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Articles

Renato Boschi, Flavio Gaitán

Politics and Development: Lessons from Latin America

Marcus André Melo

Strong Presidents, Robust Democracies?

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Clarissa Dri

At What Point does a Legislature Become Institutionalized?

The Mercosur Parliament's Path

Flávio da Cunha Rezende

Analytical Challenges for Neoinstitutional Theories

of Institutional Change in Comparative Political Science

Janina Onuki, Pedro Feliú Ribeiro, Amâncio Jorge de Oliveira

Political Parties, Foreign Policy and Ideology:

Argentina and Chile in Comparative Perspective

Research Note

Argelina Cheibub Figueiredo, Denise Lopes Salles, Marcelo Martins Vieira

Political and Institutional Determinants

of the Executive's Legislative Success in Latin America

Review Essay

Camila Martins Oliveira da Silva Nogueira

The Influence of International Factors in the

Process of Democratization

Book Review

Sidney Jard da Silva

Institutional Inertia and Bounded Innovation in Healthcare Policy

(Menicucci, Telma Maria Gonçalves. 2007. Público e Privado na Política de Assistência à Saúde no Brasil: Atores, Processos e Trajetória, Rio de Janeiro, Editora FIOCRUZ)



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Contents

	Contributors	4
	Abstracts	8
	Articles	11
Renato Boschi, Flavio Gaitán	Politics and Development: Lessons from Latin America	11
Marcus André Melo	Strong Presidents, Robust Democracies? Separation of Powers and Rule of Law in Latin America	30
Clarissa Dri	At what Point does a Legislature Become Institutionalized? The Mercosur Parliament's Path	60
Flávio da Cunha Rezende	Analytical Challenges for Neoinstitutional Theories of Institutional Change in Comparative Political Science	98
Janina Onuki, Pedro Feliú Ribeiro, Amâncio Jorge de Oliveira	Political Parties, Foreign Policy and Ideology: Argentina and Chile in Comparative Perspective	127
	Research Note	155
Argelina Cheibub Figueiredo, Denise Lopes Salles, Marcelo Martins Vieira	Political and Institutional Determinants of the Executive's Legislative Success in Latin America	155
	Review Essay	172
Camila Martins Oliveira da Silva Nogueira	The Influence of International Factors in the Process of Democratization	172
	Book Review	180
Sidney Jard da Silva	Institutional Inertia and Bounded Innovation in Healthcare Policy (Menicucci, Telma Maria Gonçalves. 2007. Público e Privado na Política de Assistência à Saúde no Brasil: Atores, Processos e Trajetória, Rio de Janeiro, Editora FIOCRUZ)	180
	Acknowledgements	185

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Abstracts

Politics and Development: Lessons from Latin America

Renato Boschi and Flavio Gaitán

The present article discusses the conditions for the adoption of development strategies in Latin America in the aftermath of neoliberal reforms, focusing specifically on the role of political institutions as a component of productive regimes in selected countries. Development is treated as an endogenous process, shaped over time in terms of trajectories that are continuously redefined according to specific political conjunctures. Having moved from restricted democracies or authoritarian regimes and autarchic economies to mass democracies operating in the context of open economies after market-oriented reforms, persistent structural inequalities presently constitute the major axis framing the definition of development policies. Unlike in advanced countries where the State is treated as an epiphenomenon of the respective productive regimes, in the Latin American semi-periphery the State is the crucial actor for the reversal of vicious circles and negative complementarities stemming from the extreme structural and social inequalities within and between countries in the region.

Following a brief discussion on development and economic growth in the definition of the post-neoliberal agenda, the article examines institutional indicators for the economic performance of contemporary government coalitions in selected countries, focusing on State policies favouring development, such as financing, technological innovation, training of the labour force and social policies. Next, we concentrate on analysing political institutions and the role of political elites capable of generating national projects for sustainable development strategies, showing some of the differences between these countries. We conclude with a brief discussion on the adequacy of contemporary political economy approaches to understand processes of capitalist transformation in the periphery, drawing attention to the need for a redefined regional perspective on development issues.

