnic Divisions?', *Regional and Federal Studies* 19(2) 2009, pp.191–202.

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Tsebelis, G. *Veto Players: How Political Institutions Work.* (Princeton, NJ: Princeton University Press, 2002).

Vogel, D. *Trading Up: Consumer and Environmental Regulation in a Global Economy.* (Cambridge, Mass.: Harvard University Press, c1995, 1997) [ISBN 9780674900844].

9.1 Vertical designs of government

In the previous chapter we examined how power was divided within a central government between different governing partners. We now wish to turn to ways that power is divided between a central government and lower levels of government. The most common form of dividing power is federalism, which originated with the founding fathers of the USA as a method of governing geographically large and diverse countries. Alexis de Tocqueville, a French aristocrat, travelled to America in the immediate aftermath of the French Revolution to study its politics, culture and society. Based on his observations he wrote *Democracy in America* (1835), which in part can be seen as an effort to persuade the French aristocracy that democracy was a good thing. In one of the passages from his book, he described the stated intentions underpinning the federal design of the United States. He stated that:

> Small nations have therefore always been the cradle of political
> liberty; and the fact that many of them have lost their liberty
> by becoming larger shows that their freedom was more a
> consequence of their small size than of the character of their

people… The federal system was created with the intention
of combining the different advantages which result from the
magnitude and the littleness of nations. (2004 [1835; 1840]:
180).

De Tocqueville shows us that at least as far back as the nineteenth
century people were grappling with a tension in liberal democracy.
Smaller states are seen as offering citizens greater opportunities to
exercise democratic control over the direction of the polity and therefore
have more engagement with the democratic process. Yet bigger states
have greater 'system capacity'. For example, larger states are better able
to defend themselves than smaller ones, bigger states typically have
stronger economies, and size can be translated into political influence
on a world stage. These trade-offs are well described by Dahl (1994). As
de Tocqueville noted, federalism is a way of designing the institutions of
government such as to allow for the advantages of a large state while still
retaining citizen's control over decision-making where possible.

Federalism embraces a notion of shared sovereignty with power clearly
divided between a central and a regional level. This goes strongly against
a long tradition in English political thought that views sovereignty in zero-
sum terms – that is, a government either has sovereignty or it does not.
However, federalism views sovereignty differently. Sovereignty is imagined
as something that can be shared and in a federal system there are two sets
of institutions with power: one set is the lower institutions that govern
certain aspects of different regions within a country and the other set is
the higher institutions of central government that rule a much larger area.
Sharing sovereignty between the centre and lower-level governments
offers the possibility of having the benefits of small polities within large
countries.

How exactly does federalism allow strong citizen control in very large and
heterogeneous states? Riker (1987, p.5) offers us some insight into this.
He argues that:

> Federalism is the main alternative to empire as a technique for
> aggregating large areas under one government… The essential
> institutions of federalism are… a government of the federation
> and a set of governments of the member units, in which both
> kinds of governments rule over the same territory and people
> and each kind has the authority to make some decisions
> independently of the other.

From this it is immediately evident that federalism shares sovereignty,
giving some powers to lower-level governments while retaining some
powers for the central government. The powers that are divided vary
across federations, but the central state usually retains power over
competences that are best dealt with at the central level, such as defence
policy and macro-economic policy. Meanwhile, governments of the
member units are often given powers over any array of policy areas that
are able to be devolved to a lower level and are important to the everyday
lives of citizens, such as education or language policies.

Drawing on the work of Bednar (2009), Clark et al. (2012) identify three
criteria that must be present in order for a state to be considered
a **federal state**. We have also added an important further fourth
criterion to the list coming from the work of Elazar (1997).

1. '**Geopolitical division** – The country must be divided into mutually
   exclusive regional governments that are constitutionally recognised
   and that cannot be unilaterally abolished by the national or central

government' (Clark et al., 2012, p.675). Constitutional recognition is a very important criterion and there must be some form of legally enforceable guarantee that divides the country into lower-level governments which the central government cannot abolish at will.

2. '**Independence** – The regional and national governments must have independent bases of authority' (ibid). This refers to the notion that the central government and lower-level governments have separate bases and methods of authority. This always entails that the central government and regional government have separate elections, but it also often means that they have separate courts, judiciaries, constitutions and legal systems. This criterion emphasises that it is not enough merely to set up a lower level of government to be classified as federal, but rather it must also clearly be the case that the lower governments do not continue to be controlled by the central government but rather they are genuinely self-ruling.

3. '**Direct governance** – Authority must be shared between the regional governments and the national government; each governs its citizens directly, so that each citizen is governed by at least two authorities' (ibid). This criterion emphasises that some specific policy powers must be assigned to the lower-level governments and some must be retained by the central government. These are usually set out in what is called a 'catalogue of competences', such that each government has some 'exclusive competences' over their citizens.

4. **Territorial representation** – this additional criterion we have added refers to the requirement that regional sub-units are represented in the central government, usually in the upper chamber, such that they have some say over central government policy.

We can compare this model of government to other forms of government in order to see in what ways they vary. The standard model for a number of countries for a long time was **a unitary state**, which has the following core features.

1. **Geopolitical divisions** – any division of power within a unitary state is decided by the central government and the central government continues to retain the power to change this at their will.

2. **Dependence** – although there may be independent elections to local government bodies or regional governments, generally speaking there are no separate courts, judiciaries or legal systems. Where these exist they are sanctioned by the central government which retains final sovereign control.

3. **No direct governance** – although some sub-units may be given charge of implementing central laws and policies, they have no 'exclusive competences' themselves.

4. **No territorial representation** – there is no representation of territorial sub-units (for example, regions or states) in the central legislature.

Yet within many unitary states, power often appears to be shared with lower sub-units of government, yet these are not classified as federal. A **devolved or decentralised unitary state** is often seen as a half-way point between a federal and a centralised unitary state. It typically has some mix and match of the following criteria.

1. **Geopolitical division** – there are geopolitical divisions between central government and lower-level governments. While these are decided by the central government and, in theory, it retains the right

to recall these powers at will (in other words, there is no constitutional protection of these powers), in practice it may be extremely hard to do so because a degree of support has been created in favour of these institutions. For example, Bogdanor (2009) argues that in the UK the devolved assemblies in Scotland, Wales and Northern Ireland are very hard to abolish in practice because they were established through popular referendums of the people which provide a form of political protection. In the case of Northern Ireland, the devolved assembly is even protected by an international agreement between Britain and Ireland, which would be very hard to break unilaterally.

2. **Independence** – (some) sub-units have independent courts and legal traditions and govern their own territory independently from the centre, but with the central government's approval.

3. **Direct governance** – (some) sub-units have exclusive competences over policy areas that have been granted to them. Again, returning to our UK example, Bogdanor (2009) shows that the central Westminster government is reluctant to discuss any policy area that is seen as rightfully the role of the devolved assemblies, even though this is merely a convention rather than constitutionally guaranteed.

4. **Territorial representation** – there is a deliberate over-representation of (some) territorial sub-units in the upper house, in order to ensure more representation from a certain territory or group over central government policy.

Where only some regional sub-units have exclusive policy-making power and special representation while other sub-units within the same state do not, this is called '**asymmetric federalism**' or '**asymmetric devolution**'. As we shall show later, such an arrangement often gives rise to malapportionment within the central government.

It is wrong to assume that if a state is federal this will inevitably mean that decision-making is decentralised away from central government. Equally it is wrong to assume that if a state is unitary this will inevitably mean that decision-making is centralised. Clark et al. (2012, p.683) define decentralisation as 'the extent to which **actual** policymaking power lies with the central or regional governments' [our emphasis]. As we saw in our discussion of devolved governments, it is possible for a central government to pass decision-making power over certain policy areas to regional governments without enshrining this in a constitution. Similarly, although a state may be federal in its constitution, in some cases the central government will only give token or limited powers to the regional governments and retain most of the important decision-making for themselves. Therefore, it is important to note that it is possible to have highly centralised and highly decentralised governments in both these types of states.

Clark et al. (2012) argue that examining the percentage of tax revenue that is collected by central government and the percentage that is collected by lower-level governments is a useful proxy measure of decentralisation. They assume that governments need tax revenue to implement their policies and so if a lower-level government is truly decentralised it will have a significant share of tax revenue. In other words, 'the higher the share of tax revenues collected by the central government, the more centralised the state. The lower the share of all tax revenues collected by the central government, the more decentralised the state' (ibid, p.684).

They find that on average tax revenue is more decentralised in federal states than in non-federal states, thus implying that they are indeed more

decentralised in practice. However, they found a large degree of variation in this pattern and, in fact, many non-federal states were more decentralised than the average federal state. Unitary states, such as Denmark, Finland and Sweden were all more decentralised than the average federal state and indeed Belgium and South Africa were more centralised than the average unitary state.

9.2 What states are federal?

There is some dispute over whether particular countries are federal or not, but putting these to the side for the moment, most authors agree that about 10 per cent of the world's countries are federal. However, stating that federations only represent 10 per cent of the world's countries masks the fact that they cover more than one third of the world's population and over 40 per cent of the land area of the world. In other words, many federal nations tend to be very large in size and also very important both politically and economically.

The large, in some cases continental-sized, federal countries include those such as Argentina, Australia, Brazil, Canada, India, Mexico, Nigeria, Pakistan, Russia, the USA and Venezuela. There are also a number of smaller countries that adopted federalism due to the nature of their historical evolution, such as Austria and Germany; or else to help manage divisions and diversity within the state, such as Belgium, Bosnia and Herzegovina, Ethiopia, Iraq, South Africa and Switzerland.

Based on this we can identify three broad sets of federal states. The first of these is the set of countries that have become federations as a method of dealing with their very large size. The second of these is the set of countries that have federal systems for historical reasons specific to the nature of how the state developed. The final set is those countries that have adopted federal systems as a method of addressing ethno or linguistic divisions within the society. We will return to the reasons why some countries move away from a classic unitary model of government to a model that concentrates less power in the centre later when we examine reasons for decentralisation, which overlap with reasons for adopting federal systems.

We now wish to turn to five brief case studies, each with a different variant in the vertical design of their government. These are not intended as histories of each country, but rather they serve to illustrate the array of systems and begin to indicate some of the consequences of different vertical designs of government, which we will explore systematically later in this chapter.

9.2.1 United States of America

The notion of federalism originated with the founding fathers of the USA and it is both federal and highly decentralised.

Geopolitical division

Today the USA is divided into a total of 50 lower-level governments, each called states, and this division is recognised within a strong written constitution and protected by the independent Supreme Court. The states were established prior to the Union and initially there was a confederal agreement between the original states. A confederal agreement is a very loose agreement of cooperation on certain issues, but one where the states are more powerful than the central government. Over time this evolved into a federal Union and the central government became more powerful than the states, but it remains a highly decentralised system.

Independence

There are clear independent bases of authority between the states and the central government and there are distinct state elections, courts, laws and constitutions.

Direct governance

Authority is clearly shared between the central government and the states and while there is no explicit catalogue of competences for states, it is clear what issues are the remit of the central government and what issues are the remit of the lower-level governments. In fact, the constitution preserves states' rights over all policies not explicitly allocated to the federal government.

Territorial representation

Each state directly elects two members to the Senate, the upper house of the central government's legislature. This ensures that each state has direct representation in policy-making across the union as a whole. Each state is treated equally, which leads to malapportionment of representation – in other words, some states are over-represented in the Senate based on their population size while other states are under-represented based on their population size. For example, Wyoming has one Senator for every 281,813 people living in the state, but California has one Senator for every 18,626,978 people living in the state. We shall return to the consequences of malapportionment within federal systems later in this chapter.

9.2.2 Germany

The fall of the Holy Roman Empire led to the creation of a patchwork of small states across central Europe throughout the medieval period. An ongoing debate emerged that lasted for centuries about how to unify these states and whether there should be one single large union that included modern day Germany, Austria, Switzerland and the Czech Republic as well as lands from other countries, or if there should be a smaller union. In the long term, the idea of a smaller union won out. When Germany was founded in 1871, federalism took hold in this new state because it was a process that essentially brought together a group of pre-existing states with a history of self-government and therefore it was logical to continue this tradition of devolved power. Germany today is both federal and strongly decentralised.

Geopolitical division

Germany is divided into 16 regional governments called *Länder* recognised by the German constitution.

Independence

Each state has its own elections, constitutions, judges and laws.

Direct governance

In contrast to the USA where anything not explicitly assigned to the federal government lies under the control of the regional states, in Germany the constitution contains a clear catalogue of competences for each level of government that either shares authority or gives the *Länder* independent authority.

The federal government is explicitly tasked with defence policy, foreign affairs, immigration policy and transport policy. The *Länder* are tasked with primary and secondary education. Additionally, there is a range of policy areas which are shared between the two levels, such as civil law, public welfare, public health, higher education. This arrangement has

often led to conflict between the central and lower-level governments leading to court cases to decide whose authority is paramount when the two levels disagree. Finally, there is also a range of policy areas where the federal government is responsible for designing a framework of laws and the *Länder* are responsible for implementing these laws in detail. However, in order to prevent these laws from being altered significantly in their implementation, the central government tends to draft them in a huge degree of detail in order to minimise the amount of discretion that *Länder* can use.

Direct governance in Germany shows us that even with a catalogue of competences, we can still observe a drift of power to the centre, and over time Germany has become a more centralised state.

Territorial representation

There is state representation in the upper house (*Bundesrat*) but in a different model to that used in the USA. In Germany, the *länder* governments sit in the upper house rather than directly elected representatives. What is more, the *länder* governments are not treated equally with the bigger *länder* having more votes than the smaller *länder*. Although this still leads to some over-representation of the smaller *länder*, this is minimised in a system where a big state *länder* such as Bavaria gets six votes while smaller *länder* such as Bremen and Hamburg have three votes. Medium sized states are in-between, with Hesse having five votes while Saxony and Berlin have four votes.

9.2.3 India

India is sometimes classified as a federal country and sometimes it is classified as a unitary state with devolved power. This is due to the coexistence of federal practices for some regions in India alongside the unitary management of other regions.

Geopolitical division

In India there are 28 states and seven union territories. The constitution sets out that the country is divided into states and territories but it is legislative statute that defines exactly how many of each there are. The states operate and function in much the same way as regional governments in a federal system while the union territories are directly governed from the centre. As such, there is an asymmetric relationship evident in the regions in India. While it is asserted in that constitution that states should exist, it is the fact that the number and their boundaries are decided by regular legislation rather than constitutional law that leads many to question the extent of India's federalism.

Independence

As noted above, there are independent bases of authority between states and the central government. These operate in the same manner as the states in the USA or the *länder* in Germany, with separate elections, laws, courts and judicial systems.

However, alongside the states there are the union territories which are governed directly from the centre and do not have independent bases of authority.

Direct governance

Governance in Indian states is similar to the German model and the constitution outlines a clear catalogue of competences between states and central government. In fact, this list is extremely detailed compared to other catalogues.

Some of the more prominent areas of responsibility for the central government are defence policy, foreign affairs, citizenship, income tax and company tax. States have responsibility for policing, justice, health policy, agricultural policy, money lending, and land taxes, among others. Interestingly, there is also a group of concurrent policy areas – that is policy areas where either the states or the central government can enact legislation; however, if both do so then central government legislation is supreme. Concurrent policy areas include marriage law, education policy, labour rights and media law.

Territorial representation

All 28 of the states but only two of the union territories directly elect members to the upper house in India (the *Rajya Sabha*). It is different to the US model in that India attempts to achieve a degree of proportionality and the number of members elected depends on the size of the region. However, even in the Indian case, there remains over-representation of smaller states to some extent. For example, the state of Uttar Pradesh has a population of 190,891,000 people and elects 31 representations. This means each elected official represents 6,157,774 citizens. In contrast, Sikkim has a population of 540,493 people and has one representative, implying that the voters of Sikkim have a greater level of relative influence over the policy direction than the voters of Uttar Pradesh.

9.2.4 United Kingdom

Historically, the UK has been viewed as a highly unitary state with a low level of decentralisation. In fact, it has often been considered one of the most centralised states in the world in terms of concentrations of power (Lijphart, 1999). However, a series of constitutional reforms under the premiership of New Labour's Tony Blair in the late 1990s began to change this. The most important of these which challenged Britain's historical centralisation has been devolution. Today we can think of the UK as a unitary state with an increasing degree of devolution of powers.

Geopolitical division

The UK is divided into four nations: England, Scotland, Wales and Northern Ireland. England is by far the largest of these and comprises 85 per cent of the total population. It, in turn, is divided into nine regions and a number of counties and local councils. These divisions have all been established by simple acts of parliament or legislative statutes in the central Westminster parliament. In other words, in all cases the central government reserves the right to abolish or remove the regional governments in any area in the UK at will.

Independence

Four regions have elected bodies: there is a Scottish parliament and a Welsh, Northern Irish and London assembly, all of which are directly elected by the residents of those regions. A sign of increasing decentralisation is evident from the fact that during 2012 leaders in both Scotland and Northern Ireland expressed a desire to hold referendums to secure independence from the UK.

Scotland has its own separate laws, legal traditions, courts and judiciary, but Wales, Northern Ireland and London do not have their own independent laws in this fashion.

Directly elected English regional assemblies were proposed but a referendum in the North-east of the country strongly rejected a desire for a regional assembly and therefore these were never rolled out across

the country. Non-elected regional assemblies existed between 2008 and 2010 but they have now been abolished and were seen as surplus to requirements if they were not directly elected.

Direct governance

Scotland has direct power in some areas, such as education. It also has limited tax powers and can raise income and corporate tax rates within a certain band specified by the central government. Wales, following a referendum in 2011, also has direct power in 20 specific policy areas, such as health and education but it does not have any tax raising powers.

Northern Ireland and London do not have any tax-raising or direct policy powers. Rather, their power is limited to implementation. Westminster sets the policy and then these regions have some discretion over how it is implemented in their areas.

Territorial representation

In the lower house of the central government, the House of Commons, there is a slight over-representation of the citizens of Scotland, Wales and Northern Ireland compared to the citizens of England. For example, England has a population of just under 50 million and is represented by 533 MPs, which is one MP for every 92,193 members of the population. Wales, meanwhile has a population of just under three million and is represented by 40 MPs, which is one MP for every 72,577 members of the population. Scotland and Northern Ireland also have a similar low level of over-representation.

Historically, this over-representation was justified on the basis that the regions did not have their own parliaments and so they needed over-representation to further their interests at the central government level. However, now that regional parliaments have been established, a debate has begun about whether this is justified and how it should be addressed.

9.2.5 France

This is often seen as the quintessential unitary state and historically it has been strongly opposed to any political developments that were seen as undermining the traditional view of sovereignty (in fact, sovereignty is a French word). This extreme unitary model of government has caused tension with certain regions in France, notably Corsica, who would favour the devolution of powers and greater autonomy to deviate from a single French model of political and social life to one that acknowledges the distinctiveness of Corsican language and history, and so on.

Geopolitical division

France is very unitary, hierarchical and uniform in the way that it is organised and there is minimal asymmetry between the different regions of government. The country is divided into 22 regions, 96 departments, 330 *arrondissements*, 3,883 cantons, and 36,569 communes, all within each other. Each of these levels of government is established by legislative statue and can be abolished at any time by a simple act of the French parliament.

Independence

All levels of government are elected and France has more elected officials than any other country in the world. However, the regional levels of government have no independent legal authority.

Direct governance

Regions have no legislative authority on any areas and all legislative powers remain with the central government. While regions have some

discretion over raising taxes, doing so leads to a reduction in the level of revenue they receive from central government. However, regions do have a certain degree of discretion in the implementation of some laws and in local spending on certain issues, such as secondary education, public transport, universities and business subsidies.

Territorial representation

There is no separate territorial representation in the upper house (the *Sénat*) which is indirectly elected by 150,000 *grands électeurs*. Some of the people who comprise the *grands électeurs* are also elected officials in lower levels of government. The system is generally biased to favour rural areas but it is not systematically biased to favour any one particular area as a result of ethnic differences.

9.3 Why decentralise?

Having discussed different vertical designs of government and having emphasised the difference between federalism and decentralisation, we will now turn to why some countries choose to decentralise power away from a strong central government.

9.3.1 Enhancing democratic accountability

One of the main claims in favour of decentralisation of power is that it helps to bring government closer to the people. This notion relates closely to the concept of 'subsidiarity', which is strongly associated with European Union policy but in fact dates back to a Catholic continental tradition particularly evident in Germany. The principle of subsidiarity advocates the idea that a central authority should merely have a subsidiary function and it should only perform those tasks which cannot be performed effectively at a more local level. Therefore, as many policies as can be performed effectively should be decentralised to a local level to bring people closer to the decision-making process.

However, the challenge facing the subsidiarity principle is how exactly we identify when a policy is performed effectively at a local level. Conceivably, almost any government function can be performed locally barring some notable exceptions such as national defence policy. However, devolved policies often have externalities over people beyond those living in the local region. A negative externality arises in cases where the policy makers who produce a policy and the citizens who consume the policy do not pay the full costs of that policy and part of the cost is borne by some other group in society. (An externality can also be positive where the benefits are also accrued by the people beyond those who produce and consume the policy, but this debate is primarily concerned with negative externalities.)

A common example of an externality in public policy is environmental protection. If a local region chooses to lower their environmental standards in order to attract more business investment from heavy manufacturing to that area, this may lead to an increase in air pollution. However, the reduction in air quality is not experienced solely by individuals living in the region, but by the wider country as a whole. Externalities can also be seen in other policy areas, such as the funding of third level education. If a region has free third level education while all others charge fees to students, this has a wider impact than merely within the region that chose to remove fees. Students from outside the region will probably be restricted from attending universities and colleges in the region with free fees as this would make the policy unsustainable.

The existence of negative externalities such as these means that the principle of subsidiarity and strong decentralisation of the policy-making process can be difficult to implement. The key point is that externalities arise in many different areas of public policy, thus complicating the seemingly appealing idea of subsidiarity.

A further aspect of the arguments in favour of decentralisation as a way to increase democratic accountability stems from the work of Lijphart (1999) and Tsebelis (2002). They both argue that dividing powers between the central government and lower-level governments is analytically the same as dividing powers between the executive and the legislature in a presidential system or between two chambers of the legislature in a parliamentary system. It produces more consensual government which checks the power of a single overly dominant authority. Lijphart also argues that governments arranged in a consensual fashion include the viewpoints of more members of society and produce 'kinder and gentler' outcomes as a result.

However, once again a seemingly appealing dimension of decentralisation becomes somewhat more complicated when we examine this in more depth. Giving local governments a veto power over nationally coordinated policy raises the question of how much local preferences should constrain a national majority in a democracy. A decentralised structure, especially a federal structure, gives sub-units a veto power which increases the chances of policy gridlock occurring, even when it comes to cases of passing policies that might favour the greater good of the nation but which cause some disadvantage to the sub-unit.

9.3.2 Managing ethnic divisions

Decentralisation is also seen as offering a way of managing divisions between ethno-linguistic groups in society. Very often, ethno-linguistic minority groups have a different set of preferences to the majority in a country. This can create tension between the majority who feel that they have the numerical right to pursue their preferences and the minority who often feel oppressed or discriminated against by a system that fails to meet their political and social needs.

However, if the minority group is geographically concentrated, then decentralisation offers a method of giving them a say over the issues that they care about by having a distinct and independent local government. This approach embraces the idea that one single overarching policy does not always meet the needs of all citizens in a diverse country and, therefore, flexibility is required, rather than imposing a uniform set of policies upon everyone. The types of issues that are often important in these situations include policies concerning education, language use, equality and the media.

It is important to note that if the ethno-linguistic groups are not geographically concentrated but dispersed evenly throughout the country, then decentralisation will not work. It is only viable in a situation when the minority ethno-linguistic group will potentially become a majority group on a local level. It is also worth mentioning that very often this method requires a federal design of decentralisation to be effective. If the minority group feels vulnerable to the central state, they may demand a constitutional guarantee to protect their local interests rather than merely being satisfied with decentralisation within a unitary state that in theory could be taken back at any moment. In this context, the constitutional protection of a federal arrangement is seen as a bulwark against the tyranny of the majority. However, in many situations, decentralisation is

satisfactory and a federal form of decentralisation is not required.

Analytically very similar to this is the idea that some geographically concentrated social groups may have divergent policy preferences from the national majority and so these will also prefer decentralised power on these issues. This is not specific to their being ethnically or linguistically different (although this may be a factor), but rather some regions of a country may have divergent preferences for a variety of other reasons, such as the extent of a manufacturing base or rural areas within a largely urban country.

Canada, with its asymmetric federal arrangement giving greater independence to Québec to appease French-speaking *Bloc Québécois* supporters, is an example of the use of decentralisation to appease diverse preferences. Belgium also has a federal arrangement to help manage the very deep religious, ethnic and linguistic divisions in the country for all groups. The UK and Spain meanwhile have devolved settlements within their unitary state frameworks. The UK did this both to appease the Celtic nationalists and to meet the divergent policy preferences of the regional electorates. For example, the median Scottish voter is generally seen as being to the left of the median UK voter in their preferences on an economic left–right dimension. Therefore, central government policy fails to please the maximum number of people in this area. Similarly, but in the opposite direction, the median Catalan voter is seen as being to the right of the median Spanish vote and so devolution allowed for more flexible policy in these areas. Of course, devolution in Spain was also a method of helping to manage ethnic tensions within the Basque region.

9.3.3 Fiscal federalism

The final reason that states consider decentralisation comes from the theory of fiscal federalism. Fiscal federalism is a normative theory that offers a method to arrange best the raising and spending of public finances. Oates (1999), one of the proponents of this approach, argues that logically the central government should be responsible for goods and services that cannot be decentralised or just would not work at the decentralised level. The regional or local level should then be responsible for all goods and services that are restricted to the local area. Such an approach, Oates argues, leads to an efficient and democratic allocation of public finances.

Looking at this in more detail, fiscal federalism states that central government must provide the services that would be too costly or illogical to provide separately at multiple local levels. He cites examples such as macro-economic stabilisation policy. Two regions in the same country cannot realistically have separate currencies or currency policies and it is the same for interest rates. Some income redistribution policies must be organised centrally too in order to achieve redistribution across the whole country rather than just within sub-units. If different regions had variable pension policies or welfare policies, it is possible that lower-income individuals would move to the sub-unit with the most generous welfare regime while the wealthiest citizens would move to the sub-unit with the lowest tax rates and suddenly the overall system would no longer be sustainable. Finally, he also cites national public goods as policies that should be provided by the national government, most obviously national defence.