Keywords: Development; Political institutions; State intervention; Inequality; Varieties of capitalism.

Strong Presidents, Robust Democracies? Separation of Powers and Rule of Law in Latin America

Marcus André Melo

The received wisdom on Latin America in the 1980s and 1990s was that countries where presidents enjoyed strong constitutional powers and where multiparty coalitions prevailed would be doomed to instability and institutional crises, while countries boasting weak presidents and strong parties were expected to consolidate democratic rule. After almost two decades, it is now widely acknowledged that this prediction failed. Recent re-conceptualizations of

presidentialism have partly corrected the flaws in the established *diagnosis* but left unexplained the role of checks and balances and of the rule of law in containing presidential abuse and guaranteeing governability. The paper argues that the key to solving the paradox of strong presidents and robust democracies is that democratic stability in Latin American countries is a function of an extended system of checks and balances. These are ultimately generated by power fragmentation at the time of the constitutional choices over their institutional design and political competition sustaining their effective functioning.

Keywords: Checks and balances; Rule of law; Latin America.

At What Point does a Legislature Become Institutionalized? The Mercosur Parliament's Path

Clarissa Dri

The Mercosur Parliament was created in 2005 to represent the peoples of the region. The constitutive documents affirm the necessity of reinforcing and deepening integration and democracy within Mercosur through an efficient and balanced institutional structure. In order to examine the potential role of the Parliament in strengthening the institutional framework of the bloc, this paper aims to analyse its initial years of activity. What is the institutionalization level reached by the assembly so far? The research is grounded on the idea that the more institutionalized the legislature is, the more it will influence the political system. The article presents a comparative approach that considers the earliest steps of the European Parliament. In terms of methodology, the qualitative analysis is based on documental research and on direct observation of the Mercosur Parliament's meetings. The main conclusions are related to the limited level of institutionalization of this new assembly, in spite of its innovative features regarding the Mercosur structure, and to its similarity with the initial period of the European Parliament.

Keywords: Regional integration; Parliamentary institutionalization; Mercosur; European Union.

Analytical Challenges for Neoinstitutional Theories of Institutional Change in Comparative Political Science

Flávio da Cunha Rezende

This article analyses the core critiques on institutional change theories within the neoinstitutional research agenda in comparative political science. It offers an explanatory typology using analytical challenges for the development of theories with new institutional approaches. This typology provides key critical issues that should be seriously considered by political scientists when analysing change. The framework suggests that the analytical challenges be posed in five interwoven dimensions: a) inclusion of institutional variables; b) agency and cognition; c) contextual sensitivity; d) increasing precision in the concept of institution (and institutional change); and, e) recursive interaction between agents and institutions in the process of institutional change. Based on these challenges, the article conducts a comparative analysis of the theories of change suggested by North and Aoki to understand how they deal with such issues.

Keywords: Comparative political science; Institutional change theory; New institutionalism; Theory and models; Research design.

Political Parties, Foreign Policy and Ideology: Argentina and Chile in Comparative Perspective

Janina Onuki, Pedro Feliú Ribeiro, Amâncio Jorge de Oliveira

The aim of this article is to discuss the distribution of preferences of members of the Chilean and Argentinian Congress on foreign policy issues through the analysis of roll call votes. This goal is guided by the debate in Latin American literature concerning the decision-making process in foreign policy. The predominant argument focuses on the Executive as the principal decision-maker, disregarding the Legislative as relevant in this field. Thus, legislators would tend to abdicate from their preferences in determining foreign policy. Confronting this argument, we have many studies emphasising the importance of domestic actors in the foreign policy decision-making process. This article proposes to analyse two case studies in comparative perspective: the lower houses of the national parliaments of Argentina and Chile. The result is that the party ideology is a relevant explanatory factor of deputies' votes. Although the argument is more evident for the Chilean case, it is possible to argue that there is a similar pattern to the structuring of deputies' votes in the two countries, both on the domestic and on the international arena. The methodology used makes it possible to infer legislators' preferences by means of roll call votes and of the construction of maps of deputies' ideal points in foreign policy terms, as well as the correlation between Chilean and Argentinian parties' ideological classifications. Votes on foreign policy questions during the 2002-2006/2007 legislatures are considered.