In contrast, regional and local governments should be responsible for the provision of goods and services whose consumption is limited to their own jurisdictions or where the consumption can be restricted to local areas and

communities. This allows local populations to choose the quality of public goods that they desire and the price they are willing to pay for them. If a regional area is willing to pay more taxes for higher quality public schools this is possible while another area may choose to pay lower taxes and provide less funding to public schools. Other such goods cited by fiscal federalists include hospitals, roads, local public housing and so on.

Yet it is worth bearing in mind the same issues that we raised in our earlier discussion of democratic accountability. Many of these goods come with negative or positive externalities, and as such it is always worth questioning how local any public good really is.

9.4 The consequences of decentralisation

As we have already alluded to at various stages throughout this chapter, there are some significant consequences of decentralisation. These can be both positive and negative and whether decentralisation is a useful policy programme to pursue will depend upon the needs of a society. We wish to consider three specific consequences of decentralisation.

9.4.1 Accommodating or exacerbating ethno-linguistic tensions?

If we assume that one outcome of extreme conflict between minority ethno-linguistic groups and majority groups in a country is increased demands for autonomy and possibly even separatism, then one way to assess the consequences of decentralisation is to examine whether it increases or decreases these demands. Imagine a country where a minority group demands greater independence from central government or greater recognition of their preferences and the central government decentralises some specific policy areas in response to this demand. If this satisfies the minority group we would expect to see a reduction in demands for autonomy. However, if it fails to satisfy the minority group or merely whets their appetite for greater independence, then we would expect to see an increase in demands for greater independence.

There is no definitive answer with regard to whether decentralisation decreases or increases independence demands. If we take vote shares of minority-nationalist or separatist parties as an indicator of demands for greater independence, then there is some evidence that voters initially vote strategically for such parties if they would like greater decentralisation. Increasing the vote share of minority-national parties and separatist parties sends a message to the central government and then the government often responds by increasing the level of decentralisation in order to appease the preferences of these voters. However, once a greater level of decentralisation has been secured, voters often desert the nationalist parties. One such example is observable with the *Bloc Québécois* in Canada who gathered a sizeable amount of support by demanding greater autonomy and recognition, but once Québec received this their vote share declined somewhat. A further example comes from Belgium, which saw a steady rise in the vote share of nationalist parties in the 1970s and 1980s. However, once an increased degree of decentralisation was granted in the 1990s, then voters moved away from these parties and returned to voting for more mainstream politicians. Yet in recent years internal tensions have begun to rise again and Belgium is once more responding by increasing the level of decentralisation within its federal system, but this time it is less clear that this is appeasing voters and in fact the country has become more divided.

As Belgium in the 2000s shows, in other cases, decentralisation has increased demands for greater autonomy. In a similar scenario to the one described above, voters may begin to support nationalist parties in order to demand greater autonomy and have their distinct preferences recognised by central government. However, in some instances once greater decentralisation ensues this does not appease demands for autonomy but merely stokes them. If a minority-nationalist party enters elected office in a region they can use the powers of office to demonstrate that they can be trusted and effective in government and use the new lower-level institutions to launch a bid for still greater autonomy. In an extreme case this might lead to secession, such as the case with South Sudan's planned secession from Sudan in 2011. Less dramatically, it can also lead to incremental demands for more power. This is currently evident in Wales which was initially only given discretionary power over implementing policies passed by central government, but recently demanded and received power to enact its own legislation in certain policy areas. Some argue this is also happening in Scotland where the Scottish Nationalist Party has steadily increased its vote share since devolution and often discusses the possibility of holding a referendum about declaring independence.

Erk and Anderson (2009) have discussed some of these issues in the specific context of whether federalism exacerbates or reduces secession. They argue that whether federalism will be secession-inducing or secession-preventing depends on a number of factors specific to the country in question. It depends in part on the will and capacity of the group that wants to secede. The design of the federal system will also have an effect – if a country has multiple lower-level governments rather than just two or three relatively larger ones, this reduces the change of secession. They also suggest that majoritarian electoral systems may reduce demands by creating parties that are forced to appeal across different groups rather than proportional systems that favour smaller parties that can afford to target only the ethnic group of their core supporters. Additionally, economic disparities or deep social divisions between regions increase separatist demands.

9.4.2 Market preserving federalism

A further important consequence of federalism is its role in promoting market competition between sub-units. For many, decentralisation's role in promoting a healthy economy is undisputed. Weingast (1995, p.1) argues that 'Thriving markets require… political institutions that credibly commit the state to honor economic and political rights… Federalism proved fundamental to the impressive economic rise of England in the 18th century and the United States in the 19th and early 20th centuries… federalism [also] underpins the spectacular economic growth in China over the past 15 years'. Yet in spite of this high praise for federalism's role in promoting growth, some critics challenge the idea that federalism always improves market standards.

One side of this argument states that federalism helped economies become more competitive by restricting the role of central government. This ensured that economic interest groups could not exercise undue influence over regional economies by lobbying central government for greater protection or subsidies, which are seen as economically inefficient and creating barriers to competitive growth. Additionally, the prohibition of internal trade barriers and government interference allowed new

economic activities and entrepreneurs to emerge that outcompeted older interests (Weingast, 1995, p.25). This need not necessarily be restricted to private markets but it is also possible that it might occur with public policy goods too. Imagine a decentralised federal system for secondary education. Some would argue that this might lead to different models of education being attempted in each sub-unit and then over time it will be possible to identify which model is the most successful and this can be implemented throughout the country as a whole. The protection from central government imposing a single public policy on the whole country allows innovation and competition which raises the quality of public goods for all in the long term.

A related advantage of federalism for competitive markets comes from Vogel (1995). He argued that federalism may lead to increased regulatory competition between different sub-units which potentially leads to an overall increase in the quality of goods on the market and a reduction in negative externalities. He cites what he terms the 'California effect' (1995, p.248). California was given discretion to set its own regulatory standards for automobiles by central government and it chose to implement much stricter standards regarding levels of emissions than other states. Due to California's size and importance as a market, it was in car producers' interests to meet these standards and create cars that produced less pollution. This raised the standards of car production throughout the market as a whole and improved air quality for all. A similar process is evident in the European Union's strict standards in chemical productions, which given its size as a market meant that it was in a chemical manufacturing company's interests to meet these standards which raised global standards as a whole.

However, others have argued that competition between sub-units will not inevitably lead to increased standards for all but may lead to a reduction in standards and a race-to-the-bottom (Hallerberg, 1996). This viewpoint argues that if each sub-unit is now in competition with each other to attract business and investment to their area rather than to a rival area within the same country, they may attempt to do this by creating a climate as appealing as possible to business. This leads to the sub-units cutting labour rights, reducing regulatory standards, reducing welfare costs and, of course, lowering corporate taxes. Other sub-units rapidly follow suit in order to be able to compete. The overall effect is a race-to-the-bottom. This is also known as the 'Delaware effect' because this very tendency led to no corporation tax or trade unions in Delaware.

Here, once again, we see that the consequences of increasing market competition through federalism are disputed and they can either enhance or reduce the quality of goods and associated negative externalities.

9.4.3 Malapportionment

The final consequence of decentralisation is malapportionment. Malapportionment refers to the discrepancy between the shares of seats and the shares of population held by geographical units in a country. In other words, some populations living in a specific geographical area may end up with a greater number of elected representatives per head than those living in another geographical area. As we have seen, when you end up dividing government into sub-units and give them representation in a central legislature, inevitably you end up over-representing small groups. This was the case in all five of our cases studies, but it was a much greater problem in the federal cases of the USA and Germany, and even

India, even though they tried to redress this by having as proportional representation as possible.

Samuels and Snyder (2001) developed a malapportionment index that ranged from 0 to 1. If a country scored 0 this meant that every citizen had exactly the same level of representation in parliament whereas if a country scored 1 this meant that only one person in the country had all the representation. In other words, malapportionment increased as the score moved from 0 to 1. They examined the malapportionment score of 78 countries.

Looking specifically at upper chambers, they found that Argentina (federal) had the highest malapportionment score at 0.48, followed by Brazil (federal) with a score of 0.40, Bolivia (unitary) with a score of 0.38, the Dominican Republic (unitary) with a score of 0.38 and the USA (federal) with a score of 0.36. Meanwhile four countries had a score of exactly 0 (Netherlands, Uruguay, Paraguay, Colombia) all of which were unitary states. In fact, seven out of the 10 most malapportioned upper chambers were federal (Samuels and Synder, 2001, p.662).

They also examined the predictors of malapportionment in upper chambers and they found two main predictors. The first of these was the size of a country – the larger the country, the more this increased the likelihood of having a great level of malapportionment. The other important predictor was federalism – federal countries were more likely to have higher levels of malapportionment. This raises the issue of whether it is desirable to have deliberate levels of unequal representation for certain geographically concentrated groups in a democracy.

A related idea is the fact that decentralisation can create anomalies in the levels of influence some groups have over policy-making that impacts on other sub-units without those sub-units having any say on their policies. This occurs in cases of asymmetric decentralisation and is evident in the UK. The UK's system of asymmetric decentralisation has created an interesting dilemma called the 'West Lothian question', named after the constituency of the parliamentarian who first raised it. This issue was raised by the Scottish parliamentarian, Tam Dalyell, in 1977 during a Commons debate about devolution to Scotland and Wales. He stated 'For how long will English constituencies and English Honourable members tolerate... at least 119 Honourable Members from Scotland, Wales and Northern Ireland exercising an important, and probably often decisive, effect on English politics while they themselves have no say in the same matters in Scotland, Wales and Northern Ireland?' One such notable example of this arose in 2004 when Tony Blair's government passed a bill through parliament that raised the level of tuition fees for English universities, but only did so with the help of Labour parliamentarians from Scotland – a region that was not directly affected by the proposed fee rises. However, it should be noted that the actual instances of this problem occurring are relatively rare (McLean, 2010, p.173).

It cannot be ignored that decentralisation raises disproportional levels of representation for some groups over central government policy-making, and in the case of asymmetric decentralisation this can lead to unusual anomalies arising, such as the West Lothian question.

9.5 Conclusion

There has been a growing demand for more decentralisation in many established democracies in recent years, such as the UK, Italy, Belgium, Canada and India. One potential method of decentralisation is federalism, which can be thought of as a formal and permanent territorial division of power. However, it is important to remember that federalism is actually analytically separate from decentralisation, which is more the extent to which actual policy-making power is handed down to lower levels of government rather than just the division of power in legal terms only.

Decentralisation of power is highly appealing to many citizens, businesses and political figures alike because it can potentially lead to more political accountability, more checks and balances, a reduction in ethnic divisions, more policy innovation and better economic performance. However, we would be naïve to assume that any decentralised state will always realise these gains. In fact, decentralisation of power could also have some negative aspects, such as increasing policy gridlock and conflict, increasing ethnic tensions and separatist demands.

Decentralisation of power can lead to more political accountability, more checks and balances, decreased ethnic conflicts, policy innovation, and better economic performance, but it can also entail negative policy spillovers, lead to a downwards pressure on taxation and regulation and cause problems in terms of over-representation of some geographical groups in the policy-making process. Therefore, prior to embarking upon a programme of decentralisation it is important that the needs and requirements of a country are carefully balanced against the potential gains or drawbacks of the process.

9.6 A reminder of your learning outcomes

Having completed this chapter, and the Essential reading and activities, you should be able to:

- explain the differences between federal states and unitary states and how they relate to decentralisation

- assess the reasons why states decentralise powers

- evaluate the political and policy consequences of decentralisation in terms of accommodating or exacerbating ethnic conflict, promoting market competition, and malapportionment.

9.7 Sample examination questions

1. What are the political and policy consequences of the decentralisation of power to lower levels of government? Use examples from at least two countries.

2. 'Decentralisation is a valuable response to internal ethno-linguistic divisions while still preserving the liberal democratic principles of a country.' Discuss.

3. 'Federal states are more democratic than unitary states.' Discuss.

Chapter 10: Delegation of power

Aims of the chapter

The aims of this chapter are to:

- provide an overview of the role of non-elected institutions in a democracy
- discuss the principal–agent framework as a toolkit for understanding why governments delegate power to non-elected institutions
- discuss the concept of policy drift and how to limit it
- apply these discussions to the case of independent courts and central banks.

Learning outcomes

By the end of this chapter, and having completed the Essential reading and activities, you should be able to:

- evaluate the role of non-elected institutions in liberal democracies
- evaluate the strengths and limitations of the principal–agent framework as a way of understanding delegation to non-elected institutions
- discuss policy drift and methods governments use to control it
- assess critically the role of courts and central banks within the framework of debates around independent institutions.

Interactive tasks

1. How independent are the courts and central bank in your adopted country? Also how are the judges and central bankers chosen?
2. How should judges be chosen in your adopted country and why?
3. How should central bankers be chosen and why?

Reading

Essential reading

Hix, S., B. Høyland and N. Vivyan 'From doves to hawks: A spatial analysis of voting in the Monetary Policy Committee of the Bank of England', *European Journal of Political Research* 49(6) 2010, pp.731–758.

Steunenberg, B. 'Courts, Cabinet and Coalition Parties: The Politics of Euthanasia in a Parliamentary Setting', *British Journal of Political Science* 27(4) 1997, pp.551–571.

Thatcher, M. and A. Stone Sweet 'Theory and Practice of Delegation to Non-Majoritarian Institutions', *West European Politics* 25(1) 2002, pp.1–22.

Further reading

Bernhard, W.T. 'A Political Explanation of Variations in Central Bank Independence', *American Political Science Review* 92(2) 1998, pp.311–327.

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10.1 Non-elected institutions and democracies

This chapter looks at non-elected institutions within democracies. In recent years there has been a notable rise in the number of non-elected institutions that have been delegated power in established democracies. In western Europe there has been a general reversal of the post-Second World War trend for greater state intervention and recent years have seen a boom in non-elected institutions dealing with a wide array of functions including utility regulation, telecommunications, anti-trust regulation, and media pluralism. In addition, there has also been a considerable rise in the influence of the European Commission within European Union member countries (Thatcher and Stone Sweet, 2002, p.1). Of course, even though there has been a recent boom, it would be a mistake to consider non-elected institutions as new phenomena. Independent courts and independent central banks are long standing examples of institutions that are free from political interference. On the surface, a powerful non-elected institution may seem to be somewhat of a contradiction in a democracy, but many such 'independent' institutions exist and they are often considerably influential over the political lives of citizens. The purpose of these institutions, why they evolved and their (at times, uneasy) relationship with elected representatives are the focus of this chapter.

Cukierman et al. (1992) when writing about one of the most prominent forms of non-elected institutions, independent central banks, began their paper with the following quote from the children's book *Frog and Toad Together* (Lobel, 1972).

> 'Willpower is trying hard not to do something that you really want to do,' said Frog. 'You mean like trying not to eat all these cookies,' asked Toad. 'Right' said Frog. He put the cookies in a box. 'There, now we will not eat any more cookies.' 'But we can open the box,' said Toad. 'That is true' said Frog. He tied some string around the box. He got a ladder and put the box up on a high shelf. 'There, now we will not eat any more cookies.' 'But we can climb the ladder...'

Independent institutions are important ways of constraining politicians from undertaking tempting actions or decisions when it is possible that these decisions would be better made by individuals who are not susceptible to political incentives. For example, politicians may be tempted to cut interest rates in the run-up to an election, yet in some instances, it may be more stable and beneficial for the economy if interest rates are held even or increased. Delegating to an independent central bank removes these decisions from the political cycle. As Cukierman et al. (1992, p.353) argue 'Institutions cannot absolutely prevent an undesirable outcome, nor ensure a desirable one, but the way that they allocate decision-making authority… makes some policy outcomes more probable and others less likely.'

However, as Toad insightfully points out, even after choosing to constrain yourself, there always seems to be a way to succumb to temptation. This is also the case with delegation. Once a decision has been made to establish an independent institution, this immediately raises the issue of how the members of this institution should be appointed. It may be tempting for politicians to appoint them directly, but then this greatly reduces their independence and the independent institution can become highly politicised. One such example is the Supreme Court of the USA. Some have argued that it is preferable to establish an independent appointment committee to appoint members. This certainly reduces political control more than direct political appointment, but it does not eliminate it entirely. Instead, the question then becomes who appoints the members of the appointment committee! In other words, the independence of an institution can best be imagined along a continuum rather than imagined as a dichotomy. Also, we should not assume that we want to eliminate political influence entirely as retaining some accountability may be highly desirable. This is the tension at the heart of delegation.

A useful starting point when exploring this tension is to examine the purpose and role of non-elected institutions and assess the strengths and limitations of delegation. Later in the chapter we will explore these issues by examining the case of courts and central banks; however, first it is useful to turn to the main theoretical framework for understanding delegation: the principal–agent framework.

10.2 The principal–agent framework

The principal–agent framework is a toolkit for thinking about the relationship between politicians who delegate power and those independent actors to whom power is delegated. It was a framework that first emerged in law and then subsequently became influential in economics before being applied to political science. In the field of political science it was first used in the study of how the Congress in the USA delegated responsibilities to the federal-state governments and other independent bodies such as the Environmental Protection Agency; but it has begun to be used increasingly in other countries, notably in the politics of the European Union.

Its basic idea is that there are two actors:

1. The principal is the delegator who uses their public authority to delegate their power.

2. The agent is the delegate who governs using their delegated powers.

The framework explains why principals delegate to independent agents and under what conditions they do so; why delegation can lead to 'policy drift' and how this policy drift can be curtailed.

The starting point of the principal–agent framework is to acknowledge that the act of delegation is costly to the principals because of the time and expense involved in setting up independent institutions. Therefore if a principal delegates power and authority to an agent, it must be in the principal's interest to do so. In other words, the framework explains delegation in terms of the functional requirements of, and expected benefits to, the principal.

With this starting point in mind, the principal–agent framework identifies a number of reasons for delegation.

1. **To protect particular policies from short-term change by a political majority** – This is one of the most common reasons cited for delegation and occurs when policy needs to be insulated from the short-term demands of voters and politicians. One example would be if there is a strong demand from the electorate to reduce the number of asylum seekers living within a country. This places politicians under pressure to respond to this demand in order to win votes or prevent their party from losing votes. However, restricting the rights of individuals to apply for asylum or be granted asylum may be considered a breach of fundamental human rights. In order to protect fundamental human rights from short-term political pressures it is necessary to delegate this responsibility to an independent court who are free from the political pressure of the majority will.

2. **To establish a 'credible commitment' to a particular policy** – This is somewhat similar to our previous example and entails removing certain decisions from political influence in order to establish credibility in the eyes of the electorate. One such powerful example comes from New Labour in 1996/7 when they were campaigning to get elected after nearly 20 years of opposition. The party needed to convince the business sector and voters that they could be trusted to handle the economy and they adopted rhetoric that projected an image of a party that was committed to welfare but also a strong proponent of the free market and averse from state intervention. However, this rhetoric was not necessarily seen as credible in the eyes of business given the command-centred economic tendencies of the party in the past. Therefore, upon election, one of the first things the party did was to delegate the setting of interest rates to an independent central bank in order to demonstrate a credible commitment to how they would manage the economy.

3. **To increase the use of experts in policy-making** – In complex advanced democracies there can be large information asymmetries in technical areas of governance between politicians and experts. It is unrealistic to expect politicians or civil servants to command expert knowledge of every policy-making area. Delegation to experts allows politicians to draw on external expertise and knowledge when making such complex political decisions.

4. **To reduce the workload and enhance efficient decision-making** – Related to the previous point, delegation to experts also establishes a more efficient model of government. Under this model, agents respond to any specific problems and issues in their area of expertise while principals set and update the more general terms of the policy.

5. **To avoid taking blame for unpopular policies** – Delegation allows principals to engage in a process of 'blame shifting' when it comes to unpopular but necessary policies. In other words, it allows

governments to maximise policy goals that principals know may be unpopular with some social groups. This is particularly the case with the delegation of powers to the European Commission, where it is very common for national politicians to justify unpopular policies as being imposed by the European Union from above.

While the principal–agency framework provides a powerful and useful set of ideas for understanding delegation, it is not without its critics. The main challenge to this framework comes from those who believe that a purely functional understanding of delegation is limited. While politicians may indeed encounter credibility problems or experience information asymmetries and so on, these could potentially be resolved in a number of different ways. The principal–agent framework is not able to tell us what range of options was open to politicians and why delegation was considered the best solution compared to other possible solutions, such as bringing in experts to work within government rather than delegating to them outside of government. Thatcher and Stone Sweet (2002: 8) argue that 'How actors perceive, and then select from, the choices available to them is almost always conditioned by local histories, pre-existing institutional arrangements, and contingent forces and events', yet the framework does not take these subtleties into account. In spite of these limitations, there can be little doubt that the principal–agent framework offers a strong understanding of why politicians delegate.

Once the decision to delegate has been made, it is then necessary to consider what happens to the relationship between the principal and agent after delegation. After establishing independent institutions and acknowledging that these best serve the long-term interests of politicians and voters, the potential problem arises that agents will have their own preferences. In order for independent institutions to be functionally effective, it is necessary that they are given a certain degree of discretion and that principals share some of their authority. However, agents may use this discretion to implement policies nearer to their own preferences than those of the principal – a process known as 'policy drift'.

At heart, the basic cause of policy drift is that agents do not have the same policy preferences as principals. A number of reasons are suggested for why this might be the case. During the **appointment procedure** a potential agent may not reveal their true preferences to the principal. This has occasionally been the case with nominations to the US Supreme Court that subsequently turn out to be typically more liberal than their Republican principals anticipated. It is often difficult to know truly an agent's preferences unless you have access to a long history of previous decisions that they have made and, even then, this may be no guarantee of future decision-making. Additionally, agents are typically experts but experts often develop their own **specialised knowledge** and information about a process that leads to them having a different viewpoint than politicians or voters. Agents and agencies may have **distinct institutional interests**. For example, historically law is a liberal profession and legal training is often seen as promoting liberal values. Others have argued that agents' institutional interests may mean that, for example, courts will primarily protect courts and banks will defend banks rather than serving the needs of principals. Finally, it is possible that agents are **captured by private interests** that are wealthy or better able to mobilise than other interest groups and therefore they capture and successfully lobby agents to shape policy in their own interests.

The way in which divergent preferences lead to policy drift can be displayed visually. In Figure 10.1 we have a left–right dimension and the ideal points of the legislature, the executive and an agent marked along this dimension. Imagine that the legislature and the executive agree on a policy at X (the mid-point between their ideal points) and delegate responsibility for implementing this policy to the agent. This policy may be a judicial issue that is delegated to a court or decisions over interest rates being delegated to a central bank. If the agent has enough discretion, they will choose to interpret and implement the policy closer to their own preference position at Y. The legislature will be very frustrated at this as it represents a significant drift from the original policy position, but the executive will be less frustrated as it is equi-distant from their ideal point as the original policy (albeit now to the right of their ideal point rather than to the left). One possible result is that the executive will now decide to pass a new piece of legislation at the policy position Z. The legislature which originally wanted this closer to their own ideal point is now willing to agree as it is nearer than the current position of Y. In this way, policy drift occurs as a result of the delegation of discretion.
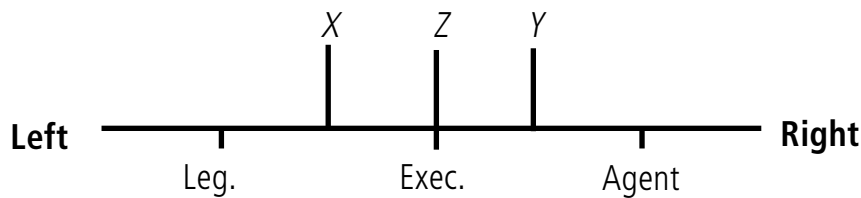

Figure 10.1: Policy drift as a result of delegation.

Many politicians are aware of the possibility of policy drift prior to delegating and, therefore, they often undertake practices that will limit the possibility of policy drift. The principal can always **appoint new agents** if policies begin to drift and attempt to replace them with someone whose preferences are closer to those of the principal. Alternatively, an often used method of maintaining principal influence is to **limit the budget of the agency** and therefore retain some control in actuality. An additional tactic is for the principal to **write very detailed legislation** that greatly limits the discretion for implementation. A study by Huber and Shipan (2002) studied delegation and found that in countries with a strong independent court system, politicians were more likely to write detailed and precise labour legislation. Knowing in advanced that courts may possibly interpret legislation in line with their own preferences, politicians countered this by specifying their intentions very precisely with regard to the meaning and implementation of the policy. However, in countries where politicians had a greater degree of influence over courts, legislation tended to be vaguer. The implication is that politicians were more confident that courts would interpret legislation in line with the principals' preferences. Principals may choose to **delegate to an alternative or additional agent**. For example, oversight of business mergers may be delegated to a completion regulator but, in addition, the politicians may have a court process in place to oversee the competition regulator. A further method of controlling policy drift is to establish **parliamentary scrutiny in agencies' actions** after delegation has been assigned. Finally, politicians can **revise existing legislation or pass new legislation** that clarifies their policy position and prevents further drift.

Such measures can be put in place either before or after the process of delegation in order to rein in the discretion of the agent. This can be a difficult process, however, as too much restriction on the discretion of an independent institution will undermine the benefits of delegation because

the decision-making still remains with elected officials if they control the independent body too much. Striking a suitable balance is the key.

We can return to our spatial model to examine the analytical impact of methods to limit policy drift (Figure 10.2). If we take the same dimension and once again display the ideal points of the legislature, the executive and the agent, imagine that a policy is passed at position X. However, on this occasion, even though the agent's preferences are still further to the right than those of the legislature, the agent's discretion has been restricted and therefore they are unable to interpret or implement the policy closer to their own ideal point. Instead, the greatest degree of drift they can cause is at the new point Y.
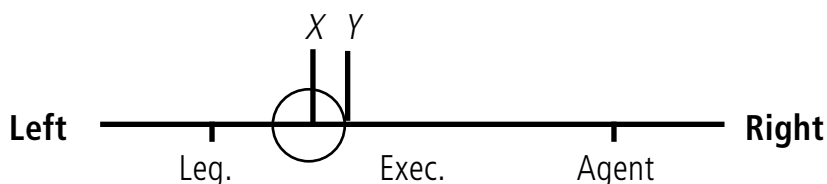
Figure 10.2: Limiting policy drift.

We now wish to turn to exploring these issues in two specific contexts: first, delegation to courts, particularly focusing on the case of euthanasia law in the Netherlands and, second, delegation to central banks, particularly focusing on the Bank of England's Monetary Policy Committee (MPC).

10.3 Independent courts

Clark et al. (2012, pp.707–10) make a distinction between two models of constitutionalism. Each model establishes a different type of legislative-judicial relations or, in other words, a different relationship between politicians and courts.

The first model is the **legislative supremacy constitution**. In this model, there is no real delegation of power to an independent judiciary because the parliament remains supreme. The majority in a parliament is sovereign and, as such, it cannot do any wrong from a legal point of view because their authority is supreme. Whoever has been granted a majority in the legislature is entitled to act freely as they have been mandated by the people to exercise their authority. A consequence of this form of parliamentary sovereignty is that no current parliamentary majority can bind the hands of a future parliamentary majority. Therefore, it is not possible to delegate certain functions to an independent authority that would dictate how a future parliament can act and enshrine that this delegation cannot be reversed by the next parliament.

The courts' role in this system is to implement the decisions made by politicians. Courts may be able to strike down particular parliamentary acts in the short term or refer them back to parliament for further consideration, but the parliament can ultimately then enact a new law or rein in the powers of the court if necessary. As such, the notion of a supreme court is feasible in this model and such a court could be established and granted certain powers by legislative statute; but equally the parliament could re-write this statute to change the court's powers at any stage.

The second model is the **higher law constitution**. This model accepts that states may do legal wrong and therefore certain rights, especially those of the individual, must be protected from the legislature. This is

a fundamentally different idea to the legislative supremacy model and instead there is a clear division between what legislators can and cannot legally do. Politicians are restricted from passing certain policies and decisions and there is a clear divide with some rights locked away from political interference. A supreme court is mandated to protect certain rights that are enshrined in a 'bill of rights' against a legislative majority.

This model requires a written constitution, and it is delegated to the judiciary to interpret the behaviour of the legislature to ensure that it does not violate or contradict the principles enshrined in the constitution. Constitutional law, often called fundamental law to convey its pre-political nature, cannot be changed by a simple legislative majority but rather it typically requires some kind of supermajority or a referendum or both to be changed.

The classic model of legislative supremacy is the United Kingdom, and the UK also exported this model to countries such as New Zealand. Legislative supremacy constitutions are also present in Finland and in the French Fourth Republic. The classic model of a higher law constitution is the constitution of the USA, but in fact most of the rest of the world has this model of constitutionalism. This is particularly the case for new democracies that have emerged since the Second World War. For example, Brazil, Japan, Germany, India, the French Fifth Republic, Spain and the Czech Republic all have higher law constitutions. This is also the model increasingly pursued in the European Union with its clear separation of powers and a powerful independent judiciary.

In actuality, however, the divide between a model where parliament is supreme contrasted to a model where the judiciary can constrain parliament is a little oversimplified. As discussed in our previous chapter, since 1997 there have been an increasing number of de facto constraints placed upon the behaviour of the UK parliament. European Union competition law, the Human Rights Act, and the delegation of power to lower levels of government in the devolved regions have all constrained unilateral parliamentary behaviour and the UK system is possibly best described as quasi-constitutional. It is difficult to imagine a future UK parliament abolishing the Human Rights Act or the UK Supreme Court due to the political and popular protection that these institutions have gained.

Equally, in the US case it is increasingly clear that the divide between politicians and the judiciary may be more opaque than it was initially conceived. Legally and formally there is a clear separation of powers; however, the appointment system of Supreme Court judges, chosen by politicians based upon their partisan views, shows that the judiciary is not entirely free from political control.

Given the importance of how judges are appointed, it is worth describing some of the different methods used in various countries. The UK Supreme Court, which was only established in 2009, appoints members through a selection process where essentially judges who would like to be members of the Supreme Court submit CVs to a selection commission whenever it advertises a vacancy. The selection commission is composed of the President and the Deputy President of the Court and members of the judicial appointments commissions of England, Wales, Scotland and Northern Ireland. In other words, judges are appointed by their peers giving a strong degree of independence from political interference. In contrast, the judges on the US Supreme Court are nominated by the President and then elected by a majority vote in the US Senate following a period of scrutiny in a highly partisan political process. The German

Constitutional Court (the *Bundesverfassungsgericht*) is also appointed through a partisan political process: the lower and upper houses both elect four judges each (by a two thirds majority), with the election of the Court's president alternating between them. The French Constitutional Court (Conseil Constitutionnel) appoints members through a committee composed of former presidents and three other members appointed by the President, the President of the National Assembly and the President of the Senate. This court is so politicised that Stone Sweet has referred to it as the third branch of the legislature (1992). Finally, the European Court of Justice has one judge appointed by each of the 27 European Union member states.

This limited snapshot shows that there is some variety in how judges are appointed to constitutional courts and each method varies how much independence from political oversight or interference (depending on your perspective!) is incorporated into the process. The US, German and French models are generally much more politicised than their UK or European counterparts. This demonstrates an important point we alluded to in our introduction: judicial independence is best understood as existing along a continuum of more or less independence rather than in a rigid dichotomy that specifies that a court is either independent or not.

Three main reasons can be identified as to why authority is delegated to independent courts. The most immediate answer is that delegation helps to **protect human rights** – an issue that we discussed earlier. This is evident in all the countries we have mentioned so far, notably the US Bill of Rights or the first articles in the German constitution. Additionally, although the UK does not have a higher law constitution, it has enacted the Human Rights Act 1998 and the Supreme Court can refer legislation back to parliament that contradicts this Act. The second reason is in order to **complete legislative contracts**. When legislation is being written it is close to impossible for policy makers to anticipate all the possible circumstances and events that could come up as a consequence of the legislation. Therefore, politicians delegate the interpretation of the law to the courts. In fact, it can be argued that it is only after a law has been passed and has subsequently been interpreted through judicial adjudication that its full implications become apparent. The final reason for delegation is in order to **enforce the courts to control other agents** in an oversight capacity to prevent policy drift in these agents, as discussed earlier.

Once authority has been given to courts, policy drift occurs as a result of a number of factors. The judiciary tend to be from a certain social and ethnic background and not always representative of the population as a whole. This means that their preferences may be different to that of the median voter or median politician. For example, of the 12 Supreme Court Justices sitting on the UK Supreme Court in 2011, all were from white backgrounds, only one was a woman, and only one did not go to Oxford or Cambridge University. Griffith (1977) argued that this questioned the neutrality of the judiciary as arbiters and instead it highlighted their distinct policy preferences. More recently, others have questioned the neutrality of the judiciary by claiming they are overly liberal with a stronger focus on individual rights compared to politicians. This is attributed to the nature of legal training which emphasises the role of the law as a protector of individuals. We will see evidence of this in our case study on euthanasia law from the Netherlands. Finally, others have argued that it is not actually the preferences of judges that count, but rather it

is the fact that the wealthy have been able to gain greater access to the courts to define legislation in their interest and this has led to policy drift.

10.3.1 Dutch Supreme Court and euthanasia

A specific case of policy drift as a result of an independent court comes from Steunenberg (1997), one of our Essential readings. Steunenberg examines a 15 year battle that started in the 1980s between the Dutch parliament and the Dutch Supreme Court over the legality of euthanasia. At the start of the 1980s, the Dutch Code of Criminal Law clearly stated that euthanasia was a criminal offence. However, the courts in Holland began to interpret the law in a more liberal fashion and in 1981 a court in Rotterdam set out the conditions in which euthanasia would be acceptable. By 1984, a case appeared before the Dutch Supreme Court of a doctor who was prosecuted for committing euthanasia but had been acquitted by a lower court. The Supreme Court upheld the ruling, recognising that a physician can end a patient's life with their consent. In short, the Court acknowledged that the doctor had committed euthanasia, but they acquitted him. Therefore, in practice, since 1984 euthanasia became legal in the Netherlands under certain conditions. This is clear evidence that an independent court does not solely implement government law but rather it also uses its position to act as a 'policy advocate' or interpret the law closer to its ideal point.

In spite of the fact that it became clear that the courts would acquit doctors charged with euthanasia in certain circumstances, it was not until 1993, almost 10 years later, that the Dutch parliament finally passed a law to update the Dutch legislation. Yet rather than passing a law clarifying the original position of the illegality of euthanasia, the new law effectively recognised the Court's interpretation and liberalised euthanasia policy. This raises two questions that Steunenberg explores. First, why did it take so long for parliament to pass a new law? Second, why did parliament end up accepting the Court's interpretation?

Using survey responses from politicians, Steunenberg (1997, p.564) identifies the parties' policy positions towards euthanasia along a 7-point continuum where a score of 1 represents the policy position or 'no ban on euthanasia' and 7 represents the policy position of a 'ban on euthanasia'. The Green Left (GL) party was most liberal with a score of 1.8, followed by the Democrats 1966 (D66) with a score of 1.9, the Labour Party with a score of 2.0 and the Liberal Party with a score of 2.6. On the more conservative end of the spectrum, the Centre Party (CD) scored 5.0, showing a general tendency towards supporting a ban, the Christian Democrats (CDA) were strongly opposed with a score of 5.8 while a number of small Christian parties were wholly opposed and all scored 7.0. In other words, the parties in the Netherlands were fairly divided over the issue of euthanasia.

Steunenberg also shows all the governments between 1977 and 1994 in the Netherlands. Throughout this time, the CDA were the leading party and held the prime minister post in coalition governments with either the Liberal Party, the Labour Party or D66. In other words, the CDA with its score of 5.8 on the 7-point scale was in power with a party that either scored 2.6, 2.0 or 1.9 on the scale. This division in the policy positions of the parties in a coalition where both partners have a veto power is precisely why it took so long to come to an agreement on the new policy.

Essentially, the Supreme Court's interpretation that euthanasia was legal in a specific set of circumstances advocated a policy position that lay somewhere between that of the coalition partners during this time. It was

certainly not as restrictive as the CDA would like, but nor was it as liberal as the positions of the smaller left-wing coalition partners. Following the Court's interpretation, the CDA could propose a new policy that tightened the law at its own ideal point, but this would always have been vetoed by their coalition partners because the existing Court-backed status quo was closer to their ideal points. Equally, the smaller parties could not move the Court's interpretation closer to their position because the CDA would veto this. Gridlock had developed. Therefore, it took almost 15 years before the CDA introduced legislation that reflected the Court's interpretation, as this was the only point at which it was possible for the law to be passed within the gridlock interval.

This example shows clearly that the Dutch Supreme Court is a policy advocate rather than merely implementing policy; that it caused a process of policy drift that resulted in a change in the original policy position on euthanasia; and that policy drift interacted with veto players in a coalition cabinet to hinder returning to the original position and instead led to the Court's interpretation becoming formalised through parliament. In short, the independence of the Dutch Supreme Court led to a specific policy outcome that would not have occurred otherwise.

10.4 Independent central banks

We can think of independent central banks in a similar analytical fashion to how we look at courts. This is because, as we have already seen, central banks are another institution where it may be desirable for their functions to be locked away from political influence in the long-term interests of a country.

Before examining central banks in more detail, it is worth considering what the role of a central bank is. The main remit of central banks is concerned with monetary policy. Banks set interest rates, such as the basic mortgage lending rate, they control the 'money supply' within a state and can print more money and engage in a process of quantitative easing, and they manage foreign exchange policy through which banks intervene in foreign exchange markets in order to influence the price of their currencies. They also usually hold the gold reserves of a country. In addition to monetary policy, they engage in some other policy areas. They act as the government's bank, typically by buying government bonds in order to finance the exchequer. They serve as a bank to other banks, acting as the 'lender of last resort'. They often regulate and supervise the banking industry as a whole and increasingly they take on the role of advising governments on economic policy.

Focusing specifically on monetary policy, it is worth noting that the aims of central banks are seen by some as conflicting and difficult to manage. One of the main goals of monetary policy is to deliver price stability through low inflation. This is because unanticipated inflation typically leads to lender losses and so if lenders cannot predict inflation this may lead to worse investment or lower levels of investment. If lenders can be confident of price stability, then they will invest more and increase a country's level of economic growth. Others have argued that handing interest rates over to independent central banks typically leads to higher interest rates in order to achieve price stability, but higher interest rates actually slow down growth by increasing the cost of lending and leading to more savings. There is a similar tension when it comes to currency policy. It may be desirable to have low value currency rates in order to be competitive on the export market; however, a low currency increases

the costs of imports which ultimately leads to higher inflation. The aim of a central bank is to balance these tensions and try to achieve currency stability and a low level of fluctuation in currency values relative to their main trading partners.

There are different models of central banks and each model has a varying degree of independence. For a long time the dominant model was that central banks were not independent but rather monetary policy-making was undertaken by the finance minister. This was the case in the UK before 1997. However, the UK then established an independent central bank, whose independence is limited, and this is our second model. In this model, the central bank is somewhat independent but there is still some political direction. The finance minister sets an inflation target and then the central bank sets the interest rates to meet this inflation target. The next model is a central bank that sets its own inflation targets and interest rates and this function is typically established by legislative statute. This is the case in the Federal Reserve Bank in the USA and in the German Central Bank prior to adopting the single European currency. The strongest model of central bank independence though comes from the European Central Bank and in this model the Central Bank sets the inflation target and the interest rates and this function is protected by the equivalent of a written constitution that is more difficult to amend than a legislative statute.

Whether there are any additional benefits to independent central banks is a widely debated topic. The typical argument is that an independent central bank leads to better economic performance in the long run. Alesina and Summers (1993) investigated this claim and they found that the more independent the central bank, the lower the inflation rate. However, they did not find any relationship between the level of central bank independence and economic growth. In other words, there is some evidence for the advantages of central bank independence but there is no clear and highly compelling evidence that they lead to better levels of growth.

10.4.1 The Monetary Policy Committee of the Bank of England

In contrast to our earlier example of euthanasia law in the Dutch Supreme Court, the MPC of the Bank of England is an example of how politicians can retain control over an institution after delegation. As previously mentioned, one of the first decisions of the New Labour government upon their election in 1997 was to grant operational independence to the Bank of England. Under this model, the Chancellor of the Exchequer (then Gordon Brown) sets an inflation target and the MPC is responsible for setting interest rates in order to meet this target.

The MPC is comprised of nine members. Five members are internal members essentially promoted from the staff within the Bank. The Governor and the two Deputy Governors are appointed for five-year terms by the Crown (effectively, the Chancellor of the Exchequer) and two other internal members are appointed by the Governor for three-year terms. However, even these internal appointments can only be made after the governor consults with the Chancellor. The remaining four members are external members, such as captains of industry or academics, and are appointed by the Chancellor for three-year terms. Prior to appointment, a hearing must be held before the House of Commons Treasury Select Committee; however, the Committee does not take a vote to approve the appointment, nor can they veto the appointment. Therefore, ultimately the Chancellor dictates the membership of the MPC. Every month the

MPC meets to discuss what interest rate should be set to achieve the government's inflationary target. Each member has a vote which is recorded in the minutes of the meeting and three weeks following the meeting, the minutes are released.

A study by Hix et al. (2010) used this information to analyse the voting behaviour of MPC members between 1997 and 2008 – a period during which New Labour were in government for the whole duration. Hix et al. applied a method previously utilised by Martin and Quinn (2002) to locate the ideal points of members of the US Supreme Court, to locate the ideal points of MPC members on a 'Dove–Hawk' scale. They found that members of the MPC could be divided into roughly three groups (2010, p.741). The first group were members who engaged in dovish behaviour and tended to vote for cutting interest rates. Another group were more hawkish and tended to vote for raising interest rates. Additionally, there was a group in the middle. This research demonstrated clearly that different members of the MPC have very different views and preferences towards how the economy works and which parts of the economy they favour protecting and promoting.

However, there is also further evidence that demonstrates that the UK government used their power over appointments to ensure that the MPC's membership would lead to monetary policies that were compatible with the overall strategy of New Labour. Using the Hix et al. data, we can identify the mean and median preferences of the MPC in any given year along the 'dove–hawk' scale. This is shown in Figure 10.3, which demonstrates that during New Labour's first term (1997–2001) the MPC became increasingly dovish; however, in their second and third terms (2001–2010) they became increasingly hawkish.
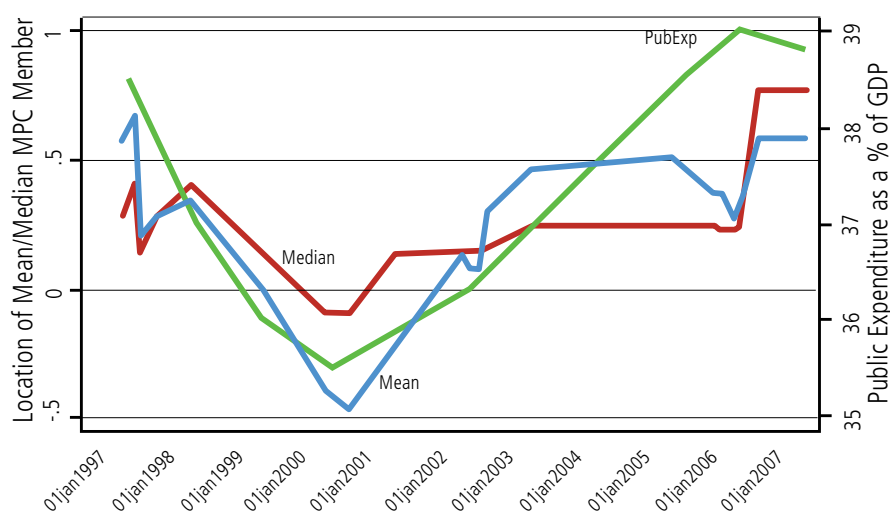
Figure 10.3: Policy location of the Monetary Policy Committee in the Bank of England and the level of UK public expenditure.

This pattern of changing preferences in the MPC matches the needs of the government's public spending policies. When Labour first came to power in 1997 they made a public commitment to stick to the taxation and spending policies set by the previous Conservative administration. These were fairly restrictive measures and it meant that the government was constrained in public spending. Given that public spending was restricted, an alternative method to stimulate growth was to cut interest rates, and therefore a more dovish MPC was desirable from the government's perspective. However, following their election to a second term in office, New Labour were no longer bound by previous taxation and spending

commitments and they subsequently embarked upon the biggest expansion of public spending in the history of the state since the Second World War. However, one danger of increased public spending is rising inflation. Therefore, higher interest rates to control inflationary tendencies became desirable from the government's perspective and, sure enough, the mean and median preferences of the MPC became increasingly hawkish.

This example shows how the Chancellor was able to use his power over appointments to maintain a high degree of influence over the likely ideal preferences of the MPC in order to ensure that this was compatible with his strategy of public expenditure. Of course, it is debatable whether this represents a strong and healthy coordination of policy between elected officials and independent bodies; or whether this merely highlights the limited independence of the Bank of England which some would criticise as more nominal than substantial.

10.5 Conclusion: delegation in a democracy – revisited

This chapter has demonstrated some of the main consequences of delegation to independent institutions by democratic governments. The array of independent institutions is large and increasing. While we primarily examined supreme courts and central banks, other important independent bodies include market regulators, competition authorities, environmental agencies and, in European Union member states, the European Commission. The principal–agent framework provided us with a toolkit to understand the reasons for delegation and the advantages that this brings, both to politicians and the state as a whole. However, it also raised the potential spectre of policy drift and highlighted common methods for dealing with this.

We also saw that independence was best conceived along a continuum rather than in a simple dichotomy. This raises the key question of 'how much independence is it desirable for an institution to have?' In order to truly lock away certain powers from government interference this entails granting a large degree of discretion and independence to the agent. This is often highly desirable when it comes to fundamental laws such as human rights, particularly when it is noted that governments are the main violators of human rights and are responsible for the most deaths of their own citizens around the world (Rummell, 1994). However, the danger is that this creates a powerful independent body that is not accountable to elected officials or any direct representatives of the voters. We have shown repeatedly how independent institutions have their own policy preferences and when they are given enough power they act on these preferences to change policy outcomes in line with their own ideal points and away from those of the elected government. Removing policy outcomes from the whim of the majority is one of the very reasons why delegation occurs; however, it also reduces accountability which surely is also a fundamental right of all voters in a democracy. We leave it to you to decide the normative answer as to which is the best path to choose, but the concepts, ideas and evidence presented in this chapter should help you to formulate a rigorous and considered answer to this dilemma.

10.6 A reminder of your learning outcomes

Having completed this chapter, and the Essential reading and activities, you should be able to:

- evaluate the role of non-elected institutions in liberal democracies

- evaluate the strengths and limitations of the principal–agent framework as a way of understanding delegation to non-elected institutions

- discuss policy drift and methods governments use to control it

- assess critically the role of courts and central banks within the framework of debates around independent institutions.

10.7 Sample examination questions

1. How should judges and central bankers be chosen?

2. Why do some countries have more powerful independent institutions than others? Answer with reference to either courts or central banks.

3. 'Certain policies should be delegated to independent authorities in a democracy.' Discuss.

Notes

Section D: Assessing political outcomes

The final section of the course looks at how political outcomes vary across states and what political factors help to explain this. In **Chapter 11** we look at economic performance and levels of public spending. **Chapter 12** considers why it is so hard to implement global environmental policy and reasons why some states have better environmental performance than others. **Chapter 13** concludes this section by looking at why citizens in some states are more satisfied with democracy than citizens in other states, even when their preferred political party may not be in power.

The common link between all these chapters is that different political outcomes can be understood best as an interaction between actors' behaviour and different institutional arrangements. So by the end of this section you should be able to understand how actors and institutions interact to produce different political outcomes.

Notes

Chapter 11: Economic performance and equality

Aims of the chapter

The aims of this chapter are to:

- introduce some distinctions about how to understand public policies, notably the difference between (pareto-) efficient and redistributive policies

- outline trends in economic performance (growth, inflation, unemployment and public debt) in the last 20 years and examine political explanations for variations in economic performance

- outline different patterns in public spending and inequality and examine political explanations for higher levels of public spending.

Learning outcomes

By the end of this chapter, and having completed the Essential reading and activities, you should be able to:

- describe different policy outcomes, especially in terms of whether they are efficient or redistributive

- explain and evaluate political explanations for variations in economic performance

- explain and evaluate political explanations for variations in public spending and redistribution.

Interactive tasks

1. What have been the levels of economic growth, inflation, unemployment and public debt in your adopted country over the last 10 years? How have politics and political institutions affected these outcomes?

2. What proportion of public spending goes on redistributive policies such as social security or unemployment benefit in your adopted country? How have politics and political institutions affected this level of spending?

3. Would changing the political institutions make a difference to the economic performance and levels of redistribution of your adopted country or are there other factors that are more influential, such as voters' preferences, which parties are in power or the political culture of your adopted country?

Reading

Essential reading

Alesina, A. and E.L. Glaeser *Fighting Poverty in the US and Europe: A World of Difference*. (Oxford: Oxford University Press, 2005) [ISBN 9780199286102] Chapters 2, 4 and 6. (An earlier on-line 'working paper' version of this research is available: Alesina, A., E.L. Glaeser, and B. Sacerdote 'Why doesn't the US have a European Style Welfare System?' *National Bureau of*

Economic Research Working Paper 8524; www.nber.org/papers/w8524.pdf)

Iverson, T. and D. Soskice 'Distribution and Redistribution: The Shadow of the Nineteenth Century', *World Politics* 61(3) 2009, pp.438–86.

Persson, T. And G. Tabellini 'Constitutional Rules and Fiscal Policy Outcomes', *The American Economic Review* 94(1) 2004, pp.25–45.

Further reading

Blais, A., D. Blake and S. Dion 'Do Parties Make a Difference? Parties and the Size of Government in Liberal Democracies', *American Journal of Political Science* 37(1) 1993, pp.40–62.

Ha, E. 'Globalization, Veto Players, and Welfare Spending', *Comparative Political Studies* 41(6) 2008, pp.783–813.

Hall, P.A. and D. Soskice 'An Introduction to Varieties of Capitalism' in Hall, P.A. and D. Soskice (eds) *Varieties of Capitalism. The Institutional Foundations of Comparative Advantage*. (Oxford: Oxford University Press, 2001) [ISBN 9780199247752].

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Boix, C. 'Democracy, Development, and the Public Sector', *American Journal of Political Science* 45(1) 2001, pp.1–17.

Bueno de Mesquita, B., A. Smith, R.M. Stevenson and J.D. Morrow *The Logic of Political Survival.* (Cambridge, Mass.: MIT Press, 2003) and new 2005 edition [ISBN 9780262524407].

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Chang, E.C.C., M.A. Kayser, D.A. Linzer and R. Rogowski *Electoral Systems and the Balance of Consumer-Producer Power.* (Cambridge: Cambridge University Press, c2011) [ISBN 9780521138154].

Musgrave, R. *A Theory of Public Finance. A Study in Public Economy*. (New York, NY: McGraw Hill, 1959) [ISBN 9780070855311].

Persson, T. and G. Tabellini *The Economic Effects of Constitutions*. (Cambridge, Mass.: MIT Press, 2003) [ISBN 9780262661928].

Ram, R. 'Tropics and Economic Development: An empirical investigation', *World Development* 25(9) 1997, pp.1443–52.

Rogowski, R. and M.A. Kayser 'Majoritarian Electoral Systems and Consumer Power: Price-Level Evidence from the OECD Countries', *American Journal of Political Science* 46(3) 2002, pp.526–39.

Ross, M.L. 'Does Oil Hinder Democracy?', *World Politics* 53(3) 2001, pp.325–61.

Przeworski, A., et al. *Democracy and Development. Political Institutions and Well-Being in the World, 1950–1990*. (Cambridge: Cambridge University Press, 2000) [ISBN 9780521793797].

CIA World Factbook; www.cia.gov/library/publications/the-world-factbook/

11.1 Types of economic policies

Governments produce a vast range of different policies (also called 'outputs') to shape society towards what policy makers believe to be a desirable endpoint. For example, governments may produce harsh criminal justice policies with a view to deterring crime in a society or policies that liberalise divorce or gay marriage with a view to tolerating diverse lifestyles in a society. In increasingly complex societies, government outputs have increased and range from policies to ensure the defence of citizens to policies that attempt to contain inflation without increasing unemployment. This chapter is particularly concerned with the economic outputs and policies that governments produce.

Broadly speaking, governments produce two types of economic policies. The first of these we have already encountered in our earlier Chapter 10

on delegation and these cover market regulation policies. These cover competition and free trade policies, technical standards, labour market rules, financial regulation, environmental standards, health and safety standards, and so on.

The second type of policies are public spending policies. Musgrave (1959) argued that all government spending falls into one of three categories.

1. (Efficient) Allocation – this refers to public spending on general public goods which would not be provided at a sufficient level by the market and therefore the government steps in. These generally bring broad benefits to society as a whole and typical examples include national defence, public healthcare or public education.