Keywords: Legislative; Political parties; Foreign policy; Chile; Argentina.

Politics and Development: Lessons from Latin America

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The present article discusses the conditions for the adoption of development strategies in Latin America in the aftermath of neoliberal reforms, focusing specifically on the role of political institutions as a component of productive regimes in selected countries. Development is treated as an endogenous process, shaped over time in terms of trajectories that are continuously redefined according to specific political conjunctures. Having moved from restricted democracies or authoritarian regimes and autarchic economies to mass democracies operating in the context of open economies after market-oriented reforms, persistent structural inequalities presently constitute the major *axis* framing the definition of development policies. Unlike in advanced countries where the State is treated as an *epiphenomenon* of the respective productive regimes, in the Latin American semi-periphery the State is the crucial actor for the reversal of vicious circles and negative complementarities stemming from the extreme structural and social inequalities within and between countries in the region.

Following a brief discussion on development and economic growth in the definition of the post-neoliberal agenda, the article examines institutional indicators for the economic performance of contemporary government coalitions in selected countries, focusing on State policies favouring development, such as financing, technological innovation, training of the labour force and social policies. Next, we concentrate on analysing political institutions and the role of political elites capable of generating national projects for sustainable development strategies, showing some of the differences between these countries. We conclude with a brief discussion on the adequacy of contemporary political economy approaches to understand processes of capitalist transformation in the periphery, drawing attention to the need for a redefined regional perspective on development issues.

Keywords: Development; Political institutions; State intervention; Inequality; Varieties of capitalism.

Desarrollo es un término de azarosa biografía en América Latina. Sus promesas arrastraron a todos los sectores de la sociedad y de algún modo encendieron uno de los más densos y ricos debates de toda nuestra historia, pero fueron eclipsándose en un horizonte cada vez más esquivo y sus abanderados y seguidores fueron enjaulados por el desencanto.¹

Anibal Quijano

Introduction

Since the beginning of the century, the tendency in Latin America has been one of reversing the direction of public policies, in an extraordinary ideological turn. The degree of the metamorphosis going on in the States of the region is demonstrated by the electoral victories of formulas that proclaim more or less clearly their distance from neoliberal ideology. These have taken place over a fairly short period of time, with renewed State intervention in the economy resulting.

This turn has given new energy to the Political Science and Economics discussion on the new public agenda and the key components of the emerging development project. In other words, a new window for politics has been opened up. The 1980s was a period of reduced degrees of freedom for the governments of peripheral countries, given the foreign debt burden and the neoliberal ideological umbrella. The combination of a thought considered to be the only possible alternative, the renowned Washington Consensus, and fiscal constraints, was the key for governments to carry out a handbook of structural reforms, mostly forced by short-term emergencies. In recent years, the process of reversing countries' conditions in order to pursue their autonomous development paths has been accelerated. Furthermore, change has not only been domestic, but also in certain world-system conditions, which has strengthened the degree of freedom and autonomy of politics in national projects.

This geopolitical climate change is essential in the analysis of the sociopolitical alternatives for countries in the region. Contemporary discussions on development alternatives take into account neoliberal thought and consider the possibility of carrying out development projects within the framework of an extended capitalist system that is increasingly interdependent and globalized, with a surprising degree of wealth concentration in the *axis* of the rich countries of the north. Alternatives are constrained by the fact that capital flows take place mostly between the three subsystems that make up this system: the North American bloc, the European Union and the group of Southeast Asia/Pacific countries led by Japan. Given these changes, both at the domestic and international levels, questions arise regarding the alternatives open to peripheral countries, especially regarding

Latin America, which has performed reasonably, based on a series of interventionist policies within the framework of a model of protectionism and industrialization by import substitution, as revealed by steady average growth rates in the period, despite the absence of redistribution through social policies.

In this paper we try to focus on the role of institutions and politics for the creation of a new development agenda and for the generation of a breeding ground for the components of this agenda. Firstly, we consider development as an endogenous process that takes place within nation-states in the globalized framework of a power struggle *vis-à-vis* other states, regions and multilateral agencies. In this context, the importance of politics, rather than being diminished, is amplified, given that any project aiming to become hegemonic and diffused through epistemic communities must be translated at the national level into laws, regulations and other forms of public policy. Moreover, elites do not lose their strategic importance and, again in this sense, politics retains its strategic role (Diniz 2008).

We focus on South American countries and Mexico. While differences between countries in the region are quite marked, it is possible to identify similarities in contemporary socioeconomic processes affecting them. With differences in the degree of intensity and timing of implementation, all countries have gone through a process of transition from protected economies to systems defined according to the neoclassical paradigm. In recent years, the opposite phenomenon — a shift towards greater state involvement typical of a new development model — is taking place in the region as a whole, with few exceptions. The article is organized as follows: firstly, we present the theoretical framework of institutional legacies and their impact on the possibilities for implementing the new development agenda, still under construction. Next, we analyse the role of institutions and the relationship between market and state, or between the public and private sectors. Lastly, we attempt to draw some conclusions from this recent historical experience of Latin America.

New Development Agenda for Latin America

Concerns about development are not new (Cooper 2005) and represent the search for the conditions to generate modernization dynamics of societies towards economic progress and social transformation (Ferrer 2007; Stiglitz 1998). In Latin America, studies on development and underdevelopment were stimulated by structuralist thought, mainly with the creation of Economic Commission for Latin America and Caribbean (ECLAC) in the late 1940s, facing a decline later on, after the crisis of the interventionist model of import substitution. Nevertheless, during the last five years, a remarkable change in the ideological orientation of the vast majority of governments in the region has taken place, partly in response to the economic and legitimacy crisis caused by the neoliberal project.

This unforeseen breakthrough revitalized the discussion of key concepts in the field of development studies such as the role of the State and of economic, political and social actors in socioeconomic projects, the relationship between politics and economics, and the role of institutions in development prospects, among others. In other words, even though still in formation, this transformation that started with the arrival in power of governments that recognize themselves as anti-neoliberal and pro-intervention, opens a new era in the long debate on alternative development perspectives that has taken place in Latin America since the postwar period.

Even though the current development model retrieves elements of ECLAC's post-structuralist discourse (Bresser Pereira 2006; Boschi and Gaitán 2008) it is undoubtedly different and combines the value of state intervention with respect for the value of macro-economic stability, largely because of the spectre of the inflationary spiral that the region suffered in the 1980s. The notion of stability implies recourse to instruments of exchange control, interest rates and fiscal surplus (or at least balance) as tools in the intended process of economic growth. In open opposition to the neoclassical idea, which denies space for the nation-state, neo-developmental discourse revitalizes the role of the state *apparatus* as a primary agent of development.

This neo-developmental discourse is nurtured by the academic debate as well as historical experience. It grows out of the controversies between the advocates of the neoclassical view, who tended to naturalize the orthodox perspective in terms of the benefits of coordination through the market, emphasizing, at the same time, the thesis that poor growth performance was due to the fact that reforms were not carried out completely. In this context, the new outlook that is still taking shape faces opposition, on one hand, from neoclassical sectors, autistic before the poor results of neoliberal experiences and, on the other, from the radical left, which criticizes the supposed continuity of policies.² The argument in favour of recovering state capabilities as a development factor is still a matter of controversy in the public debate.

Thus, it is possible to observe a contradiction between a market-friendly perspective, generally associated with economic efficiency and supported by those who defend the rigidity of monetary stability, and a developmentalist tradition, related to the necessity of recovering state capacities, which tends to be associated with archaism, protectionism, corruption and backwardness. The new discourse recognizes the importance of good governance, the role of the state in terms of the promotion of development, but is definitely even more limited in this sense than that of the classical development vision.