2. Redistribution – this refers to public spending that deliberately reallocates resources in society, from one group of winners to another, in order to achieve a particular political outcome. This spending does not produce broad benefits for society as a whole, but rather it creates 'winners' and 'losers'. Typical examples include welfare benefits, unemployment benefit, pensions or regional aid policies.

3. Macroeconomic stabilisation – this refers to public spending that attempts to stabilise the economy or create growth. This can either focus on 'demand-side' reforms, such as increased unemployment benefits, or 'supply-side' reforms, such as increased spending on education and training.

As can be seen from Musgrave's typology, political scientists find it useful to think about the impact of economic policies in different ways. Leaving aside macroeconomic stabilisation policies, we can assess the impact of a policy in terms of levels of redistribution (or 'dividing the cake' between all members of society); and in terms of levels of efficiency ('increasing the cake' available for society as a whole). The difference between these two concepts is illustrated in Figure 11.1.
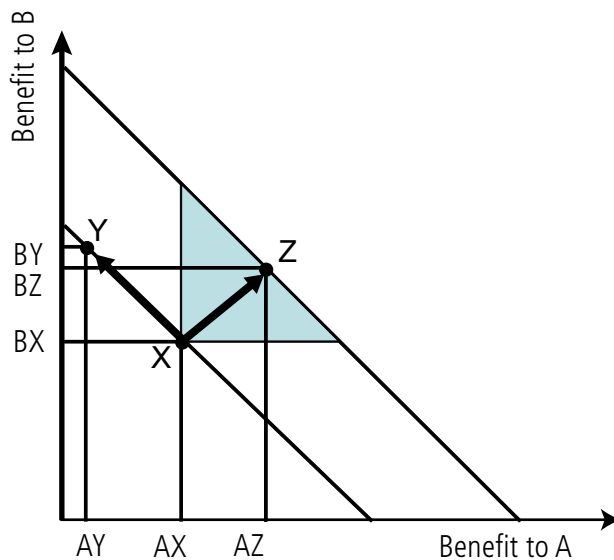
Figure 11.1: Redistributive and efficient policy outcomes.

Looking first at the notion of redistribution, imagine a government with a current policy of X. This gives a benefit the value of which we can call 'AX' to citizens from group A and the value of which we can call 'BX' to citizens from group B. Now imagine that the government changes its policy to the new policy position of Y, which gives the benefits of AY and BY to citizens from groups A and B respectively. AY is clearly less beneficial than AX, while BY is clearly more beneficial than BX. In other words, there has been

a redistribution of wealth and resources away from group A to members of group B.

It would be a mistake to assume that all economic policies produce either winners or losers, but rather some policies try to increase the benefit to everyone in society. Imagine that the government changes its policy to the new position of Z. This increases the benefit to citizens of group A from AX to AZ while the benefit to citizens of group B also increases from BX to BZ.

The difference between redistribution and efficiency lies along a continuum rather than being a single dichotomy, as illustrated in Figure 11.2. Some policies are purely redistributive and take resources from one group and give it to another. Typically examples of highly redistributive policies are welfare benefits which generally transfer resources from the wealthy to lower income groups or industrial subsidies which transfer resources from taxpayers to farmers or industry. Further along the continuum are policies that are still redistributive in nature, but are also somewhat efficient, such as public healthcare. On the one hand publicly funded healthcare entails a clear redistribution from the healthy to the sick or unhealthy. However, on the other hand this redistribution makes everyone better off because there are positive externalities to having a healthy society with provision for care for those who may fall ill. Similar arguments have been made with regard to labour market rules and the protection of workers. While these rules generally entail a redistribution from employers to employees in order to meet the costs of enhanced labour rules, it can also be argued that a society that makes sound provision for workers is better for all.

Purely redistributive outcome	Welfare benefits	Public healthcare	Environmental standards	Free trade	Purely efficient outcome
	Industrial subsidies	Labour market rules	Equality rules	Product standards	
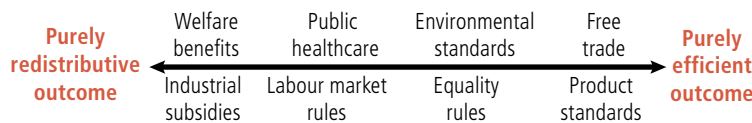
Figure 11.2: A continuum of policy outcomes.

Further along the continuum are policies that are generally efficient but still entail some element of redistribution. One such example is environmental standards. While it is widely accepted that the whole of society benefits from a cleaner environment, if these policies were purely efficient we would probably not see such fierce battles within society over which groups should bear the cost of increased environmental standards. Rather, these policies while benefiting all, also entail some redistribution such as from heavy industry towards consumers of the environment. Finally at the extreme of the continuum are policies that are purely efficient with little or no redistribution. Economists often argue that free trade policies are purely efficient. Many product standards can also be considered highly efficient in nature and, for example, increased standards in the production of children's toys are highly desirable both for parents and for society as a whole, and they entail no real systematic redistribution from one group to another.

The distinction between redistribution and efficiency is an important one for this chapter. Later we will examine which political factors help to explain the amount of redistribution that a government embarks upon through its use of public spending. However before we look at redistribution we wish to examine which political factors help to explain variations in different countries' overall economic performance. Policies to enhance economic performance are more the remit of efficiency than redistribution and these policies attempt to improve the wealth and productivity of society for the benefit of all.

11.2 Patterns of economic performance

In order to assess a country's economic performance we can examine four key indicators.

1. **Gross Domestic Product (GDP) growth** – GDP refers to the total amount of resources that are created in a society in a year and this measure examines how fast this is growing.

2. **Unemployment rates** or what proportion of the workforce is unemployed.

3. **Average inflation rates** – this refers to the rate of the rise or fall in the general level of prices of goods and services.

4. **Gross public debt** (as a percentage of GDP) – this examines how much money a central government owes.

There are a multitude of non-political factors that have a significant bearing upon these indicators. For example, the level of natural resources in a country, its level of economic development, the amount of human capital available, the level of technological development and the degree of free trade all impact upon economic performance. It has even been found that distance from the equator and other geographical factors are correlated with levels of economic growth (Ram, 1997).

We are more interested in the impact of political factors upon economic performance and we are interested in answering two specific questions. When we take into account many of the non-political factors mentioned above ('controlling for these factors'), then we can ask:

1. Do democracies have better levels of economic performance than non-democracies?

2. Do some types of democracies have better levels of economic performance than other types of democracies?

A useful starting point is to compare the economic performance of different countries to understand to what extent this varies.

Beginning with levels of economic growth, using data from the International Monetary Fund (IMF) we can look at levels of accumulated GDP growth during two time periods, 1990–1998 and 1990–2006 for selected countries, as shown in Figure 11.3. This shows some notably high levels of growth in the non-democracies of China and Singapore as well as in the newly emerging democracy of Taiwan. Alongside this there was strong growth in some established democracies such as Ireland and India, while other established democracies had slower levels of growth in comparison, especially in southern Europe and some of western Europe.

Turning next to unemployment rates, using data from the *Central Intelligence Agency (CIA) World Factbook*, Figure 11.4 presents the most recent data available for unemployment in the same set of countries. The non-democracies of China and Singapore perform very well in terms of having low unemployment rates, but it should be noted that some non-democracies not listed in our graph performed very badly, such as Zimbabwe with 95 per cent unemployment or Turkmenistan with 60 per cent. Once again there is wide variation within different types of democracies. South Africa, Spain, Ireland and Greece all had high unemployment levels while other democracies had much lower levels under 5 per cent.

GDP accumulated growth, in percent, constant prices

Source: IMF, World Economic Outlook Database, April 2005
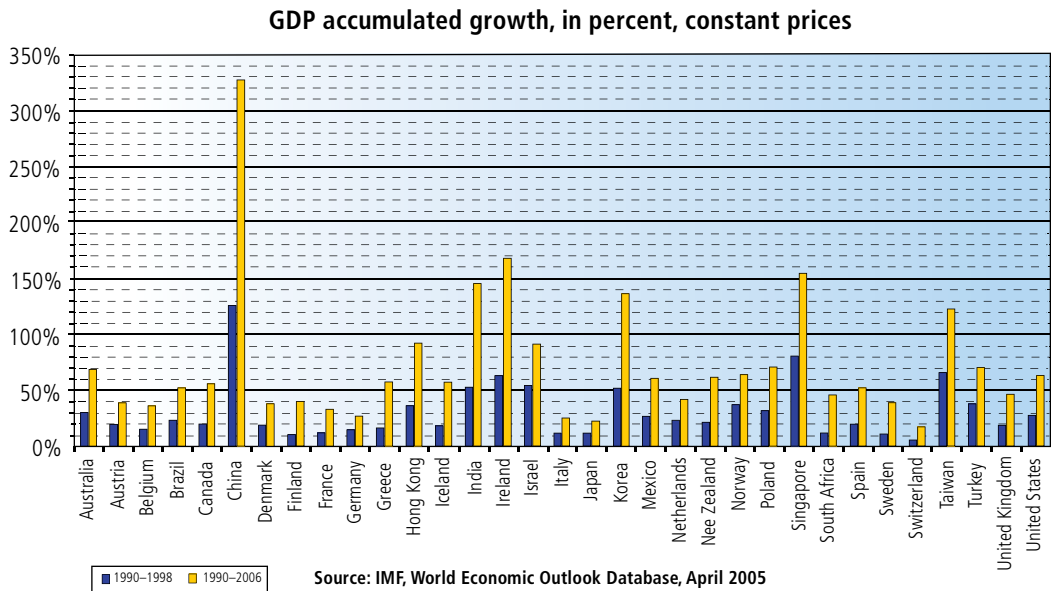
Figure 11.3: Growth rates in select countries, 1990–2006.

Source: CIA World Factbook, accessed September 2011.
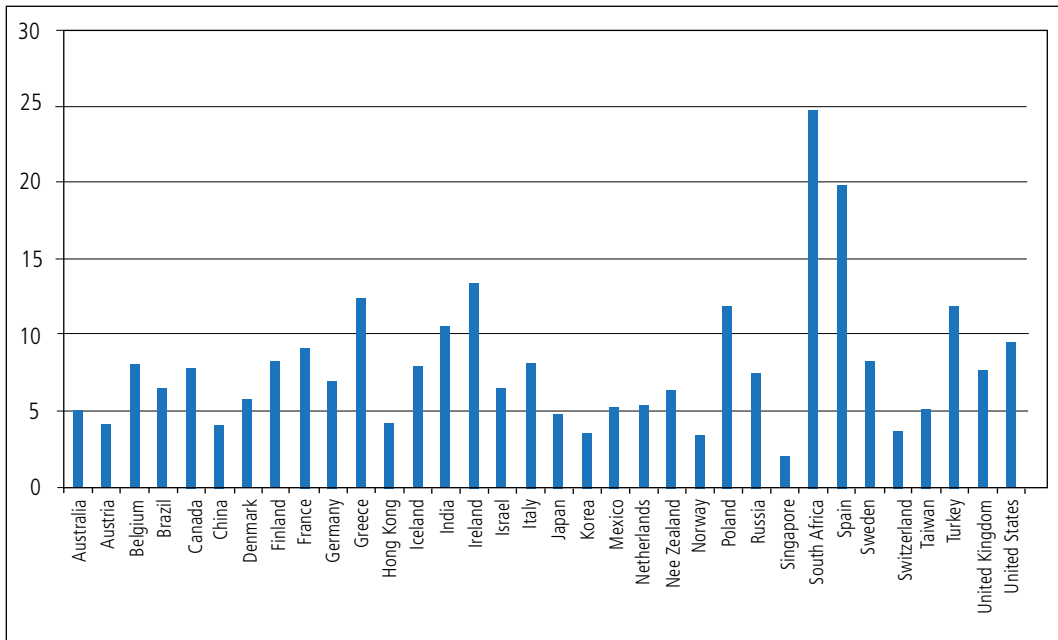
Figure 11.4: Unemployment, in per cent, in select countries.

Source: CIA World Factbook, accessed September 2011.

Turning to inflation and using data taken from the *CIA World Factbook*, Figure 11.5 shows variations both between democracies and non-democracies and between democracies. The non-democracies of China and Singapore outperform many of the democratic countries. Some of the emerging and developing economies have relatively high inflation rates stemming from their current economic booms, such as Brazil, India, Russia and Turkey. Among the more established democracies it is notable that the USA has a lower inflation rate than most countries in Europe and there are even two countries (Japan and Ireland) with negative inflation rates.

Figure 11.6 shows levels of public debt across selected countries, and demonstrates that many democracies now have very high levels of debt. At the extreme end is Japan whose public debt is nearly 200 per cent of its GDP, and other notably high cases include Belgium, Greece, Ireland and Italy. However, it is not exclusively democracies that have high levels of public debt and Singapore also owes over 100 per cent of its GDP.
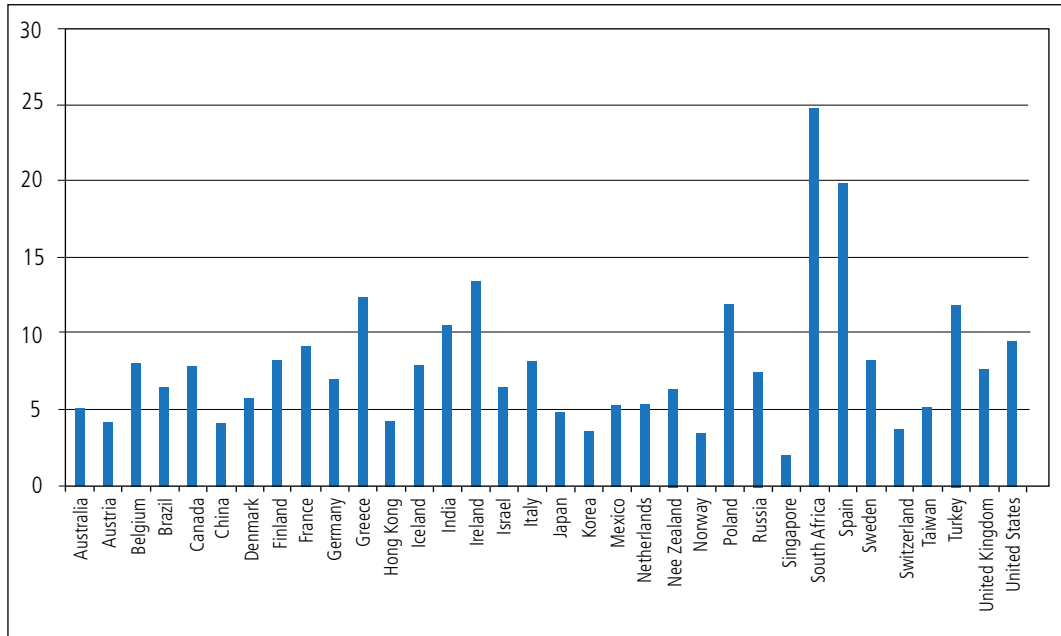
Figure 11.5: Inflation rates (consumer prices) in select countries.

Source: CIA World Factbook, accessed September 2011.

At the other end of the scale, both non-democracies such as China and democracies like Hong Kong, South Korea and New Zealand have low levels of public debt, while Russia owes less than 10 per cent of its GDP!
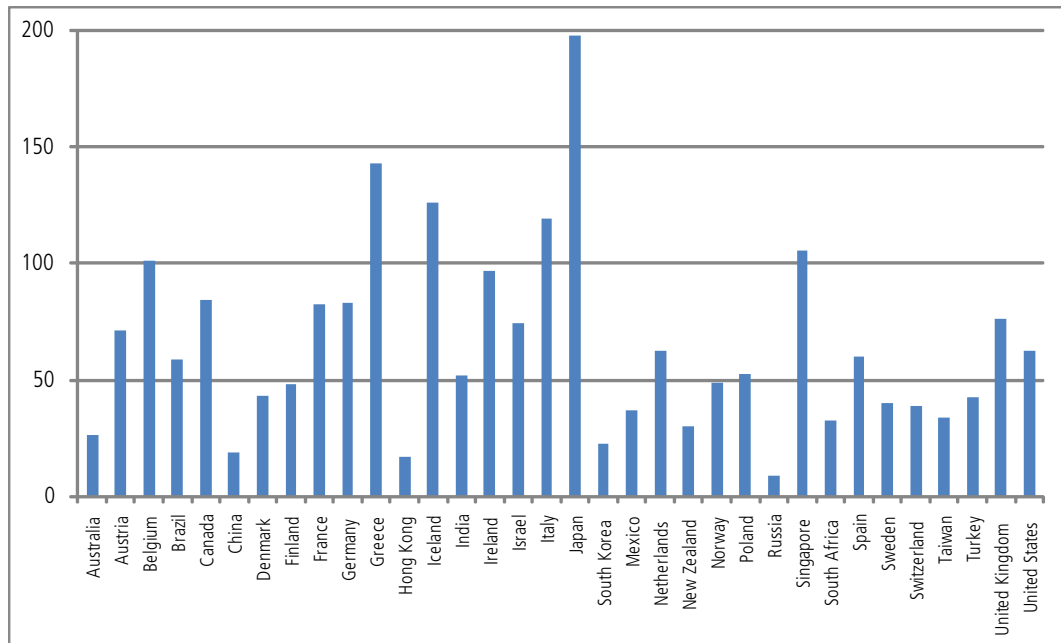

Figure 11.6: Public debt as a percentage of GDP in select countries.

Source: CIA World Factbook, accessed September 2011.

11.3 The politics of economic performance

This cursory review has shown that there is a lot of variance in economic performance, especially within different democratic countries. A range of different political factors has been offered to explain this variance, and we will now look at five of the most important and interesting ones.

The first two explanations allow us to compare if there is any difference between the economic performance of democracies and non-democracies. These are:

1. the impact of democracy and economic growth

2. the 'resource curse'.

The next three explanations allow us to compare differences between different types of democracies. These are:

1. different institutional designs and public debt

2. electoral systems and consumer prices

3. 'varieties of capitalism' and economic performance.

11.3.1 Democracy and economic growth

Adam Przeworski and his colleagues in New York University undertook a very influential study that explored the relationship between democracy and economic growth (Przeworski et al., 2000). At the time of their study there was an extensive debate within political science about whether non-democracy boosted or hindered economic growth compared to democracy. The first set of arguments claimed that non-democracies led to higher levels of growth than democracies, especially in poorer countries. This perspective argued that one consequence of democracy is that it creates politicians with short-term time horizons who cannot think beyond the next election and instead need to focus upon delivering short-term gains in order to get re-elected. What is more, within democracies there are relatively frequent changeovers in power and rapid changes in policies between one electoral cycle and the next. This leads to less investment in the economy because investors fear the short-termism of politicians will hamper the prospects of long-term stability, increasing the risks of investment. Lower investment means lower economic growth. This argument has often been made to explain slower than expected growth rates in the United Kingdom. On the other hand, state capitalism in non-democratic regimes, such as that in China or Singapore, is characterised by political leaders who have long-term horizons and strategically use the state's resources to fulfil their long-term investment plans. One recent example of this is China's decision to build the 'dry canal' railway across Colombia. Upset at what they considered to be overly high costs imposed by the USA upon their use of the Panama Canal for shipping Chinese goods abroad, China instead calculated the investment costs of building a new transportation route and compared them against costs of using the existing Panama Canal and embarked upon a major project of engineering for the sake of long-term economic gains.

Others within political science have argued the complete opposite point of view. This second perspective argues that democracy is primarily concerned with delivering government policies that are accountable to the citizens of a state. Therefore, governments have a major incentive to deliver sound economic policies and good growth if they are to avoid being voted out of elected office. This ensures at least a minimum level of economic performance. Additionally, from this perspective being a non-

democracy is a liability, not an asset. Non-democracies are liable to capture by political elites and can become kleptocracies or *rentier* states (we will explain what a *rentier* state is in Section 11.3.2). Non-democracies allow individuals to amass extensive wealth for their personal gain without having any incentive to invest this in the national economy. Additionally, repression can be used to prevent disquiet at this inequality. Such a situation would clearly lead to less economic growth in non-democracies.

Przeworski et al. (2000) set out to explore which of these two arguments was confirmed by extensive empirical testing. They looked at 141 countries between 1950 and 1990 giving them over 1,700 observations for democratic countries and over 3,000 observations for non-democratic countries. Their study explored multiple ways of measuring the differences between these two regime types and after extensive analysis they came to the conclusion that there was no real difference between whether a country was democratic or not when it came to economic growth. They argued that 'there is no trade-off between democracy and development, not even in poor countries… the entire controversy seems to have been much ado about nothing… In countries with incomes below $3,000, the two regimes have almost identical investment shares, almost identical rates of growth of capital stock and of labor force, the same production function, the same contributions of capital, labor and factor productivity to growth' (2000, p.178). In fact, the only real difference they found was that wealthy non-democracies performed somewhat better than wealthy democracies, which they attributed to non-democracies exploiting cheap and forced labour, not to long-term thinking horizons. They found that 'wealthier dictatorships grow by using a lot of labor and paying it little… because they rely on force to repress workers, they can pay lower wages and use labor inefficiently' (ibid, p.179).

11.3.2 The 'resource curse'

The debate over whether non-democracy positively or negatively impacts upon economic wealth is further complicated by the 'resource curse'. This refers to the idea that countries with large reserves of natural resources may find it harder to democratise than countries without these resources. This is an important issue to take into account because the large variance between levels of economic growth in democracies and non-democracies also correlates with resource wealth or how much of a country's economy derives from oil, gas or other minerals.

Ross (2001) notes that many of the poorest and most troubled states in the world have paradoxically high levels of natural resource wealth. This is especially the case in the oil-rich countries of the Middle East, a set of countries which incidentally Przeworski et al. (2000) excluded entirely from their analysis. This is often explained by thinking of these countries as '*rentier* states'. A **rentier state** is one where the rents (or wealth of a country) are paid by foreign actors, where they accrue directly to the state, and where only a small number of people are engaged in the generation of this rent. Ross identifies two different claims about *rentier* states in the literature. Some authors have claimed that oil rents make states less democratic because large amounts of oil wealth provide a huge incentive for a small ruling elite to resist democratisation and the necessary redistribution of wealth that this would entail. The second set of arguments claim that governments of *rentier* states do a poorer job of promoting economic growth because the guarantee of wealth from natural resources removes the incentive for the government to generate wealth by garnering and promoting investment in the country.

Ross tests these ideas against data from all sovereign states with populations over 100,000 between 1971 and 1997. He finds that oil does indeed impede democracy and in fact oil does greater damage to democracy in poor countries than in rich ones. The more oil a country exported, the less democratic it was and this was the case not just in the Middle Eastern countries but for every country in the world except Norway. He found the same pattern when looking at non-fuel mineral wealth and it was not just oil that impeded democracy.

Additionally, Ross found evidence to explain why resource rich countries are less democratic. Non-democratic governments used resource wealth to fund low taxes and high spending to dampen pressures for democracy. Furthermore, they used resource wealth to build tools of repression such as internal security forces. Finally, resource wealth meant that much of the population did not move into industrial and service sector employment, which as we saw in our earlier chapter on democratisation, was more likely to lead to pushes for democracy.

Arguments concerning the resource curse and *rentier* states are important to keep in mind when attempting to explain the differences between the economic performance of democracies and non-democracies. This perspective argues that wealth from natural resources may restrict the need for public investment and this is what explains the different performance levels between democracies and non-democracies and not necessarily non-democracy *per se*. At the very least, wealth from natural resources increases non-democratic tendencies which in turn reduces the need for economic investment in these countries.

11.3.3 Institutional designs and public debt

Having considered the differences between democracies and non-democracies we now turn to political explanations for variations within different types of democracies. The first such explanation we want to look at comes from the work of Persson and Tabellini (2003) – two prominent economists who wrote a book which challenged many of the traditionally held ideas within political science.

They make two arguments which are of particular relevance to this debate. The first argument is that there is a major difference in accountability between presidential and parliamentary systems. A president is directly elected by the citizens and the branches of a presidential government are characterised by a series of strong checks and balances. The net result is that it is much more difficult for the executive in a presidential system to change policy drastically; and instead presidential regimes tend to be characterised by slow rates of policy change. In contrast, in a parliamentary system if a government comes to power with a majority in the legislature it can act much more freely and with greater scope for significant policy change. Therefore, governments in presidential systems will be less likely to run up high levels of public debt because it is more difficult to introduce policies that increase public spending.

The second argument claims that not all parliamentary systems are alike in their institutional arrangements and this too has an impact on levels of public debt. Recalling our earlier chapter, majoritarian parliamentary systems are characterised by two-party systems with single-party strong governments. Voters reward or punish the single-party government based on their performance accordingly. This ensures a system of government that is highly responsive to citizen's preferences and, according to Persson and Tabellini (2003), citizens will demand prudential levels of debt. So within majoritarian parliamentary systems it is possible to have

rapid policy change, but in order to get elected the government must be responsive to the public and provide sound economic policies. In consensus systems which are characterised by proportional representation (PR) and coalition governments, each party that forms part of the executive may demand to spend money on certain projects, leading to greater overall spending and larger levels of public debt.

Therefore, Persson and Tabellini (2003) have two propositions.

1. Governments in presidential systems should have less public debt.

2. Governments in majoritarian systems should have less public debt.

They tested these ideas on 59 democratic countries between 1960 and 1990, controlling for GDP, civil liberties and political rights, the volume of trade, the age of the democracy, the proportion of the population aged between 15 and 64 and aged over 65, the continent, whether the country has a history as a colony, whether a country was federal, and whether it was a member of the Organisation for Economic Co-operation and Development (OECD).

They found that proportional and presidential systems were likely to have a 2.4 per cent larger surplus than proportional and parliamentary systems. When looking at different types of parliamentary systems they found that majoritarian parliamentary systems were likely to have a 2.8 per cent larger surplus than a proportional parliamentary system. Thus their findings confirmed both their arguments. This led them to conclude that 'a switch from proportional to majoritarian elections reduces overall government spending by almost 5 per cent of GDP, welfare spending by 2–3 per cent of GDP and budget deficits by about 2 per cent of GDP. Advocates in the United Kingdom of the opposite switch, from majoritarian to proportional, should take careful note of these findings' (2003, p.270).

11.3.4 Electoral systems and consumer prices

As we saw at the outset, another important economic indicator is inflation and some scholars have sought to understand the impact of politics upon inflation. Chang et al. (2011, p.1) begin their book on this subject by noting that 'The restaurant meal that would cost $50 in Los Angeles can be had for $15 in Ensenada but will lighten one's wallet by $200 in Tokyo'. They then set themselves the task of understanding how much of this price variation can be explained by political institutions. They acknowledge that there is a whole range of influential factors that shapes different prices, but they specifically focus on political factors.