A key aspect of the new agenda is economic diversification, both in terms of domestic production and of foreign trade. There is a growing recognition that the scale of the struggle between countries on global trade is so strong that investment in science

and technology³ becomes necessary, not only to put Latin American countries on the path to development but, above all, so as not to lose the — already small — share that countries in the region have in international trade. International trade is the key variable to consider in assessing the distance between Latin American countries and those of the economic centre. International trade is growing year after year and, in spite of the fact that national boundaries still define the scope of intermediation, the importance of trade relations between countries is undeniable.

Rodrik (2001, 26) states that “no country has succeeded by turning its back to international trade”. If Latin America has historically specialized in the production of agricultural and livestock products and participation in these areas was crucial, changes in international trade over the past 35 years led to deep adjustments. During this period agricultural products went from being 30% to 10% of world trade. As a result, Latin America’s accumulated share of world exports is falling.⁴

The Brazilian experience shows the importance of the state’s action in the diversification of foreign trade. Since 2000, there has been a reversal of the trade deficit, generally explained, at least initially, by the devaluation of the *Real* with the introduction of a floating exchange rate. More fundamentally, when the *Real* begins a recovery process and the undervalued currency no longer explains the dynamic taken on by the pattern of trade (mostly from 2002), this is explained by the policies pursued by the current administration, particularly those included in the PITCE (“Industrial, Technological and Foreign Trade Program”) and PAC (“Growth Acceleration Program”). In addition, Brazil has comparative advantages in terms of the strength of some existing local financing institutions (especially publicly-owned, but also private). In this regard Brazil differs from the rest of the countries in the region. Furthermore, as part of the South-South strategy introduced in 2003 by the current administration, Brazil strengthened its embassies, mostly in Latin America and Africa, resulting in robust sales growth abroad.

Certain branches of knowledge, such as biotechnology, are a direct challenge to the comparative advantages of certain sectors related to traditional exports. Development of financing systems, in particular those focusing on production diversification and innovation, are central to the new development strategies. The reform of the Brazilian state left untouched certain clusters of technical excellence. Bureaucratic institutions such as the BNDES (“National Bank for Economic and Social Development”) were kept in the public realm. The importance, strategic role and nature of the activities of this institution has no parallel in any other Latin American country, thus preserving a role built up during the developmentalist phase. A few other agencies geared at development promotion, such as the Chilean Corporation for Promotion of Production (CORFO), assume a strategic role in creating the conditions for private investment. Between 2003 and 2005, Brazilian exports grew 100%.

Lastly, social issues are another key factor in the new interventionist models. The social agenda has a significant level of importance in the neo-developmental model. Latin American countries have shown no ability to combine growth and equality. Between 1970 and 2006, Latin America grew as a whole at an average rate of 3%, yet the proportion and number of poor people remains constant. Today, almost 40% of its population are poor (some 210 million people) and 15% are extremely poor. One of the main aspects of the post-neoliberal agenda in terms of development challenges in the current globalization phase refers not only to its economic aspects, but more than ever, to its social dimension, essentially, the ability to extend development to society as a whole. This concern with social inclusion appears both in the academic debate (Huber and Solt 2004; Huber et al. 2006) and in neo-developmental experiences, which have expanded the instruments for social intervention.

In Argentina, two lines of social policy can be observed: one sponsored by the Social Development Ministry and the other by the Ministry of Labour. The Social Development Ministry is responsible for the “National Food Safety Plan” (“Plan Nacional de Seguridad Alimentaria”), the “Local Development and Social Economy Let’s Get to Work Plan” (“Plan de Desarrollo Local y Economía Social Manos a la Obra”) and, lastly, the “Families Plan” (“Plan Familias”) for social inclusion (which consists of the “Families Social Inclusion Program”, “Integrative Community Centres” and the “National Pension Assistance Commission”). For its part, the Ministry of Labour is in charge of the “Unemployed Heads of Household Plan” (“Plan Jefes y Jefas de Hogar Desocupados”). This set of policies streamlines a large number of previous programs and have the almost exclusive purpose of improving efficiency in implementation, benefiting mainly those sectors that have suffered more from the strong crisis that followed the collapse of the convertibility regime.