They too put forward an argument that focuses on differences between electoral systems. They argue that consumers in a society generally desire government regulation that encourages competition between producers and will result in lower prices. However, producers tend to want government regulation that protects their industry and allows them to charge higher prices. Depending on whether a society has a majoritarian or a proportional electoral system will give power either to consumers or producers, thus leading to lower prices or higher prices respectively.

As we saw earlier, a single member district electoral system, in other words a majoritarian electoral system, creates a two-party system where parties will fight to capture the median voter in order to gain election. This ensures that parties are highly responsive to the preferences of the median voter. The median voter acts like a consumer and wants lower prices and cheap goods. However, in proportional electoral systems parties lack the incentive to fight for the median voter and instead they attempt to capture particular sectoral interests. Often these sectoral interests are connected

to producers' interests, such as trade unions or industry. Therefore, in a proportional system political parties commit themselves to regulation that is favourable to producers in order to gain election. In this way, Chang et al. (c2011) and Rogowski and Kayser (2002) argue that consumer prices should be lower in majoritarian electoral systems.

To explore their ideas they look at consumer prices in 23 OECD countries between 1970 and 2000. Specifically, they look at how much prices in each country vary from the cost of goods in the USA in any given year. Their first important finding is that, on average, countries with a proportional electoral system tend to have slightly higher prices than the USA; while countries with single-member districts tend to have prices that are on average the same as the USA. However, it is worth noting that there was a big variance within both sets of countries. Therefore to look at this in more depth, they controlled for a range of variables: namely, the cost of goods in the previous year, GDP, imports as a percentage of GDP, population size, GDP growth rate, the change in exchange rates between each year, and the US inflation rate. After controlling for all these factors they found that countries with single-member district electoral systems, such as Britain, France, Australia, the USA and so on, typically have 1.2 per cent lower prices than those without single-member district electoral systems.

11.3.5 Varieties of capitalism and economic performance

Hall and Soskice (2001), rather than focusing on whether a democracy is presidential or not or proportional or not, have looked at alternative ways of grouping different democracies together in order to explain why they vary in their economic performance. They argue that economic performance is not entirely reducible to political institutions. Rather, an additional important factor is the relationship between politicians and the groups in a society that produce a country's economic wealth, namely business and labour.

They identify two different models of relationships between governments and wealth-producing groups and they argue that these explain variations in economic performance. Countries from the first model are called 'Liberal Market Economies' (LMEs). In LMEs there is only a residual relationship between governments and business/labour interests. As such, there is light regulation of markets and low levels of employment protection which leads to more competitive markets and lower consumer prices. However, it also leads to more short-term investment thinking and higher rates of unemployment. Typical LMEs include Australia, Canada, Ireland, the USA and the UK. Countries from the second model are called 'Command Market Economies' (CMEs). They are characterised by much closer working relationships between government and business/labour interests. There are generally higher levels of market regulation which protects producers and leads to higher prices. However, there are also higher levels of coordinated employment rights and regulation and more coordinated investment in training for workers. Although markets may be less competitive there tend to be more long-term investment strategies. Typical CMEs include Belgium, the Netherlands, Luxembourg, Germany, Scandinavia and Japan.

Hall and Soskice (2001) largely produce descriptive statistics to test their ideas against 17 different countries (6 LMEs and 11 CMEs) between 1985 and 1998. They made three important discoveries: first, CMEs were richer than LMEs; however, second, LMEs tend to have higher growth rates on average compared to their CME counterparts; and third, LMEs had higher unemployment rates than CMEs. In this way, Hall and Soskice offer their own way of grouping and understanding democracies according to their

political culture which they claim in turn explains variations in economic performance.

11.4 Patterns of redistributive public spending

Having examined the politics of economic performance and policies that seek to achieve efficient outcomes, we are specifically going to focus on policies that aim to achieve redistribution. Similarly to the manner in which we approached economic performance, we now seek to identify the political factors that influence the extent of redistributive public spending both between democracies and non-democracies and within different types of democracies.

It is useful to turn once again to some general public spending data to begin our analysis. Figure 11.7 shows data from the OECD on the breakdown of public spending as a proportion of GDP between 2004 and 2007. As can be seen, a significant proportion of public spending goes towards efficient allocation, such as environmental protection, defence, public order, and economic affairs – in other words, spending that hopes to achieve macro-economic stabilisation and economic benefits for all. However, the majority of spending in most countries goes upon policy outputs that are closer to the redistributive end of our spectrum than the efficient allocation end; such as social protection, healthcare, education. Yet within the OECD countries, there is great variance in patterns of spending on redistributive policies. The Scandinavian countries tend to have high levels of public spending, particularly on social protection and welfare activities such as healthcare and education. In contrast, a country like the USA has much lower levels of public spending and a larger proportion is on defence and very little on social protection.
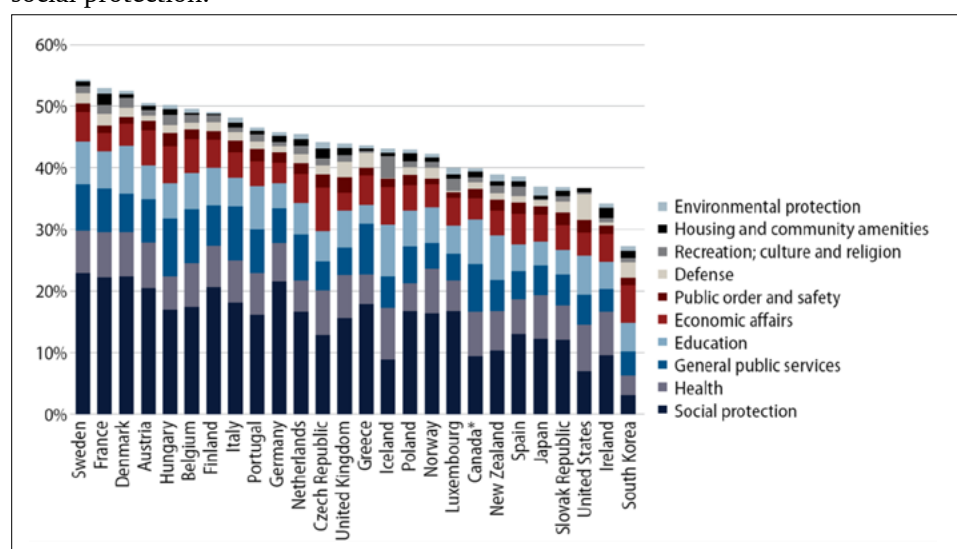
Figure 11.7: Breakdown of public spending in advanced democracies.

Source: OECD, data covers the period 2004–7.

One of the aims of redistributive public spending is to increase equality, so it is worth considering the relationship between public spending and income inequality. The most common way of looking at income inequality is by using the 'Gini coefficient'. This is a statistical measure to examine how skewed a set of values are and we can use this to examine how skewed a country's income or wealth are. A country's Gini coefficient score is a value that fits on a scale from 0 to 1, where 0 means everybody in society has exactly the same wealth/income while 1 means only one person has all the wealth/income.

We have converted data on the most recent available Gini coefficients measuring income inequality to a scale between 0 and 100 and presented this in Figure 11.8 for selected democracies. As can be seen, many developing countries have high levels of income inequality, including South Africa, Brazil, Mexico, Turkey and Russia. However, this is not the exclusive remit of the developing world and countries such as Singapore and the USA also have notably high levels of income inequality. In contrast, the European social democracies have much lower levels with Sweden, Norway and Denmark being at the lower end of the spectrum along with other west and north European democracies. The countries with the highest levels of inequality are not included in our chart but it is worth noting that many African countries have very high levels of income inequality, and Namibia has the highest Gini coefficient in the world at 70.7!
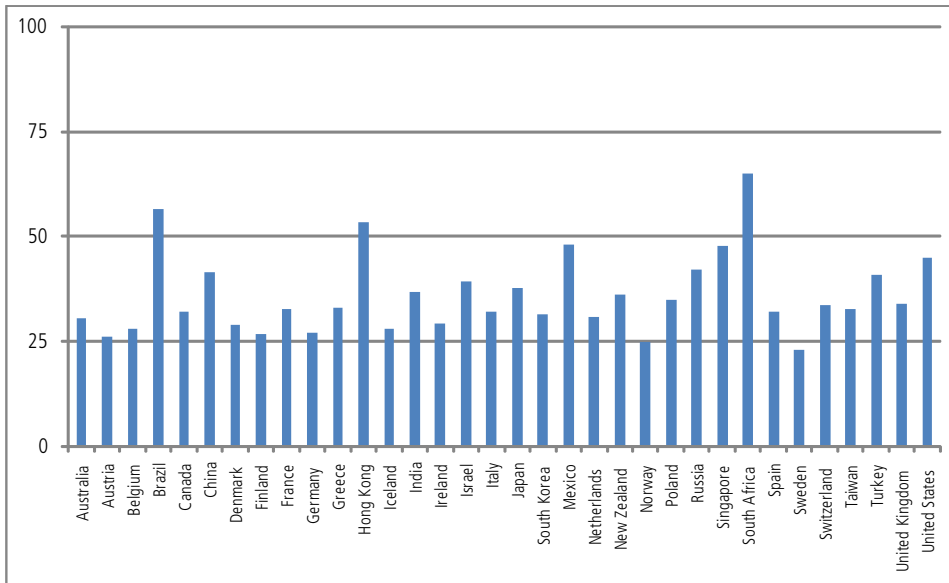
Figure 11.8: Level of inequality (Gini coefficient) in select countries.

Source: CIA World Factbook, accessed September 2011.

Figure 11.9: Social spending and inequality.

There is a strong relationship between overall levels of public spending in a country and levels of inequality. In Figure 11.9 we have plotted a number of countries where the x-axis shows how much a country spends
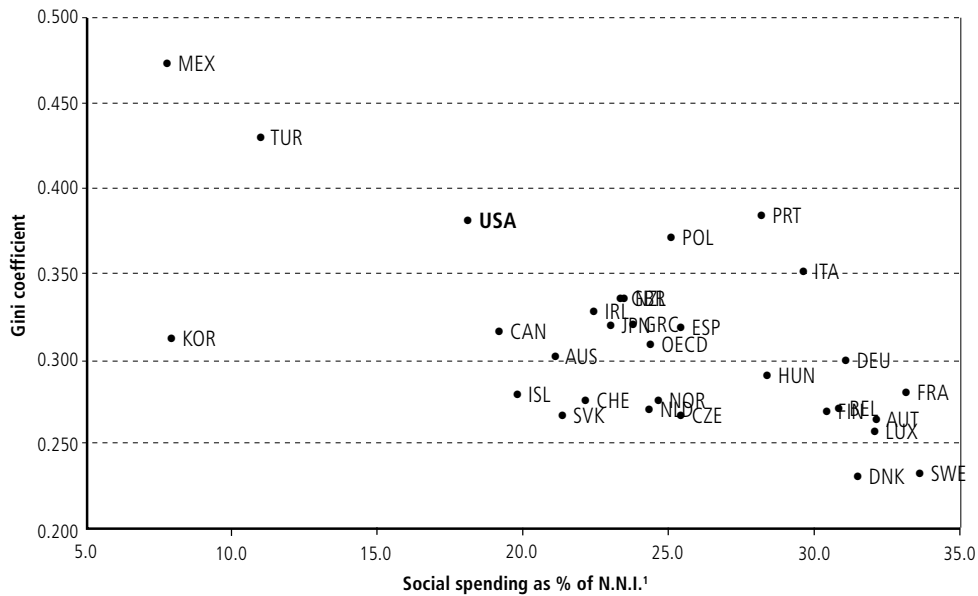
[1] N.N.I. is Net National Income.

as a proportion of GDP while the y-axis shows the level of inequality in a country using the Gini coefficient. The general pattern is that countries with higher levels of public spending also have lower levels of inequality. At the bottom right of our chart are the Scandinavian countries which spend a high proportion of their GDP on public spending and also have some of the lowest Gini coefficients. Meanwhile in the top left of our graph are countries with lower levels of spending but higher levels of inequality, such as Mexico, Turkey and the USA. Korea is a notable outlier spending little but also with a lower than expected level of inequality. Somewhat of an outlier in the opposite direction is Portugal which spends a sizeable proportion of its GDP on public spending but still has somewhat higher than expected levels of inequality. Therefore, this pattern is not universal, but there is a clear and definite trend between increased public spending and lower inequality.

11.5 The politics of public spending

We will look at a number of political explanations for why some countries have higher levels of public spending and lower levels of inequality. The first explanation examines whether democracies redistribute more than non-democracies due to the need to respond to the median voter in a democracy and redistribute.

We also examine four other explanations to understand variations between different types of democracies due to:

- different regime types and public spending
- different electoral systems and public spending
- geographic dispersion, ethnic diversity and redistribution
- left-wing versus right-wing political parties.

11.5.1 Democracy and public spending

A dominant argument in political science is that democracies redistribute more wealth than non-democracies. This is seen as being the case because in a democracy the median voter (or an individual close to the position of the median voter) indirectly shapes the policies that a government must adopt to get elected. In most democracies the median voter is less wealthy than the elite and therefore they will demand a redistribution of income. In contrast, in a non-democracy, the elite are much richer than the median income of the citizenry, but the elite will decide the level of redistribution, not the voting public, and the elites will protect their position of wealth and privilege by limiting redistribution.

However, this picture is additionally complicated by levels of voter turnout. There are large variations in levels of voter turnout in different democracies, but where individuals choose to abstain from voting they typically tend to be from lower income groups. In other words, income correlates highly with turnout and the wealthier a citizen is, the more likely they are to vote. Therefore, if there is a small voter turnout it is more likely that it is wealthy citizens turning out to vote and the income of the median voter will be higher than the income of the median citizen. Likewise, if there is a high turnout this implies that the income of the median voter will be much closer to the income of the median citizen because voting is not just being undertaken by the wealthiest citizens in a country. So the lower the turnout, the less distribution would be expected because wealthier voters will restrict the amount of redistribution that a government undertakes.

Carles Boix (2001) tested these arguments by looking at data from 65 countries between 1950 and 1990. First, he found that in both democracies and non-democracies, wealthier countries had a larger proportion of their economy in the public sector. In other words, richer governments undertook more public spending than poor governments. Second, he found no great differences in levels of spending between democracies and non-democracies with low levels of GDP; however, democratic countries with medium and high GDPs had a much larger proportion of their economies in the public sector than non-democracies with medium and high levels of GDP. Past a certain wealth threshold, democracies undertook more public expenditure than non-democracies. Third, Boix found that turnout rates were important within democracies. As expected, he found that democracies with high turnout rates had a much larger public sector and undertook more public spending than democracies with a lower turnout.

The empirical evidence strongly supports the arguments that democracies redistribute more wealth through public spending than non-democracies, but we must remember that within democracies voter turnout rates will influence just how much redistribution is actually undertaken.

11.5.2 Regime type and public spending

We will now turn to explanations for why some democracies redistribute more wealth than other democracies and once again many of these explanations focus on the different institutional arrangements within each democracy. One such argument claims that presidential systems have lower levels of public spending than parliamentary systems and therefore they redistribute less. This argument begins with the idea that at the start of the twentieth century all democracies had a similar small-sized public sector. However in the 1930s two major exogenous shocks hit the world's democracies in the form of the Great Depression and the Second World War. These events are seen as the starting point at which different types of democracies began to diverge in terms of the size of their public sector. In the immediate post-war aftermath, both in the USA and in Europe there was rising pressure from citizens for more comprehensive and larger welfare states in the form of social security, universal healthcare and universal education. Harry S. Truman in the USA was elected with a similar level of support as many of the post-war European social democratic countries and they had similar policy programmes for expanding the welfare state. However, Truman was only able to implement a limited proportion of his welfare and redistribution proposals while many of the European parliamentary systems were able to introduce much more extensive welfare expansion programmes.

The US presidential system with its larger number of veto players made significant policy change much more difficult to achieve. This was further compounded by the fact that the centre-left failed to act as a coherent party, a fact which is also partly attributable to the nature of the presidential regime. In contrast, social democratic governments in the European parliamentary systems that commanded a majority in the legislature were much more able to act decisively and introduce significant legislation. Additionally, the nature of whipping within parliamentary systems ensured that parties acted more cohesively in order to push through legislation to expand the welfare state. The overall implication of this argument is that presidential systems should have lower levels of public spending than parliamentary systems.

We can return to Persson and Tabellini (2003), whose work we discussed earlier, to test this claim. They looked at average government spending in 80 countries throughout the whole of the 1990s. They found that a proportional and presidential system spent 7 per cent less than a proportional and parliamentary system. They also found that a majoritarian and presidential system spent over 10 per cent less than a proportional and parliamentary system. This indicates that regime type is indeed important in explaining public spending and thus redistribution. Furthermore, it also indicates that electoral systems are important – an issue to which we now turn.

11.5.3 Electoral systems and public spending

There are two different sets of arguments when it comes to electoral systems. Both of these claim that countries with majoritarian electoral systems will have lower levels of public spending, but they do so in different ways.

The first of these explanations also comes from the work of Persson and Tabellini (2003). Similar to their earlier argument, Persson and Tabellini note that majoritarian electoral systems are more likely to produce single-party governments which need to deliver policies close to the median voter in order to gain and maintain power. Proportional electoral systems, on the other hand, produce coalition governments which contain a range of parties with different spending priorities and all of which have to be met in order to hold the coalition in place. This will lead to higher levels of public spending in countries with proportional electoral systems than in countries with majoritarian electoral systems. The main limitation to this explanation is that Persson and Tabellini do not entertain the idea that the median voter in a majoritarian society may wish for higher levels of public spending and there is nothing intrinsic about the median voter that automatically implies they would prefer a government with low levels of public spending.

Alternative explanations also view electoral systems as influential in levels of public spending but from a different perspective. Scholars such as Iverson and Soskice (2009) and Chang (2008) argue that majoritarian electoral systems render it difficult for left-wing parties to gain power without compromising their policy platforms. Support for left-wing parties tends to be heavily concentrated in urban areas rather than dispersed evenly throughout a country. This means that it is unlikely that a left-wing party would gain enough widespread support to gain office under a majoritarian system without appealing beyond their core voters to more middle class voters. This makes it necessary for left-wing parties to compromise on their policy proposals and advocate less redistribution through public spending. Proportional electoral systems, however, allow left-wing parties to gain office through coalition governments without having to compromise their policy platforms as much. Social democratic parties can run for office on more strongly left-wing policy platforms and use their vote share to gain office, typically with other left-wing parties or more centrist liberal parties. Therefore, social democratic governments under proportional electoral systems can be more strongly committed to traditional left-wing policies of redistribution through public spending than under majoritarian systems.

Whether testing Persson and Tabellini's argument or Iverson and Soskice's argument, both predict the same observation – higher levels of government spending in proportional rather than majoritarian systems. Persson and Tabellini's data on average government spending

in 80 countries throughout the 1990s found that a majoritarian and parliamentary system spent 7 per cent less on public spending than a proportional and parliamentary system. Iverson and Soskice made a similar discovery. They looked at levels of public spending in four majoritarian countries and compared this to spending in 11 proportional countries. They also examined the case of France which switched between the two systems. They found that up until the 1930s there were broadly similar patterns of low public spending in both types of system. Starting in the 1940s and right up until the present day, public spending has risen in both proportional and majoritarian systems. However, it has risen significantly faster in proportional democracies than in majoritarian ones. Reinforcing this trend was the case of France which increased its public spending more rapidly as a proportional democracy than when it switched to a majoritarian one.

11.5.4 Geographic dispersion and ethnic diversity

Alesina and Glaeser (2005) undertook a study that tried to explain why there are extensive welfare states in many European countries but a much smaller and more minimalist welfare state in the USA. Not only do they make an institutional argument about the nature of presidential systems much as we have just examined, but they also offer two other important explanations.

First, they note the importance of geographic dispersion. They argue that countries with a low population density typically have much weaker trade unions due to the difficultly in organising labour in a coordinated fashion when it is spread over a larger area. Additionally, in the USA the capital city, Washington DC, is not the largest city in the country and it is far away from many of the larger industrial centres. This is important because when trade unions organise strikes or protests, they are typically held in cities far away from the centres of political decision-making and this weakens the impact of the strikes. For example, Washington DC was somewhat insulated from the series of strikes in Chicago in the 1930s and the subsequent nationwide waves of strikes in 1946 across the urban centres of the country. This can be contrasted with the general strike in Paris in 1968 that included over 10 million French workers. The net effect is a higher level of welfare spending in countries where the capital city is the biggest city and where there is a concentration of organised labour resulting in stronger and more influential trade unions.

Alesina and Glaeser's second explanation focuses on the level of ethno-linguistic diversity and it proves a more controversial argument. They claim that in order to have a welfare state that redistributes a large amount of wealth it is necessary to have a high degree of social and national solidarity. A cohesive and homogeneous national identity can be an important justification to persuade wealthy groups to redistribute resources to lower income groups. However, in a country with higher levels of diversity, transfers of wealth are harder to justify because a population may see some ethnic or linguistic groups in a less favourable light than others and a 'them' and 'us' mentality can inhibit large-scale redistribution.

Using a racial fractionalisation index, Alesina and Glaeser showed that countries with a greater degree of racial diversity had lower levels of public spending than countries which were more racially homogeneous. This pattern was somewhat repeated when they examined linguistic diversity, but Belgium was an exceptional case of a highly linguistically diverse country with a generous welfare state. A challenge to these

findings is that more diverse countries tended to have lower levels of wealth overall and this may have inhibited the size of the welfare state. However, even when controlling for wealth they found the same pattern: racially homogeneous countries, such as Scandinavia and much of Europe, had higher levels of welfare spending than more racially diverse countries such as the USA and Canada.

11.5.5 Political parties

The relevance of political parties has also formed a significant part of the debate. There are two opposing sides when it comes to assessing the relevance of political parties to levels of public expenditure. Some scholars have argued that parties matter when it comes to public spending. This viewpoint believes that different parties represent particular electoral interests with different public spending preferences. Parties that represent lower socio-economic groups and working class groups are generally socialist or social democratic in their outlook and will argue for high levels of public spending and redistribution. Parties that represent middle and upper income groups tend to be more liberal or conservative in their outlook and argue for low levels of public spending. According to the 'parties matter' perspective, if left-wing parties are in power there will be higher levels of public spending.

Other scholars have challenged the claim that parties make a difference to levels of spending. This viewpoint adopts the Downsian belief that in order to get elected parties must converge on the median voter. Therefore regardless of whether a left-wing party or a right-wing party are in power, this will have little impact on spending policies. Rather the preferences of the voters will dictate levels of spending and parties must respond to these preferences rather than to their own ideological beliefs.

Blais et al. (1993) tested these two propositions against data from 15 democracies between 1960 and 1987. They coded each government as having either a left-wing majority or a right-wing majority. They found that governments with a left-wing majority spent about 7 per cent more than governments with a right-wing majority. As they found that average government spending during this time in the 15 democracies was 33 per cent of GDP, this amounted to left-wing parties spending on average 2 per cent more of GDP. Therefore, Blais et al. indicate that parties do make a difference, albeit a relatively modest one.

11.6 Conclusion

'Institutions matter', not just for politics and policy-making, but also in terms of what policies governments produce. We have shown extensive evidence for how different institutional arrangements have an important impact on the range of economic outputs that governments produce.

There is some evidence that democracies are slightly better than non-democracies at producing higher levels of economic growth, but non-democracies with high levels of resource wealth also produce growth and high incomes. However, in non-democracies this wealth is often concentrated in the hands of a very small elite and there is much stronger evidence that democracies redistribute more wealth than non-democracies.

When looking at different types of democracies, the evidence indicates that majoritarian parliamentary democracies (democracies with majoritarian electoral systems and single-party governments) tend to be better at producing economic growth; but consensus parliamentary democracies (democracies with proportional electoral systems and coalition

governments) tend to be better at producing equality. Presidential systems, meanwhile, tend to have lower levels of debt and therefore less public spending and equality than parliamentary systems.

A final important issue to consider in this debate is that institutional designs are endogenous to voters' preferences and a country's social structure. In other words, majoritarian systems do indeed lead to less redistribution, but maybe the citizens of a country chose to design their institutions in a majoritarian way because they wanted less redistribution. It is a similar case with a country's social structure. Iverson and Soskice (2009) show how the existence of a guild system of labour in the late nineteenth and early twentieth centuries led to greater coordination between labour and employers. This was further reinforced by the design of proportional electoral systems with the extension of the voting franchise in the 1920s. Proportional electoral systems then led to more coordination between business and labour, which resulted in a CME model emerging, which led to more redistribution. In other words, coordination between business and labour under the guild system led to proportional representation which led to more coordination between business and labour in the industrial and post-industrial ages. Chang et al. (c2011) make a similar argument about the endogeneity of institutions. Proportional electoral systems lead to higher turnouts, which leads to more redistribution and then countries with a greater degree of socio-economic equality tend to choose proportional electoral systems as these are seen as delivering greater fairness than majoritarian systems.

Overall, we can say that institutions have a clear impact upon the socio-economic structure of a country in terms of the country's economic performance and levels of redistribution. But institutions do not emerge in a vacuum. Rather, the type of institutions that exist in a country depend upon the socio-economic structure and preferences of the country.

11.7 A reminder of your learning outcomes

Having completed this chapter, and the Essential reading and activities, you should be able to:

- describe different policy outcomes, especially in terms of whether they are efficient or redistributive
- explain and evaluate political explanations for variations in economic performance
- explain and evaluate political explanations for variations in public spending and redistribution.

11.8 Sample examination questions

1. 'Economic policies are better in democracies than in non-democracies.' Discuss.

2. Why are some democracies more able to control their public debt than others?

3. Why do some democracies redistribute more from rich to poor than others?

Chapter 12: Protecting the environment

Aims of the chapter

The aims of this chapter are to:

- present evidence of climate change and the failure of intergovernmental efforts to tackle this through the Kyoto Protocol
- give an overview of the types of environmental policies that governments pursue
- discuss different political factors that influence whether a government will pursue a strong degree of environmental protection or not.

Learning outcomes

By the end of this chapter, and having completed the Essential reading and activities, you should be able to:

- explain why environmental policy is becoming increasingly important
- evaluate debates about whether the 'tragedy of the commons' can be overcome and, if so, how it can be overcome
- assess critically the importance of political factors in shaping environmental policy.

Interactive tasks

1. Does your adopted country have a relatively good or bad record on environmental protection? Consult indexes such as Yale's Environmental Protection Index to help answer this: http://epi.yale.edu

2. What political factors explain your adopted country's record?

3. Is coordinated global action to tackle climate change possible? Justify your answer.

Reading

Essential reading

Neumayer, E. 'Are left-wing party strength and corporatism good for the environment? Evidence from panel analysis of air pollution in OECD countries', *Ecological Economics* 45(2) 2003, pp.203–20.

Ostrom, E., J. Burger, C.B. Field, R.B Norgaard and D. Policansky 'Revisiting the Commons: Local Lessons, Global Challenges', *Science* 284(5412) 1999, pp.278–82.

'Climate change', http://en.wikipedia.org/wiki/Climate_change

Further reading

Neumayer, E. 'Do Democracies Exhibit Stronger International Environmental Commitment? A Cross-Country Analysis', *Journal of Peace Research* 39(2) 2002, pp.139–64.

Scruggs L. *Sustaining Abundance: Environmental Performance in Industrial Democracies.* (Cambridge: Cambridge University Press, 2003) [ISBN 9780521016926] Chapter 4.

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12.1 Introduction

Protecting the environment has become increasingly important in the last 40 years. This is largely due to detrimental changes in the global climate which most scientists, national governments and international organisations believe are caused by human activity. As such, tackling climate change means introducing environmental protection policies which limit the activities of many governments and businesses. It also requires cooperation on a vast intergovernmental level between many countries with very different and sometimes conflicting strategic interests. Environmental protection is about power relations between governments and power relations between different sections of society, such as public interests versus private interests. These power struggles form the basis of the politics of environmental protection and this has risen to be a highly significant area of concern to political scientists.

In advanced democracies in the developed world, rising post-materialism has led to an increasing role for environmentalism in the preferences of voters. Alongside this has come the emergence of Green Parties across many countries, and in places such as Sweden and Germany, Green parties have held executive office. There has also been a steady rise in the profile of the environmental portfolio within governments. Environmental policies, such as carbon taxes and public investment in renewable energy, as well as intergovernmental initiatives like the Kyoto Protocol, are important indicators for many voters when choosing for whom to vote. Environmentalism is not purely the concern of democracies either, with countries such as China, Iran and North Korea all professing to support greater cooperation for the sake of environmental protection.

Yet in spite of a global consensus around the need to tackle climate change and a seeming strong political will to do so, very little significant action

has actually been undertaken. Environmental policies, especially at the intergovernmental level, are notoriously difficult to implement thus largely reducing much of the political will to tackle climate change merely to the level of rhetoric.

This chapter investigates why exactly environmental policies are difficult to implement and what are the politics behind climate change. We focus on the 'tragedy of the commons' which argues that common resources, such as the environment, will generally be overused. Next we look at arguments that say that the only way to overcome the overuse of environmental resources is by devolving management of these resources to innovative local communities and keeping them free of government intervention or regulation through the private market. However, we show that it is not inevitable that the market leads to harmful environmental outcomes. Additionally, for many, government action is crucial in tackling global problems such as climate change. Therefore, we also look at different institutional factors that make it more or less likely that a government will pass strong environmental protection legislation, examining the importance of voters' preferences, the role of Green parties and the role of corporatism. However, we begin by reviewing evidence behind the climate change debate so as to establish the nature of the problem that has caused so much consternation in recent times.

12.2 Evidence of climate change

The Intergovernmental Panel on Climate Change (IPCC), an organisation established in the late 1980s by the United Nations, defines climate change as 'a change in the state of the climate that can be identified by changes in the mean and/or variability of its properties, and that persists for an extended period, typically decades or longer' (IPCC, 2007, p.30). The United Nations Framework Convention on Climate Change (UNFCCC) has a similar definition, but they specify that it only refers to changes in climate that are directly or indirectly attributable to human activity.

Much of the controversy surrounding climate change centres on the severity of climate change and whether climate change can be attributed to human activity. Therefore before discussing the politics of environmental protection, it is worth briefly surveying the evidence of climate change and establishing whether there is a general consensus about the role of human activity in causing this. The amount of potential evidence is vast and so we are going to restrict ourselves to three of the main indicators discussed in this debate: carbon dioxide (CO_2) emissions, global temperature rises and glacial melting.

CO_2 emissions are currently at the highest levels they have been in 650,000 years. Although there have previously been cycles of rises and falls in levels of CO_2, in 1950 CO_2 emissions went beyond 300 parts per million for the first time. Of course, much CO_2 production is as a result of natural processes, but a significant proportion is from human activity (how significant is human activity is of course to some extent still debated). The heat trapping nature of CO_2 and other gases is beyond dispute and this has manifested itself in rising global surface temperature. In 2007, the IPCC noted that 11 of the last 12 years rank among the warmest years since 1850. This is the culmination of a steady trend since the start of the twentieth century during which period temperatures rose nearly twice as much as they did in the nineteenth century. In fact, the IPCC states that average temperatures in the Northern hemisphere in the last 50 years were likely to be the highest in at least the past 1,300 years.

There has also been a change in sea ice levels, especially in the more populous Northern hemisphere. Data from the World Glacier Monitoring Service indicates strong ice loss starting as early as the 1940s and 1950s. The level of ice loss decreased slightly in the 1960s and 1970s before accelerating again until the present day. Overall, there has been an average thickness loss across 30 'reference' glaciers (key glaciers used as guides to overall global trends or glaciers that are particularly important) of over 20 metres' water equivalent between 1946 and 2006 (Zemp et al., 2009). However, the data is somewhat more equivocal than the global temperature data. Sea ice data tends to over-rely on observations from the Northern hemisphere (which is more populated) while Antarctic sea ice shows variability but with no strong or consistent trend towards a thinning of sea ice over the decades. Having said that, the IPCC still finds evidence that 'changes in the ocean and on land, including observed decreases in snow cover and Northern Hemisphere sea ice extent, thinner sea ice, shorter freezing seasons of lake and river ice, glacier melt, decreases in permafrost extent, increases in soil temperatures and borehole temperature profiles, and sea level rises, provide additional evidence that the world is warming' (IPCC, 2007, p.33).

Combined, this evidence indicates that in the last century or half century, CO_2 emissions have increased to hitherto unseen levels, resulting in rising temperatures, melting ice caps, rising sea levels and other changes to the world's environment. In general, there is an ever increasing consensus at the scientific level that human activity plays a role in climate change and the dissenting viewpoint is now considered less well established and argued (Anderegg et al., 2010). Rapid population growth and the industrial and post-industrial eras and their accompanying technological developments are attributed as in part causing the rise in CO_2. Today there are very few groups who dispute these claims and the vast majority of major scientific research groups in all the world's major nation-states endorse this view. This has led to a corresponding acceptance at the political level.

Although small in number, critics of the climate change as a result of human activity orthodoxy have been very vocal. This viewpoint typically argues that climate change fluctuations are cyclical throughout the earth's history and recent temperature rises merely indicate that we are somewhere near the top of this natural cycle rather than seeing it as deriving from increased human activity. Others remain non-committal on the issue, declaring there to be too little evidence to draw a definitive conclusion. One of the more prominent dissenters was the American Association of Petroleum Geologists, although less sectional organisations are also non-committal, as well as some individual researchers and scientists. One of the United Kingdom's more colourful critics of those who believe that human activity plays a role in climate change is the journalist James Delingpole, who refers scathingly to such a view as 'the Warmist faith'. He recently lamented: 'the Warmist faith so fervently held and promulgated by the Met Office is exactly the same faith so passionately, unswervingly followed by David Cameron… and all but five members of the last parliament. And also by the BBC, the Prince of Wales, almost every national newspaper, the European Union, the Royal Society, the New York Times, CNBC, the Obama administration, the Australian and New Zealand governments, your children's schools, our major universities, our minor universities, the University of East Anglia, your local council… Truly there just aren't enough bullets!' (*Daily Telegraph*, 22 December 2010).

However, as noted, in spite of the high profile of dissenting views, it is now possible to speak of a scientific and political broad consensus that human activity causes climate change and that this needs to be addressed.

12.3 International and national environmental policy

To highlight the range of countries that needs to be included in any efforts to develop policies to tackle climate change deriving from human activity, Table 12.1 presents the world's 10 biggest emitters of CO_2. This list is dominated by the developed world and the world's largest developing countries. China, the USA and the 27 European Union member states account for over 50 per cent of the world's CO_2 emissions, while the other major developing nations of India and Russia are also large emitters. Nonetheless, we have also included each country's ranking when we work this out on a per capita basis, and this shows that the developed world are much greater emitters than the likes of China and India with their much larger populations. In fact, when we look at it on a per capita basis, Qatar is the worst offender even though it only emits 0.23 per cent of the world's CO_2, in part as a result of its very small population (approximately 1.7 million in 2010), indicating that perhaps we need to be tentative about reading too much into the per capita rankings.

2008 Rank	Country	2008 CO_2 emissions (1000s metric tonnes)	% of Global Total	2008 Rank of CO_2 emissions per capita
1.	China	7,031,916	23.3	78
2.	United States	5,461,014	18.1	12
3.	European Union	4,177,818	14.0	-
4.	India	1,742,698	5.8	145
5.	Russia	1,708,653	5.7	23
6.	Japan	1,208,163	4.0	38
7.	Germany	786,660	2.6	37
8.	Canada	544,091	1.8	15
9.	Iran	538,404	1.8	54
10.	United Kingdom	522,856	1.7	43

Table 12.1: Top ten CO_2 emitters.

Source: Millennium Development Goals Indicators, 2008.

Table 12.1 clearly demonstrates the range of countries whose cooperation and agreement is required in order to implement policies to reduce CO_2 emissions. This is part of the problem in promoting environmental protection – convincing a diverse body of countries such as China, the USA, Germany and Iran that it is in all their shared interests to endorse the same policy for the greater good of the world is hugely challenging (we will explore precisely why this is so challenging in the next section).

Significant international action to tackle climate change based around intergovernmental cooperation began to take shape with two major developments in 1988. First, the Toronto Conference was held, which acknowledged the role of human activity in contributing to climate change and placed the emphasis for tackling this upon the world's developed nations, recommending that they cut their CO_2 emissions to 20 per cent below 1988 levels by 2005. Second, the IPCC was established and it was mandated with reporting to governments on the state of knowledge about climate change every five years. Another significant development was the

UNFCCC, which emanated from the 'Earth Summit' held in 1992. This treaty further reinforced the emerging orthodoxy about tackling climate change. Again it provided intergovernmental acknowledgement of the role of human activity. Furthermore, the strategy to tackle this was enshrined through the notion of 'common but differential responsibilities' for the world's countries. Industrialised countries were tasked with reducing emissions and additionally these industrialised countries along with some other developed countries were tasked with paying costs to help the developing world to reduce emissions too.

By far the most high profile effort to date to tackle climate change was the Kyoto Protocol, which emerged out of the UNFCCC. The Kyoto Protocol was initially adopted in 1997 and it aimed to reduce the level of six greenhouse gases in the atmosphere through a series of flexible mechanisms, such as carbon trading. It introduced binding targets for industrial countries to reduce their emissions by a total of 5.2 per cent below 1990 levels by 2012. Alongside this, and building on the earlier notion of common but differentiated responsibilities, no targets were set for developing countries such as China and India, while some countries, such as Russia and Turkey, were set a target of a 0 per cent increase rather than a cut.

Signed with binding commitment
Austria, Australia, Belarus, Belgium, Bulgaria, Canada, Croatia, Czech Republic, Denmark, Estonia, European Union, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Kazakhstan, Latvia, Lichtenstein, Lithuania, Luxembourg, Monaco, New Zealand, Netherlands, Norway, Poland, Portugal, Romania, Russia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom
Signed, and no binding commitment requested due to developing status
Albania, Algeria, Angola, Antigua and Barbuda, Argentina, Armenia, Azerbaijan, Bahamas, Bahrain, Bangladesh, Barbados, Belize, Benin, Bhutan, Bolivia, Bosnia and Herzegovina, Botswana, Brazil, Brunei, Burkina Faso, Burundi, Cambodia, Cameroon, Cape Verde, Central African Republic, Chad, Chile, China, Colombia, Comoros, Cook Islands, Costa Rica, Cote d'Ivoire, Cuba, Cyprus, Democratic Republic of Congo, Djibouti, Dominica, Dominican Republic, Ecuador, Egypt, El Salvador, Equatorial Guinea, Eritrea, Ethiopia, Federated States of Micronesia, Fiji, Gabon, Gambia, Georgia, Ghana, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, India, Indonesia, Iran, Iraq, Israel, Jamaica, Jordan, Kenya, Kiribati, Kuwait, Kyrgyzstan, Laos, Lebanon, Lesotho, Liberia, Libya, Macedonia, Madagascar, Malawi, Malaysia, Maldives, Mali, Malta, Marshall Islands, Mauritania, Mauritius, Mexico, Moldova, Mongolia, Montenegro, Morocco, Mozambique, Myanmar, Namibia, Nauru, Nepal, Nicaragua, Niger, Nigeria, Niue, North Korea, Oman, Pakistan, Palau, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Qatar, Republic of the Congo, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, San Marino, Sao Tome and Principe, Saudi Arabia, Senegal, Serbia, Sierra Leone, Singapore, Solomon Islands, Somalia, South Africa, South Korea, Sudan, Suriname, Swaziland, Seychelles, Syria, Tajikistan, Tanzania, Thailand, Timor-Leste, Togo, Tonga, Trinidad and Tobago, Tunisia, Turkmenistan, Tuvalu, Uganda, United Arab Emirates, Uruguay, Uzbekistan, Vanuatu, Venezuela, Vietnam, Yemen, Zambia, Zimbabwe
Signed and refused request for binding commitment
United States of America

Table 12.2: List of signatories of the Kyoto Protocol, as at September 2011.

The Kyoto Protocol was a landmark agreement that achieved some important outcomes. To date, 191 countries have signed the Kyoto Protocol, demonstrating a widespread commitment to its principles, as Table 12.2 shows. Binding targets were set for some of the most

industrialised countries and a framework for tackling climate change was institutionalised.

Yet for many commentators and analysts, the number of signatories merely masks the wider failure of the Kyoto Protocol to achieve any significant change. Only 39 countries signed binding targets, and some countries such as Spain and Canada will fail to hit their targets. What is more, while 39 out of the 40 industrialised countries have endorsed this approach, the USA has refused to ratify the Protocol or establish a binding commitment. This is important because the USA is the world's second biggest emitter. This is alongside the fact mentioned earlier that countries like China and India were not set targets and other countries such as Russia and Turkey only agreed to no increase in emissions and not to any reduction. Combined, this means that even if all the targets in the Protocol were met, this level of reduction is not considered sufficient to stabilise levels of greenhouse gases. In fact in order to achieve stabilisation, commitments which are 'significantly stronger than the Kyoto Protocol commitments', '(IPCC, 2001, p.122) are required. This is problematic because attempts to agree a meaningful successor to the Kyoto Protocol have fallen short. While the Copenhagen Accord (2009) confirmed that governments need to make deeper cuts to reduce greenhouse gases and a $100 billion per year aid agreement for developing countries was endorsed, again there are no binding targets or any mechanisms for achieving cuts and little detail on where the aid package will come from.

The Kyoto Protocol and the Copenhagen Accord demonstrate the aspiration of many countries to reduce the levels of greenhouse gases even if they are not willing to legally bind themselves to these goals. Therefore, before analysing possible political explanations for what many consider to be the failure of these agreements, it is useful to examine some of the main policies that national governments could use to achieve these targets if they were to engage in more stringent and binding targets.

General policies to reduce greenhouse gas emissions include the following.

1. **Car emissions standards** – these are standards that manufacturers must meet in order to reduce the level of harmful emissions produced by automobiles. The European Union and California are two of the world's leaders in imposing high automobile emission standards upon any car sold in these markets, and because these are both large and important markets this can have a vital impact upon car manufacturers to produce cleaner cars.

2. **Carbon taxes** – these are taxes imposed upon manufacturers who make goods through processes that produce high levels of greenhouse gas emissions. The aim behind them is to provide a disincentive to manufacturers and encourage them to change their patterns of production.

3. **'Cap and trade' schemes** – these schemes attempt to introduce a market-based scheme for trading carbon permits. Broadly speaking, the logic behind them is that all countries/producers are given a carbon allowance. If a country/producer wishes to exceed their allowance they can purchase a permit from another country/producer that reduces their carbon emissions and does not use their full quota.

4. **Investment in clean energy (for example, wind, solar, water power)** – public investment schemes are seen as a method of promoting and incentivising the use of environmentally friendly energy production in the long term to replace more fossil fuel based energy production.

5. **Banning deforestation/investment in tree planting** – for many farmers in the developing world, there is an economic incentive to cut down trees in order to plant crops or graze livestock. This investment attempts to eradicate or redress this incentive and protect forests instead.

Other important environmental protection policies not directly related to greenhouse gas emissions include the following.

6. **Recycling regulations** – a strong example of a recycling regulation is the European Union's 'End of Life Vehicles' directive which states that cars at the end of their life must be bought back by manufacturers and recycled. Any new cars produced must now contain materials from 90 per cent of the recycled car.

7. **Packaging and waste disposal regulations**.

8. **Chemical usage regulations** – the European Union's Registration, Evaluation, Authorisation and Restriction of Chemical substances directive (REACH) introduces very stringent regulations on the most environmentally friendly way to manage chemicals and this is now being copied in the USA too.

9. **Preservation of fish stocks** – overfishing of some species of fish has become an increasing problem and lessons from the preservation of fish stocks have been influential in leading some to suggest ways to manage other common resources too, as we shall see in the work of Ostrom.

12.4 Explaining environmental policies

Thus far we have seen that protecting the environment has become of increasing concern; that there is a broad consensus among politicians that human activity plays a significant role in climate change; and that there is a range of different policies that governments can introduce to help tackle these issues. Given this context, how do we explain the difficulty of agreeing government action to tackle climate change and other environmental challenges when we know that environmental protection is good for all of us in the long term? Economists tend to approach this question by examining the differential costs and benefits between nations when it comes to climate change and this is an important consideration (for example, see Stern, 2007). However, we want to focus on the specifically political factors, starting with the challenges of managing common resources and public goods.

12.4.1 The tragedy of the commons

In 1968, Garrett Hardin wrote what was to become a highly influential article entitled 'The tragedy of the commons'. In this article, Hardin used the analogy of individuals grazing cattle on common land to show why it is so difficult to secure policies that protect the environment. Historically, common land was land that was owned by the people and was available for use by all. Hardin argued that any gains made from the use of common land go directly to the individual, but any costs are shared among the population as a whole precisely because it is owned by everyone. We all suffer from the gradual depletion of common resources, but each individual has a great incentive to use these resources for their own private ends. Therefore, on an individual basis benefits will always outweigh costs in the short term when using common resources, even though on a collective long-term basis the costs may outweigh the

benefits. Under these conditions, each owner of cows will benefit greatly from grazing their cows on the common land. However, any costs arising from overgrazing or degradation of the common land will be spread throughout the whole population. There is an inherent conflict which ensures that public goods are gradually and cumulatively depleted through private actions. For Hardin, the only way to protect common resources is by introducing a mutually agreed coercive method of preventing overuse, such as very high taxation or penal sentences. In other words, Hardin suggests we limit the 'commons' elements of the 'commons' to ensure their endurance.

We can apply this very same logic to understand why the Kyoto Protocol failed to secure more extensive and universally binding commitments on greenhouse gas emissions. For example, imagine both China and the USA produce the same product for a low price using a process that emits a high amount of CO_2. Changing the production process to reduce the level of CO_2 emissions increases the costs of production. China accumulates extensive gains in gross domestic product (GDP) by continuing to use this process to produce cheap goods that they can sell abroad at competitive prices. The costs of the air pollution are spread globally and there is no coercive method to penalise China. In this case, the USA will argue that if it cuts its own emissions by adopting more stringent manufacturing processes this will harm its GDP because it will no longer be able to compete against China when selling the same goods, and what is more the benefits of a cleaner environment will be spread globally – the USA's competitive loss will improve air quality and fight rising global temperatures, which will benefit the whole world, including China while it continues to pollute. Therefore, the USA will not rein in its level of emissions either. This in turn reinforces China's decision not to change its production process because the USA is not changing. Thus a negative cycle becomes embedded.

This process has been viewed as a simple two person game that is the same as the prisoners' dilemma game we discussed in Chapter 1. We can call the two actors, Herder A and Herder B. We can assign the different pay-offs and costs that each person would gain or lose.

- The most preferable outcome for a Herder is that she grazes her cows on the commons while the other Herder does not because this gives her exclusive benefits while the costs are shared. We will assign this a value of +2.

- The next most preferable outcome is that neither Herder grazes on the land. In this instance both parties gain somewhat from a healthier commons without having to pay any costs related to other people's usage. We will assign this a value of +1.

- A negative outcome is that both Herders graze on the land so there is not enough land for them to graze fully, the common resources are depleted and both parties pay this cost. We will assign this a value of –1.

- The most negative outcome is that a Herder does not graze her cows on the commons while the other Herder does so. In this instance, they pay costs for the other person's actions without any gains. We will assign this a value of –2.

We plot these outcomes in Table 12.3. The 'optimal outcome', that is the outcome that is best for both parties, is that neither person grazes on the commons, giving both herders a reward of +1. However, what we see is that there is always an incentive to graze over not grazing. A herder

will see that their reward of +1 could be increased to +2 by grazing. Alternatively, a herder will fear the other herder may start to graze, potentially reducing their pay-off to –2 while their opponent increases their pay-off to +2. These dynamics ensure that each herder grazes on the commons. Therefore, a 'sub-optimal equilibrium' is generated, or an outcome is produced that is less favourable than is possible for both parties. Strategically, this is exactly the same as the prisoners' dilemma, and the outcome that is in the collective interest will never be manifest under these conditions.

	Herder B	
	Graze on commons	Do not graze on commons
Herder A Graze on commons	−1, −1	+2, −2
Do not graze on commons	−2, +2	+1, +1

Table 12.3: Tragedy of the commons as a prisoners' dilemma game.

The idea that the prisoners' dilemma game will always result in a sub-optimal outcome was challenged most notably by Axelrod (1984). He argued that if two prisoners play the game repeatedly then they will remember their opponent's strategy and adapt their own strategy accordingly. Axelrod found that repeated playing over a long period of time led to cooperative strategies emerging and the prisoners learned to trust each other. In other words, the optimal outcome was achieved through repeated playing to build cooperative strategies between both players.

Ostrom (1990) – the first and only Nobel Prize winner who is a political scientist! – built on this idea to demonstrate cooperative strategies that have developed between individuals and communities to manage common resources and overcome the tragedy of the commons. She gathered evidence from local examples around the world of successful ways that communities have managed to govern common resources without recourse to increased government regulation as suggested by Hardin and without privatising the commons. By comparing evidence from an array of cases such as fishermen in Turkey and farmers in Africa and India she identified eight principles for designing a stable method of managing common resources.

1. Clearly defined boundaries should be established over who has the right to use the common resources as well as who is excluded from use. Then ensure that only the defined people have access.

2. Rules for managing the commons should be adapted to local conditions and requirements.

3. Everyone who has an incentive to use the common resource (what Ostrom calls 'resource appropriators') should participate in decision-making regarding how to manage it and this should not be delegated to an external body.

4. Monitoring of the common resource should be accountable to the resource appropriators.

5. Sanctions should be put in place for resource appropriators who violate the rules and these should be appropriate enough to act as a disincentive.

6. A cheap method of resolving conflicts should be in place.

7. Local communities should have self-determination in order to set their own rules and manage their own local resources.

8. Larger common resource problems require multiple layers of nested enterprises (with small local common resources at the base). Global common resource problems can be tackled by breaking them down into local problems and nesting them within each other.

Ostrom (1990, pp.18–20) cites the case of fishermen in Alanya, Turkey to illustrate her argument. In Alanya approximately 100 local fishermen realised that unrestricted use of the fishery had led to intense competition and hostility between them. It had also driven up the costs of production by increasing competition for the best fishing spots and increasing the uncertainty that a fisherman would secure an adequate haul of fish. In response, the fishermen developed a set of rules which they agreed to abide by about how to manage the local fish stocks. Each September a list of eligible, licensed fishermen is created and a list of usable fishing locations in Alanya is identified. The eligible fishermen then draw lots and are assigned to the fishing locations. Each day each fisherman moves east to the next location to give all fishermen equal opportunity at the stocks. The monitoring and enforcing of the rules is left to the fishermen and neither central nor local government intervenes. For Ostrom, Alanya is one example of 'the many institutional arrangements that have been devised, modified, monitored, and sustained by the users of renewable [common resources] to constrain individual behaviour that would, if unconstrained, reduce joint returns to the community of users' (1990, p.20).

Hardin demonstrated why managing common resources, such as the atmosphere, is challenging. But Ostrom disagrees with Hardin that common resources can only be saved by limiting common access. Instead she suggests local self-management and allowing room for experimentation are vital. For thinkers like Ostrom, the failure of the Kyoto Protocol comes as no surprise because it did not allow for these practices. However, in spite of Ostrom's claims that large global problems can be tackled by breaking them down into local problems, some have suggested that Ostrom's practical suggestions are of limited use in tackling a global problem such as greenhouse gas emissions. Rather, an issue this size requires intergovernmental cooperation and strong policies by national governments. With this in mind, it is now worth examining what political factors influence the environmental policies that governments pass.

12.4.2 A California or a Delaware effect?

Another important set of issues that influences environmental policy relates to market competition between countries or states. This argument returns to the distinction we have already seen when discussing market federalism in Chapter 9 of this subject guide and builds on the Delaware effect versus the California effect.

Up until the mid-1990s, there was a widely held assumption that market competition between different states or countries in a globalised world leads to a race-to-the-bottom in regulatory standards. The typical argument is that in a globalised world with high levels of liquid assets and capital, businesses are free to move from one jurisdiction to another. As such, they will locate themselves within the jurisdiction that offers them the most favourable conditions. In this context, any kind of government regulation, such as environmental standards, imposes a cost on businesses that will act as a barrier to setting up within that jurisdiction. Therefore,

if governments wish to attract private investment they will minimise the level of regulation they impose upon businesses. Other states will do likewise in order to compete, leading to an equilibrium with a very low level of regulatory standards, including environmental standards. As you will recall, this was called the 'Delaware effect' due to Delaware's zero per cent corporation tax rate.