In Chile, the social policies of the current administration are based on three main programs: the “Chile Solidarity Program” (“Programa Chile Solidario”), which works with female household heads; the “Chile Grows with You Program” (“Programa Chile Crece Contigo”), designed to follow-up and support children in their development from pregnancy onwards, as a way of combating inequities from the cradle itself; and a free health system for citizens over the age of 60 has been announced.

In Brazil, the social programs of the federal government led by the Workers’ Party (“Partido dos Trabalhadores” (PT)) can be divided into three areas, the most important being the “Articulation, Mobilization and Social Control” (“Articulação, Mobilização e Controle Social”), focusing on malnutrition. In this context, the “Zero Hunger Program” (“Programa Fome Zero”) has four main areas: access to food, the strengthening of family agriculture, income generation and articulation, and mobilization and social control. It includes actions such as income transfer, the “Family Grant” (“Bolsa Família”), food and nutrition, social security, small-scale agriculture and the fight against child labour, among others.

Path Continuity, Legacies and Development Possibilities

Proper identification of the elements of the new development agenda is a complex task, though representing just one aspect of the studies on development. One of the main questions in the extensive literature on development regards the conditions that allow the establishment of policies for a new agenda. The reflections not only address the constitutional vectors of a development project⁵ but also the conditions that will ensure its implementation. In this sense, the challenge is explaining the differences in development prospects between Latin American countries.

Entering a development path involves exploring a variety of alternatives. This does not necessarily imply a radical break with previously trodden routes (Boyer 2005; Amable 2003). In the institutionalist perspective,⁶ successful adoption of a new institutional framework depends on the context and historical trajectories that have shaped the nation-State and institutions in each country (North 1990; 1998). The generation of virtuous cycles of development would be connected, among other factors, to a process of successive stages involving the establishment of institutions capable of reducing transaction costs and increasing efficiency. In the case of Latin America, such an effort implies considering the post-market reform scenario.

There has been no single model of neoliberal adjustment, but different models of open market implementation. For example, despite the general opinion, we can find neoliberalism with State coordination in Chile, in a type of model that hides complex processes, which are far from an anti-interventionist practice associated with this experience.⁷ In Argentina, the process of implementation of structural adjustment was radical, based on neoliberal orthodoxy with productive regression. The dismantling of the postwar interventionist model reached significant levels. Uruguay and Brazil are examples of a lesser degree of penetration of neoliberal adjustments, so much so that it can be referred to as a development model with macroeconomic orthodoxy, rather than as a classic neoliberal model.

It can be said that those countries that advanced less in the implementation of structural reforms, i.e., that retained higher levels of freedom to apply a neo-developmental agenda, are those that were reluctant to copy models as an ecumenical doctrine, and followed their own paths. The same applies to national differences as to the reversal of crises of growth or to the leap in national development levels that characterized the trajectories of certain Asian countries like China (which is conducting its own transition to capitalism) or Malaysia.⁸ Taiwan and South Korea — success stories of the 1970s that used the postwar Japanese industrialization model — also constitute successful experiences of development based on state strategies targeting certain objectives considered central to national projects (Chang 2007; Kholi 2004.) These cases prove: i) the importance of relatively autonomous

paths, doing away with “handbook” implementation of reforms; ii) the key role that political components and technical officials can play in the definition of the path to follow in a particular national project; and iii) the centrality of coordination mechanisms and interest intermediation structures. In fact, some studies, Evans (2005) among them, present the so-called emerging Asian tigers. These are cases of successful *catching up*, examples of the capacity to create market-oriented elites that established an interface with state bureaucracies, leading their respective trajectories away from predatory processes.

Identifying institutional legacies and the role of institutional arrangements capable of overcoming vicious cycles commonly regarded as obstacles to development is not a simple task. Actually, although the successful postwar development experiences of Latin American countries show that state institutions have a key role in creating favourable conditions for socioeconomic development, the way in which institutions operate towards building efficient state intervention is not clearly delineated. Such task calls for a distinction between the strictly economic level and political factors that outline, on the whole, the alternatives for future development, together with other variables assuring institutional comparative advantages.