However, in the mid-1990s, David Vogel (1995) argued that the empirical evidence indicates that a race-to-the-bottom is not inevitable. Rather, market competition can also lead to a race-to-the-top if the conditions are right. He called this the 'California effect'. California set very high regulatory standards for certain goods and services that must be met in order sell these goods within this state. The reason why Californian standards are more important than the standards of Wyoming, for example, is that California is the largest market in the USA making it a highly desirable market to compete within. Businesses want to compete within California because of the opportunities for profit that it offers due to its very large size. This gradually leads to every other state copying these standards as well as manufacturers producing goods to the highest Californian standard rather than to easier lower standards that only allow them limited access to smaller markets.

The European Union's REACH directive dealing with chemicals can be seen in this light. The European Union is the largest single market for some goods and services, such as chemicals. The European Union set stringent legislation that placed the onus on the chemical industry to manage the risks posed by chemical production, use, storage and disposal to health and the environment. The race-to-the-bottom argument would predict that this would lead to the chemical industry flocking to other parts of the world, but in fact the opposite happened. The chemical industry in the USA is lobbying Congress to raise the chemical standards there in order to meet the European Union standards so that they can also tap into this large market.

There is evidence for both the race-to-the-bottom effect and the race-to-the-top effect and it is not possible to say that market competition will inevitably lead to one or the other. However, it is possible to conclude that large markets can impose high regulatory standards, including environmental standards, which encourage other states and businesses to converge on these high standards. At the moment, the world's largest consumer markets tend to be in the developed world, such as California and the European Union, and as we shall see wealthy countries tend to be more concerned with environmental protection than poor countries. Therefore, some scholars have begun to speculate what the impact will be of the emergence of China to become one of the world's largest consumer markets. Chinese regulatory standards have historically not been as high as those of places such as the European Union and California, but if China emerges as a world leader it will be in a position to set the standards which others follow.

12.4.3 Environmental attitudes

As we have just seen, some large markets can set high regulatory standards which will become world leaders raising standards for all. This raises the question of what determines whether a state/country will set high standards or not. One important dimension that influences how strong environmental standards will be is the attitude of citizens to environmental issues.

Using data from the World Values Survey (WVS) and data from Yale University we can examine the relationship between public attitudes and a country's environmental performance. Inglehart's WVS, which we encountered earlier in Chapter 3 of this subject guide when looking at preferences, is conducted every five years and measures an array of public attitudes, values and beliefs in different countries over time. One measure in the 2005 WVS related to the environment. This measure asked:

'Here are two statements people make when discussing the environment and economic growth. Which of them comes closer to your own point of view?

1. Protecting the environment should be given priority, even if it causes slower economic growth and some loss of jobs.

2. Economic growth and creating jobs should be the top priority, even if the environment suffers to some extent.

There is also data available from Yale University which ranks 163 countries on 25 different indicators to create an 'Environmental Performance Index' (see their website http://epi.yale.edu). Different measures used to create the index include the effect of air pollution on health, access to sanitary water, levels of CO_2 and greenhouse gas emissions, pesticide regulation, forest cover, and marine protection, to name but some. All 25 measures are aggregated to give each country a score between 0 and 100, where higher scores indicate a higher level of environmental protection. Incidentally, based on the 2010 data, only four countries scored more than 85 (Iceland, Switzerland, Costa Rica, Sweden) while 10 countries score less than 40 (Sierra Leone is the worst performer with a score of 32.1).

Using these two data sources, we can compare the attitudes of respondents from different countries against the 'Environmental Protection' score of each country. These findings are shown in Figure 12.1. The horizontal axis shows the percentage of respondents who preferred protecting the environment to economic growth – in other words, the higher this percentage, the greater the number of people in a country that prioritised environmental protection. The vertical axis is a country's Environmental Protection Index score.
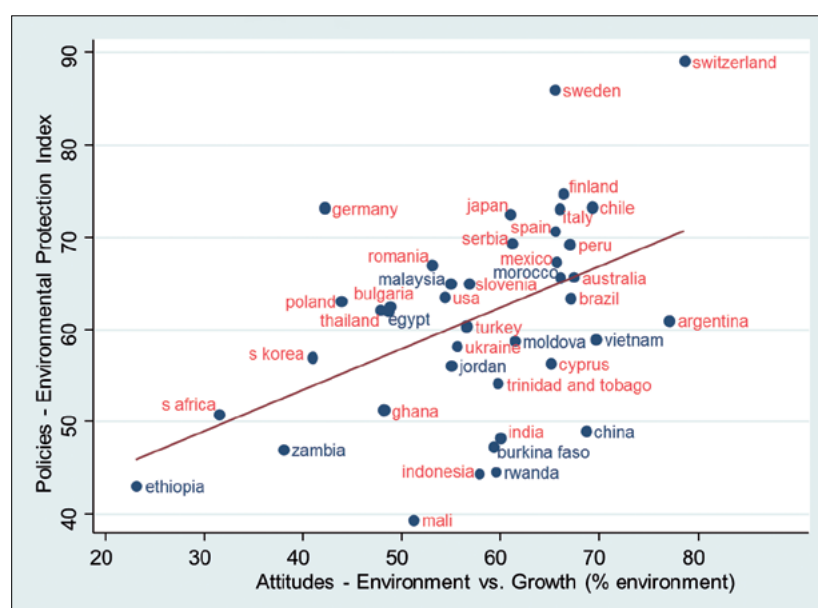

Figure 12.1: Environmental attitudes and environmental protection.

Sources: World Values Survey and Yale University Environmental Protection Index.

What we can observe is a general pattern that shows countries with a high degree of concern for environmental protection among its population have stronger environmental protection policies. Switzerland and Sweden both have very high levels of protection and positive attitudes towards the environment, and there are also similar findings for Finland, Chile, Italy and Spain. Countries with weaker public support perform worse, such as South Africa, Ghana and South Korea. We have also divided our countries into democracies and non-democracies, and we can observe that this pattern fits somewhat better for democracies than non-democracies. For example, China, Burkina Faso, Rwanda and Vietnam all have slightly worse performances than would be expected based upon levels of public support for environmental protection. However, this is not exclusively the shortcoming of non-democracies, and some democracies such as Mali, Indonesia and India all perform worse than expected too. The other notable finding is that the pattern seems to be correlated with wealth. Wealthier countries tend to perform better than countries with lower per capita GDPs.

This comparison provides a valuable initial indication that there is a relationship between attitudes to the environment and government policies to protect the environment, but this is possibly mediated by wealth. At this point it is useful to consider these issues in more depth by looking at the empirical evidence to support or refute these indications.

12.4.4 Green parties and corporatism

The public in a country may be strongly in favour of protecting the environment, but if this cannot be converted into parliamentary representation for environmental issues, this may have no impact on policy. Typically we would expect countries with more proportional electoral systems to have higher levels of Green Party support and therefore possibly perform better at environmental protection. Under this argument, it is not necessary for Green parties to gain executive power, but rather just getting elected to parliament is important as this forces other parties to acknowledge the Green preferences of voters and compete on these issues as well as providing a platform for Green Party representatives to raise the profile of environmental issues and promote greater levels of support.

This argument has been suggested as a reason for the UK's historically lower than expected levels of environmental protection policies. The UK's majoritarian electoral system squeezes out Green Party support in favour of larger parties and therefore levels of public support for the environment are not converted into political pressure or governmental policies. In the 2010 UK general election one Green Party candidate was elected to the Westminster parliament for the first time in the history of the UK. As such, to date major parties have not been threatened electorally by Green parties nor did they necessarily need to compete against Green parties by adopting environmental policy programmes themselves.

To explore these issues further, Scruggs, (2003, p.104) looks at the vote share of Green parties and other parties on the left that support strong environmental policies in 16 countries and analyses their influence on a country's level of environmental protection. To do so he created his own environmental protection index that is similar in scope to that of Yale's discussed in the previous section. He finds that the average vote share of Green and left-libertarian parties between 1975 and 1995 varied greatly. Sweden had the highest average support of over 20 per cent for these parties, while Denmark had 9.1 per cent average support, and Norway,

the Netherlands and Belgium all had average support over 5 per cent. However, other countries such as the USA and Japan had 0 per cent support, while the UK, Ireland and Spain all had less than 1 per cent average support. He then turned to examining whether these variations in support had any influence on environmental policy-making.

Scruggs (2003, p.119) found that a 1 per cent increase in environmental mobilisation (in other words, a 1 per cent rise in the seat share of Green/left-libertarian parties) led to a 22.8 per cent increase in environmental protection. However, he also examined the role of wealth. Once he controlled for a country's wealth, he found that the level of environmental mobilisation was no longer important, but that as the per capita income of a country increased by 1,000 US dollars, this led to a 4.5 per cent increase in environmental protection. Scruggs's finding that environmental protection cannot be separated from the wealth of a country led him to conclude that 'There is not much evidence that cross-national differences in levels of environmental mobilisation affect actual environmental outcomes among the advanced democracies, *once one takes into account that at least some of the increase in environmental mobilisation is "produced" by higher levels of national wealth*.' (2003, p.120, emphasis in original).

Eric Neumayer's (2003) research goes somewhat further than that of Scruggs. He too looks at the importance of the percentage share of parliamentary seats for Green parties, but he also examines the impact of corporatism. Recalling our earlier Chapter 6 on interest groups, corporatism is a form of bargaining that formalises a role for business groups and labour groups in government policy-making and places an emphasis on collective bargaining for the regulation of industry and wages.

There are two opposing arguments that speculate what impact corporatism is likely to have on the level of environmental protection. The positive viewpoint argues that if there is a formalised and protected role for labour, this ensures that the sectional interests of business will not be able to capture or dominate the policy-making process. This prevents business interests from blocking policies that promote environmental protection at the expense of industry. The negative viewpoint argues that neither business nor labour groups have much of a commitment or vested interest in environmental protection. Their main priorities are maximising profits and securing and creating jobs respectively. It is not of direct concern to either group whether their actions fail to protect or even harm the environment as this is not their primary goal. Rather, the main promoters of environmental policies tend to be consumers. Therefore, corporatism merely formalises an arrangement that excludes the influence of those who are most concerned with preventing environmental degradation and privileges the viewpoints of those who are not primarily concerned with environmental policy.

Neumayer was one of the first social scientists to compile a large database examining many political institutional factors that might impact upon environmental performance (similar to the databases used by authors in the previous chapter who looked at the institutional factors that impacted upon economic performance). Examining data from 21 countries between 1980 or 1990 and 1999, and after controlling for a country's wealth, he looked at the impact of left-wing party strength, Green party strength, and corporatism upon a range of environmental measures. He found that for every 1 per cent increase of the seat share gained by left-wing parties in parliament, this reduced per capita CO_2 emissions by 0.1 per cent. He found that Green party representation was more important than left-wing party representation, and for every 1 per cent of the seat share gained

in parliament by Green parties, this reduced per capita CO_2 emissions by 0.5 per cent. Finally, he measured corporatism on a five-point scale. For every one point increase in corporatism, this led to almost a 6 per cent increase in CO_2 emissions per capita, but with no real impact on other greenhouse gas emissions. This led him to conclude that 'it is probably fair to say that there is no evidence that corporatism is systematically associated with lower air pollution levels' (2003, p.219).

So from Scruggs and from Neumayer we can conclude that for public opinion to matter it must manifest itself as seats for Green parties or parties with strong environmental agendas in parliament. Other factors such as left-wing parties in general or corporatism seem to make no difference to levels of environmental protection or may possibly even inhibit it (but further research is needed to confirm this). However, we must remember that wealth is a very important factor too and perhaps levels of environmental support are a manifestation of post-material preferences in wealthy countries.

12.5 Conclusion

Throughout this chapter we have argued that it is vital we understand the politics of environmental protection. We have seen that securing intergovernmental agreement to tackle climate change is a difficult task. Additionally, climate change policies create winners and losers and therefore passing policies at the national level is also extremely challenging. In fact, if we assume that people are motivated by short-term self-interest, then we would be very pessimistic for the future of the environment or any other common resource.

However, we also saw that it is not inevitable that attempts to tackle climate change or other environmental challenges will end in tragedy. For the likes of Ostrom, individuals (and nations) can learn to build trust in each other. Allowing local communities the self-determination to experiment will create more meaningful solutions than government intervention and without depriving people of access to the common resource.

We also examined alternative approaches that acknowledge a role for government intervention; and we identified a range of political factors that will shape the nature of the environmental policies that governments pass. Countries with strong Green parties have better environmental outcomes, and whether a country has a strong Green Party will depend on the preferences of the voters and the nature of the electoral system. In this regard we returned to an earlier theme of this book – wealthier societies and wealthier citizens are no longer as fundamentally concerned with their economic well-being and physical safety as those individuals living in less developed and poorer societies. Citizens of developed countries have post-material preferences and are also concerned with existential expression, including issues such as environmentalism. This may be why attitudes to the environment and the level of environmental protection that each country promotes are correlated with wealth.

We can combine all our findings to say that if a wealthy society with a strong preference for environmentalism produces strong environmental legislation, this can possibly influence global environmental policies through market competition, thus raising standards for all. In other words, policies from the likes of California and the European Union clearly demonstrate that the tragedy of the commons is not inevitable when it comes to environmental protection, but it is difficult to overcome.

12.6 A reminder of your learning outcomes

Having completed this chapter, and the Essential reading and activities, you should be able to:

- explain why environmental policy is becoming increasingly important
- evaluate debates about whether the 'tragedy of the commons' can be overcome and, if so, how it can be overcome
- assess critically the importance of political factors in shaping environmental policy.

12.7 Sample examination questions

1. Why are some democracies better at protecting the environment than others?
2. 'Rich countries are better at protecting the environment than poor countries.' Discuss.
3. Why is it so difficult to agree and enforce global carbon emissions reductions?

Notes

Chapter 13: Satisfaction with democracy

Aims of the chapter

The aims of this chapter are to:

- explain the meaning of the concept 'satisfaction with democracy'
- present different patterns of satisfaction with democracy, demonstrating variance both between countries and within countries over time
- discuss some of the main explanations for why some countries are more satisfied with their democracy than others, such as those that focus on the culture of the democracy and its age, the role of majoritarian and consensus institutions, variations in economic performance, and winners versus losers in elections.

Learning outcomes

By the end of this chapter, and having completed the Essential reading and activities, you should be able to:

- evaluate the meaning and usefulness of the concept 'satisfaction with democracy'
- explain different patterns of satisfaction with democracy
- appraise different explanations for variations in satisfaction with democracy.

Interactive tasks

1. What is your adopted country's level of satisfaction with democracy and how has this changed over the last decade? Use the World Values Survey to help answer this question: www.wvsevsdb.com/wvs/WVSAnalize.jsp
2. What factors explain your adopted country's level of satisfaction?
3. In general, are low levels of satisfaction with democracy a concern in advanced and stable democracies such as Italy? Justify your answer.

Reading

Essential reading

Aarts, K. and J. Thomassen 'Satisfaction with Democracy: Do Institutions Matter?', *Electoral Studies* 27(1) 2008, pp.5–18.

Linde, J. and J. Ekman 'Satisfaction with Democracy: A Note on a Frequently Used Indicator in Comparative Politics', *European Journal of Political Research* 42(3) 2003, pp.391–408.

Further reading

Anderson, C.J. and C.A. Guillory 'Political Institutions and Satisfaction with Democracy: A Cross-national Analysis of Consensus and Majoritarian Systems', *American Political Science Review* 91(1) 1997, pp.66–81.

Canache, D., J.J. Mondak and M.A. Seligson 'Meaning and Measurement in Cross-National Research on Satisfaction with Democracy', *Public Opinion Quarterly* 65(4) 2001, pp.506–28.

Easton, D. 'A re-assessment of the concept of political support', *British Journal of Political Science* 5(4) 1975, pp.435–57.

Wagner, A.F., F. Schneider and M. Halla 'The quality of institutions and satisfaction with democracy in Western Europe – a panel analysis', *European Journal of Political Economy* 25(1) 2009, pp.30–41.

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Anderson, C.J., A. Blais, S. Bowler, T. Donovan and O. List Haug *Losers' Consent: Elections and Democratic Legitimacy.* (Oxford: Oxford University Press, 2005) [ISBN 9780199232000] Chapter 1.

Dalton, R.J. and N.T. Ong 'Authority Orientations and Democratic Attitudes: A Test of the "Asian Values" Hypothesis', *Japanese Journal of Political Science* 6(2) 2005, pp.211–31.

Huber, J.D. and G. Bingham-Powell 'Congruence Between Citizens and Policy Makers in Two Visions of Liberal Democracy', *World Politics* 46(3) 1994, pp.291–326.

Huntington, S.P. 'The Clash of Civilizations?' *Foreign Affairs* 72(3) 1993, pp.22–49.

Kim, M. 'Cross-National Analyses of Satisfaction with Democracy and Ideological Congruence', *Journal of Elections, Public Opinion and Parties* 19(1) 2009, pp.49–72.

Lijphart, A. *Patterns of Democracy. Government Forms and Performance in Thirty Six Countries*. (New Haven, Mass.: Yale University Press, 1999).

Nadeau, R. and A. Blais 'Accepting the election outcome: The Effect of Participation on Loser's Consent', *British Journal of Political Science* 23(4) 1993, pp.553–63.

Norris, P. 'Introduction: The Growth of Critical Citizens?' in Norris, P. (ed.) *Critical Citizens: Global Support for Democratic Governance*. (Oxford: Oxford University Press, 1999) [ISBN 9780198294795].

13.1 What is satisfaction with democracy?

It has long been established that low levels of citizen support can pose serious problems for democratic systems because both the functioning and maintenance of democracy are intimately linked with what and how people think about democratic governance (Anderson et al., 2005). How satisfied citizens are with their democracies is important for stability and possibly even survival. In the case of established democracies, dissatisfaction may result in lower turnouts, higher levels of political apathy or calls for political reform. In the case of new or emerging democracies, deep dissatisfaction and lack of popular support may result in destabilising the democratic political system entirely.

It is important to clarify that there is a difference between objective indicators of how democratic a country is; and subjective indicators of how satisfied people are with democracy. In Chapter 2 of this subject guide, we discussed different methods of measuring how democratic a country is. What all these measures had in common was that they used objective indicators to measure democracy in a country. For example, the substantive measure of Przeworski et al., (2000) looked to see if there was a turn-over in power. The procedural measure of Dahl (1971) looked to see if there were free and fair elections, free assemblies and so on. Both the substantive and procedural approaches identified important objective indicators of democracy and aggregated them to tell us either whether a country was democratic or not; or else the degree of democracy in a country.

Yet these measures tell us nothing about how citizens living in a democratic country perceive their system of government. Political scientists are also

very interested in subjective measures and understanding what drives subjective perceptions of citizens towards the democracies they live within. After all, it is useful to note that although Denmark and Italy, since 1950, have achieved perfect democratic scores according to the Polity IV index, they have very different levels of satisfaction with democracy – in 2007 Denmark's was over 90 per cent while Italy's was under 50 per cent. As political scientists, it is of interest for us to explore what causes this variation (Wagner et al., 2009).

As always in the social sciences, it is useful to begin by defining the meaning of the key concepts we are discussing. However, this is a somewhat more challenging task for 'satisfaction with democracy' than it is for many other concepts. If we begin by looking at some of the typical questions used in surveys to measure if people are satisfied with democracy, this will help to illuminate why this is challenging. The most straightforward question used to measure satisfaction with democracy comes from the Comparative Study of Electoral Systems (CSES) project and this simply asks 'On the whole, are you very satisfied, fairly satisfied, not very satisfied, or not at all satisfied with the way democracy works in [your country]?'. The World Values Survey (WVS) asks a similar question which is also used as a measure of satisfaction with democracy. This survey states: 'I'm going to describe various types of political systems and ask what you think about each as a way of governing this country. For each one would you say it is a very good, fairly good, fairly bad or very bad way of governing this country?: Having a democratic political system'. Other measures, such as The New Democracies Barometer, which covers much of eastern and central Europe, ask questions which some authors have used as indirect measures of satisfaction with democracy. This survey asked respondents to select from the following options: 'Our present system of government is not the only one that this country had. Some people say that we would be better off if the country was governed differently. What do you think? Please tell me for each point whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree:

- We should return to communist rule.

- The army should govern the country.

- Best to get rid of parliament and elections and have a strong leader who can decide things quickly.

- A return to monarchy would be better.'

These questions may seem straightforward but perhaps you can pause for a moment to think about how you would answer them for your own country or adopted country. More importantly for our purposes, think about why you are satisfied or dissatisfied with the system of government. What criteria would you use to make your decision? This is the key challenge when it comes to measuring satisfaction with democracy. It is not clear what reasoning or logic individuals are using when answering this question. In fact, many scholars have argued that the idea of satisfaction with democracy tends to mean different things in different contexts and two people may give responses based on completely different reasons. As such, it is not always clear exactly what concept satisfaction with democracy is measuring.

Easton (1975) suggested that satisfaction with democracy embodies one central dimension ranging from diffuse support for the fundamental beliefs and values in a given society to specific support based upon particular benefits delivered by the government. In other words, some people make their decision of how satisfied they are based on how satisfied they are

with the ideals underpinning the notion of democracy; while others make their decision based on how satisfied they are with the government of the day.

Pippa Norris (1999) suggested a similar but more detailed framework for understanding the idea of political support. She identified five different levels to the political system which people support. These run along a continuum from the most diffuse and broadest dimensions of politics to the most specific dimensions of politics. Starting with the broadest, these are as follows.

1. **The political community** – support for the political community indicates a basic attachment to a political system.

2. **Regime principles** – support for regime principles indicates support for democracy as an ideal or the principle of democratic rule in general.

3. **Regime performance** – support for the regime performance refers to support for how the regime is working at a particular moment in time.

4. **Regime institutions** – support for regime institutions indicates support for the particular institutions within a country, such as how the office of the president operates or the role of the judiciary.

5. **Political actors** – this is the most specific dimension and support for political actors indicates support for a particular person or political party. Unlike regime institutions, it is not about support for the office of president but it refers to the specific individual who is serving as president.

The ambiguous nature of satisfaction with democracy has caused some debate within political science over its usefulness. Linde and Ekman (2003) argue that in many instances it is unclear whether satisfaction with democracy is measuring support for democracy in general or if it is measuring some dimension of support for performance. This is fundamentally important because 'a respondent can be a convinced democrat, rejecting all forms of non-democratic alternatives, but nonetheless be dissatisfied with the way democracy works in his or her country at a specific point in time' (2003, p.396). If political scientists observe high levels of dissatisfaction with democracy, this does not necessarily imply there is a threat to the stability of the democracy from the citizenry. Rather, the dissatisfaction with democracy may actually be tapping into dissatisfaction with how some specific aspect of the democracy or even the sitting government is working at the time the measure was taken. Although the legitimacy of a regime is related to how it performs, these are not interchangeable and it is unclear at times which aspect satisfaction with democracy is measuring.

Linde and Ekman undertook research to explore what exactly questions relating to satisfaction with democracy actually measured. They looked at data from 10 eastern European countries gathered using the Central and Eastern Eurobarometer of 1997. They found that satisfaction with democracy did not actually measure support for the principles of democracy, but rather it was an item that tapped into how a democratic regime worked in practice. However, it was not a perfect measure of performance because it was strongly linked to people's partisan political opinions. Social democrats expressed lower levels of satisfaction when a centre-right party was in power and vice versa.

Canache et al. (2001) made a similar argument. They suggested that satisfaction with democracy could be measuring one of three things:

1. Support for incumbent authorities.

2. Support for the system of government, such as the political institutions or constitutional structure.

3. Support for both the incumbent authorities and the system of government. In other words, it is a summary indicator.

They looked at data relating to the specific cases of Romania and El Salvador, as well as looking at data from 17 Latin American countries using the Latinbarometer data of 1997. They found that the same questions relating to satisfaction with democracy measured different things in different places. They found that satisfaction with democracy correlated with support for the authorities in some countries but not in others and it correlated with support for the system of government in some countries but not in others.

Canache et al. concluded that this posed a major problem because if satisfaction with democracy means different things in different places, then when we try to explain the differences between Denmark and Italy, for example, we can never be sure what we are explaining, or if we are even explaining the same thing in both places. People in different countries or people in different points in time may systematically interpret the question differently, thus inhibiting comparison. This led the authors to argue in no uncertain terms that 'satisfaction with democracy suffers from profound, fundamental flaws as an empirical measure. These deficiencies are of such magnitude that analysis of satisfaction with democracy should be avoided, and the item itself should not be included on future surveys. At an absolute minimum, future analyses that make use of satisfaction with democracy must exercise extreme caution' (2001, p.526).

Yet not everyone is as pessimistic as Canache and his fellow authors. Anderson and Guillory (1997) argued that it is not possible to separate reliably people's support for the broad ideals of democracy from the specific performance of a democracy. Measures of satisfaction with democracy tap into both of these elements and as such they allow for citizens' attitudes to a 'democracy in action' to be measured and this is a very valuable task. Similarly, Wagner et al. (2009, p.32) state that: 'We take the pragmatic view that the [satisfaction with democracy] item can act as a summary indicator. Although it contains some ambiguity, that ambiguity is acceptable'. These authors acknowledge that satisfaction with democracy is a broad concept but they see this as an asset. They are undeterred by its wide scope and proceed to explain variations in rates of satisfaction based on the fact that it provides insights about both diffuse and specific support for democracy.

13.2 Patterns of satisfaction with democracy

Before moving on to examine what factors explain variations in levels of satisfaction with democracy, we need to look at how different countries vary. Turning first to data from the WVS between 1995 and 2000 for selected democracies, Figure 13.1 shows responses to the question of how good or bad a democratic political system is for governing the country. From this figure we can seen that no country has a majority of citizens that think democracy is a bad way of governing their country. In fact, in every country except Russia, over 80 per cent of respondents believed that democracy was a very good or fairly good political system to govern their country. Denmark, Iceland, Norway and Sweden all had close to a universal endorsement of democracy. Other newer democracies also

generally endorsed democracy, such as Romania, Peru, Czech Republic, Slovenia, Bulgaria, Belarus and Lithuania. By far the most ambivalent country was Russia, which had a very small proportion of people who strongly endorse democracy and approximately 40 per cent of Russians thought this was fairly or very bad for governing Russia.
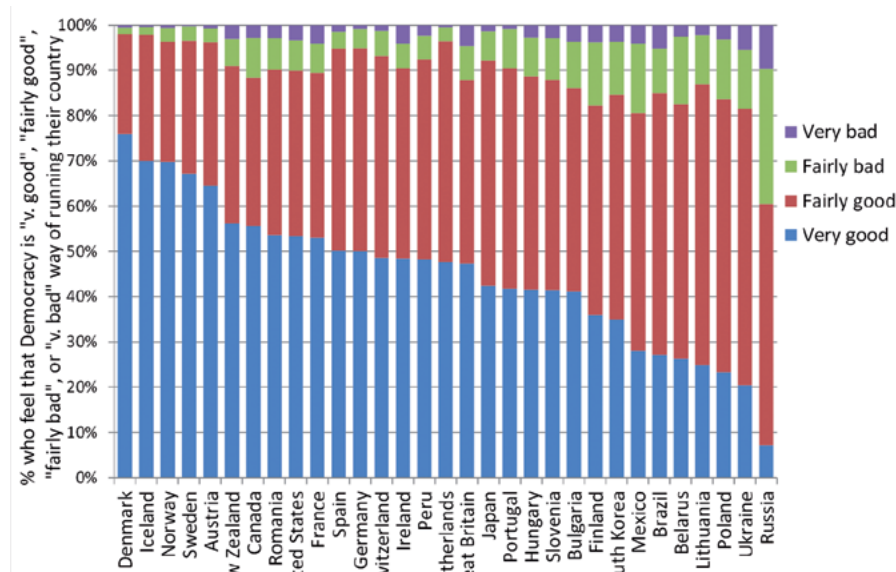

Figure 13.1: Assessments of democracy across countries.

Source: World Values Survey, 1995–2000.

While the WVS indicates what can be described as an overall pattern of strong endorsement of democracy within democracies, data from the CSES provides some more ambiguity to this picture. Using data from the CSES displayed in Table 13.1 we are able to see large variations in average satisfaction rates in selected democracies across the world. Denmark and Norway are consistently the countries with the highest levels of satisfaction, while at the other end Ukraine's beleaguered democracy produced very low levels of satisfaction. Other poor performers include the eastern European democracies of Bulgaria, Russia, Slovenia and Lithuania as well as Brazil and Peru in South America.

An additional important aspect of trends in satisfaction with democracy becomes clear when levels of satisfaction are examined over time. The data we have looked at so far has been snapshots in time across a range of countries. However, Wagner et al. (2009) looked at trends in satisfaction in west European countries over time and they found that average satisfaction fluctuates enormously within countries. While they found that between 1990 and 2005 citizens from Denmark have been consistently highly satisfied, in other countries this has varied greatly in this time period. Notable examples come from Belgium, Greece and Italy, which all showed high variation. Given that the political values a population holds are typically less variable in the short term than performance indicators of a country, this too can be seen to imply that performance and not just ideals influence levels of satisfaction.

% 'very satisfied' or 'fairly satisfied' with democracy	Country (Average Satisfaction Level, on 1–4 scale)	
80–100 per cent	Denmark (1.7)	Netherlands (2.0)
	Norway (1.8)	Australia (2.0)
	Spain (1.9)	
60–79 per cent	United States (2.0)	Mexico (2.2)
	Thailand (2.0)	Finland (2.3)
	Iceland (2.1)	Belgium (2.3)
	Great Britain (2.1)	Germany (2.3)
	Ireland (2.1)	Taiwan (2.3)
	Canada (2.1)	Japan (2.4)
	Switzerland (2.2)	Poland (2.4)
	Sweden (2.2)	Czech Republic (2.4)
	New Zealand (2.2)	South Korea (2.6)
40–59 per cent	Israel (2.3)	Portugal (2.6)
	France (2.5)	Belarus (2.6)
	Romania (2.5)	Hungary (2.6)
20–39 per cent	Lithuania (2.6)	Brazil (2.9)
	Peru (2.8)	Russia (3.0)
	Slovenia (2.8)	Bulgaria (3.2)
0–19 per cent	Ukraine (3.4)	

Note: Values in parentheses are average satisfaction with democracy between 1 and 4, where 1 is very satisfied and 4 is not at all satisfied. Where multiple scores existed during this time period, we have given the highest score.

Table 13.1: Satisfaction with democracy, 1996–2004.

Source: Comparative Study of Electoral Systems, Modules 1 and 2 (www.cses.org).

13.3 Explanations of variations in satisfaction with democracy

Given that satisfaction with democracy taps into a number of different factors, this means that explaining variations will draw on a range of explanations. We start with those that emphasise the most diffuse elements of democracy looking at explanations that highlight how culture and duration explain satisfaction. We then move on to look at explanations that focus on how specific institutions function in terms of accountability and representation, before looking at the importance of explanations that emphasise the performance of the economy, and finally looking at the most specific indicators of all, namely partisan support for the government.

13.3.1 Cultural values and the age of the democracy

One suggested explanation is that the cultural values of a country or region will influence the level of satisfaction with democracy. As discussed previously in Chapter 2 of this subject guide, some theorists such as Huntington (1993) have argued that the world can be divided into different civilizations or groups with different cultural values. The groups he divided the world into were African, Christian, Confucian, Islamic, and Latin American, along with some other smaller groups. This argument then suggests that Western values in the Christian tradition, which were

exported to some parts of the world but not others, are more compatible with a democratic culture. Presumably individuals and countries with this culture will be more satisfied with the ideals and institutions of democracy than those who are from countries that are seen as lacking democratically compatible cultures.

It is worth noting that this argument is not solely the product of Western commentators. Lee Kuan Yew, a former prime minister of Singapore, argued that Asian values derived from the Confucian tradition and these values were not compatible with democracy. East Asian societies are paternalistic, accept hierarchic authority, and prioritise order and consensus over competition and individualism. In contrast, Western societies are rights-based, individualistic and place an emphasis on market competition. As such Asian cultures are seen by some as embodying values that tolerate and endorse authoritarian power structures over more democratic norms.

Of course, many have criticised this viewpoint and rightly pointed out that politicians such as Lee Kuan Yew were authoritarian figures trying to justify their power and hence painted a selective portrait of East Asian values. Critics have mentioned that many aspects of the Confucian tradition are highly compatible with democracy, and its emphasis on community and rejection of extreme individualism may in fact help to build social networks which are beneficial to democracy. Others have argued that the modernisation of East Asia has undermined many of the traditional and authoritarian aspects of these societies and a more libertarian culture has emerged. Finally, it has also been pointed out that East Asia is far from a culturally homogeneous region and the extent to which Confucian values are embedded varies both within and between countries, implying that this is not a satisfactory explanation for the lack of democratic commitment in these regions.

We can explore whether such cultural explanations seem plausible or not by using data from the 1999/2000 wave of the WVS. Figure 13.2 compares rates of satisfaction with democracy with the depth of belief that democracy is the best system of government. On the horizontal axis is the percentage of people in a country who responded that democracy was a 'very good' system of governing their country. On the vertical axis is the percentage of people who 'strongly agreed' with the statement 'democracy may have its problems but it's better than any other form of government'. There is a clear pattern that countries that believe democracy is better than any other form of government are also more likely to be highly satisfied with democracy. This is hardly surprising, but what is interesting is that the countries that are the strongest believers and most satisfied are the advanced democracies of the developed world. Meanwhile the countries that are slightly more ambivalent in their belief in democracy and less satisfied are the new democracies of eastern Europe, such as Russia, Ukraine, Lithuania and Belarus, and the Asian countries of Japan and South Korea. So does this imply that some cultures are incompatible with democracy and therefore will never be satisfied with this form of rule?

Dalton and Ong (2005) tested this idea by comparing the cultural values and commitment to democracy of six East Asian countries (China, Japan, Singapore, South Korea, Taiwan, Vietnam) and four Western democracies (Australia, Canada, New Zealand, USA) using data from the 1995–2002 WVS. They found that there was no real difference between East Asian nations and Western nations in terms of how much they tolerated or accepted authority. Additionally, the rate of preference for democracy over

non-democracy was close to equal in all 10 nations examined and clear majorities in all nations expressed a preference for democracy. This led them to conclude that 'generalizations about the undemocratic culture of East Asia may have been true in the past, but the social modernisation in the region during the late twentieth century has changed public opinion… Asian authority orientations are not an impediment for the formation of democratic norms among contemporary publics' (2005, p.229).
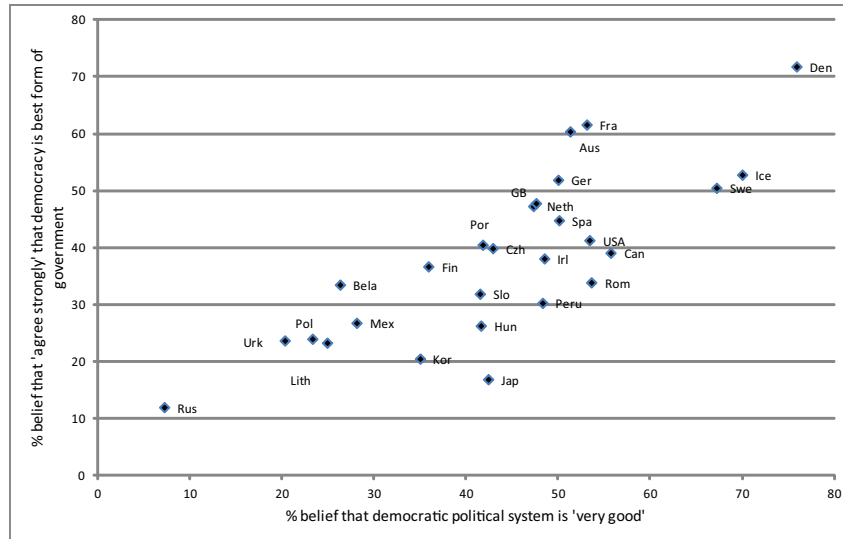

Figure 13.2 Comparing different measures of satisfaction with democracy.

Source: World Values Survey, 1999/2000.

Much as we concluded in Chapter 2 on democratisation, it is problematic to speak of a national or regional culture that blocks democracy or in this case that restricts popular satisfaction with, or support for, democracy. Empirical evidence from opinion polls in East Asia directly contradicts this view.

One issue to note with cultural explanations is that the countries that are seen as having undemocratic cultures are often poorer and newer democracies than those more established and wealthy advanced democracies against which they are compared. We will return to the issue of wealth later, but there is considerable evidence that established and older democracies tend to produce higher rates of satisfaction. Linde and Ekman (2003) and Aarts and Thomassen (2008) both argue that this is because in order to generate widespread support for the general ideals of democracy it is necessary that new democracies perform well first. It is only through delivering responsive and beneficial democratic government that a citizenry will inculcate a deep commitment to democratic ideals. For example, the satisfaction with democracy measure probably meant very different things in Ukraine in 1990 than it did in Denmark in the same year. One country had a long and proven history that democracy delivered prosperity and security while the other was yet to test this form of government seriously. The longer a democracy survives and proves itself a viable form of government, the greater the level of satisfaction with democracy.

13.3.2 Accountability versus representation

As we have seen when trying to explain other political outcomes, a useful avenue to explore is the design of the dominant political institutions. Debates about satisfaction with democracy are no exception and these typically focus on whether countries with majoritarian institutional designs

or countries with consensual institutional designs lead to greater rates of satisfaction. This debate acknowledges that while both accountability and representation are valued in a democracy, majoritarian systems deliver more accountability while consensual systems deliver more representation and, in some respects, there is a trade-off between these two factors. Therefore, variations in satisfaction with democracy may depend on which of these two values citizens believe to be more important.

Majoritarian political systems tend to be characterised by majoritarian electoral systems with powerful single-party governments. The primary aim of majoritarian systems is to deliver accountable government. This is achieved through competitive elections typically between only two major parties and voters decide whether to reward or punish the incumbent government for their performance. Using retrospective evaluations and prospective speculations, voters who are happy with a government will continue to endorse it while those who are dissatisfied will remove it from power. Clear lines of responsibility through single-party governments make this level of accountability possible.

Consensual systems tend to be characterised by proportional electoral systems with coalition governments and a range of checks on the power of governments. The primary aim here is to elect a parliament that is representative of the electorate's overall wishes and this leads to broad coalition governments. Often there is an overlap between different governments and some parties in a new government will have featured in previous governments, even if the electorate was dissatisfied with the previous government's performance. This is because the lines of responsibility are blurred in a coalition government and representation takes priority over accountability.

Depending on whether citizens view accountable government or representative government as more important, this may explain variations in satisfaction with democracy. A brief look at our earlier patterns of satisfaction indicate that of the top performers according to the CSES data (Denmark, Norway, Spain, the Netherlands, and Australia) four out of five are typical consensual democracies and even Australia has become more consensual in recent years due to reforms of its majoritarian electoral system. Typical majoritarian countries like the United Kingdom, Canada and New Zealand perform well, but not as well as their consensual counterparts. In fact, Lijphart (1999) found that citizens in consensual democracies were significantly more satisfied with their democracy than citizens in majoritarian democracies.

Aarts and Thomassen (2008) set out to explore this possibility systematically in terms of accountability and representation. They used CSES data from 36 elections in 35 countries between 2001 and 2006 to explore this issue. In addition to analysing responses to the question about satisfaction with democracy, they also analysed responses to two other key questions about accountability and representation. These were as follows.

- 'Some people say that no matter who people vote for, it won't make a difference to what happens. Others say that who people vote for can make a difference. Using the scale – where 1 means that voting won't make a difference and 5 means that voting can make a difference – where would you place yourself?'

- 'Thinking about how elections in [your country] work in practice, how well do elections ensure that the views of voters are represented by MPs [Members of Parliament]: very well, quite well, not very well or not well at all?'

They found that democracies that were perceived as having both a high degree of accountability and a high degree of representativeness had the highest levels of satisfaction. However, democracies which citizens perceived as delivering more representation than accountability had higher rates of satisfaction than democracies which citizens perceived as delivering more accountability than representation. Therefore, there is compelling evidence that democracies that prioritise representation deliver higher levels of satisfaction than democracies that prioritise accountability. Yet in a rather puzzling finding from their study, after finding that representation was more satisfying than accountability, Aarts and Thomassen then found that citizens perceived majoritarian systems to be more representative and consensual systems to be more accountable! However, this can perhaps be best explained by the somewhat indirect question used to measure accountability which may have been interpreted in different ways by different respondents.

13.3.3 Economic performance

As we discussed at the start of the chapter, in Section 13.1, a citizen's satisfaction with democracy may in part stem from how satisfied they are with the performance of the country and this is just as important to take into account as explanations concerning the values and ideals of democracy. Needless to say, some of the most fundamental performance indicators of a country are economic indicators. Intuition as well as empirical evidence suggests that economic performance and public perceptions of both national and personal economic conditions are related to satisfaction with democracy.

Anderson and Guillory (1997) undertook one of the first studies of whether a person's status as an electoral minority or majority impacted upon their satisfaction with democracy. This is an issue we will explore fully in the next section, but this study also had important findings for the role of economic performance on satisfaction with democracy. Using data from 11 European democracies with varying levels of satisfaction, they found that people who perceived the national economy as performing better at the time of questioning compared to 12 months earlier were more likely to be satisfied with democracy. This was the case in all 11 countries individually and on average across all countries. In addition, people who perceived their own personal economic situation as performing better at the time of questioning compared to 12 months earlier were also more likely to be satisfied with democracy in their country. This was the case in nine out of 11 countries (Denmark and the Netherlands were the two exceptions where personal (dis)improvement did not impact on satisfaction). Both the country's overall economic performance and an individual's economic performance were important in predicting levels of satisfaction, but the country's national performance was more influential.

More recently, Wagner et al. (2009) explored the role of economic performance further. Using data from multiple years for the same 16 European countries between 1990 and 2000, Wagner et al. looked at two sets of variables. They looked at economic performance indicators, such as gross domestic product (GDP) growth, GDP per capita, unemployment, and inflation. However, they also moved beyond earlier studies in this area by examining whether the presence of high quality institutions that were seen to enhance economic performance increased satisfaction with democracy. They looked at whether a country had institutions that promoted high quality monetary policy, regulatory quality, the rule of law, and control of corruption. They also measured the size of the shadow

economy, rates of inequality, union density and rates of better institutional quality in general.

Wagner et al. found that countries and years with faster growth had higher satisfaction rates while countries and years with higher unemployment and higher inflation had lower satisfaction rates. Additionally, they also found that if a country had institutions in place that delivered a high quality rule of law, lower corruption, a smaller shadow economy, and better checks and balances, this led to higher levels of satisfaction with democracy. Overall, there is very strong evidence that democratic satisfaction is related to a country's economic performance and to having institutions in place that promote good economic performance.

13.3.4 Winners and losers

Whether an individual is an electoral winner or loser is also important to take into account. Elections are central to democracy because the winners of elections decide 'who gets what, when and how'. They are also important when it comes to satisfaction with democracy because 'the experience of winning and losing and becoming part of the majority and minority leads people to adopt a lens through which they view political life' (Anderson et al, 2005, p. 3). An electoral winner is any person who voted for the party or parties in government, while an electoral loser is any person who voted for a party that did not gain executive office or perhaps did not even gain legislative representation.

The reasons why winners are expected to be more satisfied with democracy than losers are worth clarifying rather than assuming it to be obvious. Elections divide voters into winning majorities and losing minorities. Within democracies, majorities are dominant. Winners are likely to be more satisfied because they will get a government that is closer to their policy preferences and more responsive to their needs. This will increase their faith and satisfaction with the system that elected this government. In contrast, electoral losers may become liable to dissatisfaction. Anderson et al. (2005, p.10) sum this up as follows:

> it is plausible to postulate that the winner-loser distinction affects people's sense of whether they have a say in the political system and whether the political system is responsive to their needs. If losing reduces citizens' efficacy, then losers may become less willing to pay attention to or participate in regular political events, and they may become politicised and willing to engage in protest behaviour and non-traditional or even socially less acceptable forms of protest.

In extreme cases it is not even certain that electoral losers will continue to give their support to the democratic system. This is because for electoral losers to continue to be satisfied with democracy 'requires the recognition of the legitimacy of a procedure that has produced an outcome deemed to be undesirable', yet at the same time 'the viability of electoral democracy depends on its ability to secure the support of a substantial proportion of individuals who are displeased with the outcome of an election' (Nadeau and Blais, 1993, p.553).

Very few governments in the post-war period have been elected with a popular majority – the popular vote is the total number of votes across the entire country/state rather than the number of votes won in a constituency or seat shares won according to a particular electoral system. Between 1950 and 1995 only 47.1 per cent of governments in 21 democracies secured a majority of the popular vote, implying that on average in the

second half of the twentieth century over 50 per cent of the voting public were ruled by governments they did not vote for. This becomes even starker when we look at the proportion of eligible voters, or the proportion of people who voted for the government out of all voters and eligible non-voters. In the same time period, only 20.8 per cent of the 21 democracies were ruled by governments that had a majority of the popular eligible vote (Anderson et al., 2005, pp.8–9).

Although in all democracies majorities are dominant, the extent of this domination and the amount of influence that electoral losers are awarded varies according to different types of democratic systems. Some political systems work to include the viewpoints of electoral minorities while others tend to allow the electoral majority to implement policies unchallenged. Therefore, while losers are generally expected to be more dissatisfied with democracy than winners, the extent to which a loser is dissatisfied with democracy will depend upon the type of political system in use in a country.

Anderson and Guillory (1997) argue that electoral losers are compensated better in consensual systems than in majoritarian ones. Thinking once again about Lijphart's distinction between these two political systems, majoritarian systems concentrate a large amount of power in the elected (usually single-party) government. There is no written constitution or judicial review, little coalition government, weak bicameralism and generally few veto powers for minorities. On the other side, consensual governments attempt to include as broad a group of interests as possible in governments as well as ensuring that losing electoral minorities continue to have some say over the policy-making process. Governments are more likely to be coalitions rather than imposing a plurality as a majority government. This is important because, recalling our earlier Chapter 8 on coalition and single-party governments, Huber and Bingham-Powell (1994) found that consensual governments produce policies that are closer to the preferences of the median voter, thus displeasing less voters than policies introduced to the right or left of the median voter. Additionally, in consensual systems there is often strong bicameralism, decentralisation of power and federal arrangements. In other words, there are a lot more veto powers for minorities. Consensual systems continue to provide minorities and electoral losers with a possible voice in policy-making in a way that majoritarian systems do not.

Based on this logic, Anderson and Guillory identified two hypotheses (1997).

1. Electoral losers in consensual systems are more satisfied than electoral losers in majoritarian systems.

2. Electoral winners in majoritarian systems are more satisfied than electoral winners in consensual systems.

To test these hypotheses they drew on data from 11 European countries using the 1990 Eurobarometer survey. Their first key finding was that in every country electoral losers were less satisfied than winners. There was variation in the size of the gap between winners and losers, but nonetheless this gap existed in every country. The gap between winners and losers was biggest in the UK, France and Greece and smallest in Belgium, Denmark and the Netherlands. After controlling for economic performance, interest in politics, income, education, gender and age, they found that the gap between winners and losers in consensual systems was smaller than that in majoritarian systems. In other words, losers in consensual systems were more satisfied than losers in majoritarian

systems. Finally, they also found that winners in majoritarian systems were more satisfied than winners in consensual systems because these governments had more unchecked power to implement a policy platform close to the winners' preferences.

Kim (2009) explored a parallel but slightly different explanation for variations in satisfaction with democracy. He noted that Norway, which has one of the highest rates of minority governments in the world and thus one of the biggest proportions of electoral losers, also has one of the consistently highest rates of satisfaction with democracy. Therefore, he looked to an alternative explanation other than whether an individual voted for the winning or losing party in an election. He argued that the ideological congruence between a voter and the government is what actually impacted upon rates of satisfaction. Ideological congruence refers to the ideological closeness between citizens' preferences and the policy-making positions of government. He argued this is a more accurate measure because the party a voter votes for may not be as ideologically congruent as one would expect, especially in a party system with only a small number of parties to choose from. Additionally, an electoral loser may not be overwhelmingly dissatisfied if a government close to the position of the median voter emerges, even if they didn't vote for that government.

To test these ideas he examined rates of satisfaction in eight advanced industrial democracies using data from the CSES of 2001. He found that only in five of the eight democracies were electoral winners more satisfied than electoral losers; however in Germany, the US and the UK electoral losers were more satisfied than winners. Additionally, in seven of the eight cases non-voters were less satisfied than both winners or losers; however, in Japan non-voters were more satisfied than losers but less satisfied than winners. The unexpected pattern of losers being more satisfied than winners indicated for Kim that something other than who you vote for must also be important in influencing satisfaction. Indeed, after controlling for economic performance, type of electoral system, education, gender and age, he found that as the gap between voters and policy positions increased, satisfaction decreased. Further confirming this tendency, he also found that the greater the congruence, the greater the satisfaction. What is more, once Kim controlled for congruence he found that whether a voter was a winner or a loser was no longer significant. In other words, ideological congruence was a better explanation than whether a person voted for a winning or losing party.

13.4 Conclusion

Satisfaction with democracy embraces a range of different notions. For some people, satisfaction with democracy is concerned with the diffuse ideals of democracy – the principle of political equality, for example. Yet for others, satisfaction with democracy is about how well democratic institutions operate in a specific place and time – is the system of political competition fair, is the rule of law as equal as possible, and so on? For others still, satisfaction is more about how well the democratic system delivers prosperity and security to its population through a strong economy. Finally, people being people, satisfaction is also about whether our favoured candidates win elections or not. It is important to bear this array of interpretations in mind, because in reality satisfaction with democracy acts as a summary measure – a measure that combines aspects of all these features. Therefore, when we speak of satisfaction

with democracy, we are talking of a wide array of facets of the democratic process.

With this in mind, when we seek to explain why countries like Denmark and Iceland are more satisfied than Italy or South Korea we need to look to a wide array of explanations. These explanations emphasise individual preferences as well as how political institutions channel these preferences. Explanations that the culture of a country predisposes its citizens to be more or less satisfied are not entirely convincing. More convincing are explanations that the age of the democracy matters and the longer it survives, the more citizens' trust and satisfaction grow. Additionally, representative government, good economic performance, and supporting the winning party all lead to higher levels of satisfaction.

In conclusion it is worth looking at the cause and effect behind satisfaction with democracy, much as we did with economic performance. For example, an explanation that a democracy characterised by good economic performance and healthy democratic institutions causes higher satisfaction is only one possible interpretation. It is also important to note that perhaps people who are highly satisfied with democracy insist that their policy makers deliver strong democratic institutions. Another alternative again would be that richer countries are more drawn towards democracy and if you live in a rich country with a relatively fair distribution of wealth you are highly likely to be satisfied with the way you are governed. In other words, we are left once again with the realisation that people's preferences towards their satisfaction with democracy are endogenous to the institutions of the country in which they live.

13.5 A reminder of your learning outcomes

Having completed this chapter, and the Essential reading and activities, you should be able to:

- evaluate the meaning and usefulness of the concept 'satisfaction with democracy'
- explain different patterns of satisfaction with democracy
- appraise different explanations for variations in satisfaction with democracy.

13.6 Sample examination questions

1. Why are people in some countries more supportive of democratic institutions than people in other countries?

2. 'Europeans like democracy more than Asians do.' Discuss.

3. 'Economic performance not political institutions.' How far does this statement explain variations in satisfaction with democracy across the world?

Notes

Appendix 1: Sample examination paper

Important note: This Sample examination paper reflects the examination and assessment arrangements for this course in the academic year 2012−2013. The format and structure of the examination may have changed since the publication of this subject guide. You can find the most recent examination papers on the VLE where all changes to the format of the examination are posted.

Time allowed: three hours.

Answer **ANY FOUR** of the following questions.

1. Assess the strengths and weakness of quantitative and qualitative research methods.

2. 'Economic factors are more important than cultural factors in accounting for transitions to democracy.' Discuss.

3. **either**

   (a) Does social class explain voting behaviour? Answer with reference to at least two countries.

   or

   (b) 'Political parties should move to the centre to win elections.' Discuss.

4. Is a majoritarian or a proportional electoral system better?

5. Why are some interest groups more influential than others?

6. Assess whether a parliamentary system or a presidential system is a better form of government.

7. What are the political and policy consequences of coalition government compared to single-party government? Use examples from at least two countries.

8. What are the political and policy consequences of the decentralisation of power to lower levels of government? Use examples from at least two countries.

9. 'Delegation to independent institutions hinders democratic accountability.' Discuss with reference to **either** courts **or** central banks **or** the European Union.

10. How can we best explain variations in patterns of public expenditure between the USA and Europe?

11. 'Effective environmental policy is doomed to failure.' Discuss.

12. Why do Danes and Australians tend to be satisfied with their system of government while Japanese and Brazilians tend to be dissatisfied with theirs? Are these attitudes justified?

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Notes