State, Markets and Politics as Key Elements of Development Models

Nonetheless, the recognition that institutions play a central role is just a starting point for dealing with a larger problem: the conditions for the creation and permanence over time of such organizations. The possibility of creating them is not easy (North 1990; 2005). Institutions are more than simple rules of the game and procedures that must be followed. As is well known, their efficacy depends on the possibility of governing over individual or collective behaviour and of incorporating values, preferences and expectations of human beings in interaction.

Insofar as development is concerned, the issue relates to the possibility of making government institutions incorporate a pro-development orientation in their daily operation, with the aim of inaugurating a virtuous cycle of growth. In this sense, there must be institutions in place capable of effectively dealing with the interactions between individuals and groups with opposing interests. In turn, a shared frame of reference among elites is necessary to *guarantee* productive results in a fairly stable manner over time. Elites with influential capabilities over the public agenda have a key role in this process. In this regard, *emphasis* is put on the political and bureaucratic component (the existence of bureaucracies with *esprit de corps*) and on coordination between the public and private sectors (the existence of arenas where *entrepreneurs* and the state may cooperate or concert).

The state’s ability to build strong administrative-bureaucratic machinery is vital in creating the path towards development. Cases of more integrated or cohesive patterns of

state intervention, such as Brazil and Chile, have relied on the existence of these bureaucratic *nuclei*. On the other hand, the state must be capable of processing interest group actions, both from capital and labour, in terms of conflicting alternatives. In sum, the instruments for achieving growth targets are varied and the choice of a particular set of instruments involves the mobilization of social support, the formation of coalitions, the diffusion of values favourable to the different options and the organization of collective action in different institutional formats (political parties, trade associations, trade unions), among others. The challenge is putting the state *apparatus* in motion to create an inclusive development project (Gourevitch 1986).⁹ As the neo-developmental agenda is being built upon the remaining state structure in the aftermath of neoliberal reforms, the task at hand is that of reversing the previous path so as to generate a virtuous *consensus* around the idea of national development. At this point one must consider the fact that the neo-developmental agenda is still not the winning choice. The epistemic community identified with open market theories remains strong (Fukuyama 2004) and the tendency for these orientations to prevail as a filter in elites' worldviews is proportional to the time the corresponding policies were in place. The same would be true of the legacy of state interventionism, affected as it was by the reforms. In some cases, the reversal of this previous trajectory encountered obstacles and it took longer for neoclassical views to take hold.

Disparities in Latin America are remarkable in this regard. In Chile, where neoclassical ideas flourished in an almost unique manner and with a radicalism never seen in the region before, the coalition government that emerged from the process of democratization found in the social commitment to the neoclassical economy an ideological corset. In Brazil, where neoliberalism was a project of late and partial implementation, expressions of a strong developmentalist state remain.

In the Brazilian case, even though business elites were the segment that supported neoliberalism most readily, the deepening of the development model generated sectors more critical of the economy's opening. Later on, during Fernando Henrique Cardoso's second presidential term, there developed a position critical of maintaining the fundamentals of monetary stability — high interest rates, high primary surpluses and, mainly, the high tax burden. Since the Lula government, there seems to be a certain preference for a more pro-development type of model, centred on the need for investment in production and infrastructure, while enhancing stability as a public good (Diniz and Boschi 2007).

As analysed in detail in Boschi (2008), significant differences also exist in the way Latin American parliamentary elites perceive the role of the state in development policies and also regarding the state-market dichotomy. Data from the *Parliamentary Elites in Latin America* survey coordinated by Alcantara (1994/2005) at the University of Salamanca clearly indicate differences in the perception and views of parliamentarians from various

countries. Thus, it appears that Chilean parliamentary elites are more favourable to market regulation (53.4%), a position that may be explained by the depth and duration of market reforms there. In Brazil, a lower percentage of parliamentarians are so inclined (43.3%). On the other hand, in Mexico, 57.3% of the elite's preference concentrates on the maximum value of statism, and 28.2% in the category of strong statism, with a total absence of preferences in the pro-market category. The data presented in this work are revealing of the almost dichotomous way that choices are framed in the public debate about development alternatives. It is also indicative of the still preliminary nature of a neo-developmental perspective as a policy preference in the region. The perceptions of potential support coalitions for a development platform based on new forms of state intervention, with different degrees between countries, is yet to be constructed, diffused and consolidated.

Differences in elite perceptions about the state in each country are stressed in the revealing analysis by Dezalay and Garth (2002) on contending perceptions of lawyers and economists in the process of Latin American state-building. Centred on the Brazilian, Chilean, Argentinian and Mexican cases, the work underlines how elite fragmentation in Argentina and Mexico led to a less consensual position on the role of the state and a more outward-looking perspective, one less prone to accumulate state capacities. On the other hand, Brazil is placed closer to the Chilean case for reasons ranging from the preservation of a law-based tradition of control of the state *apparatus* and the progressive creation of institutional capacities of state intervention. In other words, in the latter cases, the presence of more cohesive elites that took possession of the state *apparatus* through a tradition of thought linked to the Law acted as a deterrent to the projected state minimalist perspective of the economists.

Therefore, with regard to the role of elites, it is necessary to stress the importance of previous visions about the state as the possible foundation for the diffusion of new pro-development networks of professionals articulated in epistemic communities. Very often the state *versus* market polarity blurs the identification of new trends. The vision of the Chilean model as a beacon of neoliberal success, for example, hides the preservation of significant coordination activities and patterns of state intervention under the *façade* of market reforms, as a result of previously shared views regarding the strategic role of the state.

In other words, history, actors and local decisions count. The point is to recognize that despite external constraints upon the integration of peripheral countries to the global economy, development remains an endogenous process. Therein lies the possibility of generating a national project capable of creating the basis for the support of various social actors (employers, workers, politicians, government technical officials etc). The implementation of a development agenda and the generation of stable institutions is the result of broad agreements that require *consensus* among the players representing social,

political and economic life. Such agreements must be honoured by participants, with the collaboration of various sectors to achieve relative stability and durability in the short and medium term. The political system becomes the key dimension in this respect. The various mechanisms for processing conflict are crucial, as already mentioned. As stressed in socioeconomic analyses, a project implies a certain direction, a choice between alternatives in which different actors and social groups are influenced in dissimilar ways. In other words, projects generate adjustments in social stratification and will find support among groups that are favoured by or have empathized with the proposal (Faletto 1996; Becker 2007). Thus, the existence of points of inflection and, consequently, of new desirable points of balance would depend on the coalitions of support for a post-neoliberal developmentalist platform. The greater or lesser ability displayed by political systems of dealing with conflict situations and generating *consensus* is a central feature of any development model.

A dimension of governance in terms of the nature of the coalitions that come to power and seek to implement a more developmentalist platform must be emphasised. The situation in this regard is quite different in each context. Political and institutional factors shaping production regimes generally make a difference in terms of economic performance. On the one hand, the Argentinian president Fernandez de Kirchner's coalition government is more homogeneous, structured on the momentarily hegemonic field of Partido Justicialista (Justicialista Party), incorporating splits of the opposing parties, not facing any strong or articulated opposition. On the other hand, Lula's first coalition government was highly fragmented and made up of parties both on the right and left of the ideological spectrum. Even with pragmatism and dogmatism making the task of defining and obtaining support for a long-term development project more difficult, though the government has managed amidst some turbulence, institutions have been reasonably effective in terms of ensuring governability.

Chile and Uruguay are perceived as examples of centrist trends. Overcoming the authoritarian Pinochet regime in Chile made it possible to create a more centre-oriented homogenous coalition that turned out to be fairly pragmatic and efficient enough to carry out a project for the country. However, since the government of Ricardo Lagos (2000-2006) under the leadership of the Socialist Party, the permanence and stability of the coalition has faced gradually more disagreement. This has constituted a straightjacket for the adoption of more progressive public policies, resulting in higher levels of social conflict, which seems to have been a key characteristic Michelle Bachelet's presidency.

The nature of the political coalition is part of a broader *axis* that includes not only the players who are in government but in the broader framework of the political system (pluralism, fragmentation, division of powers etc). The most significant difference would be in whether or not to nurture conditions for cooperation. A swinging *pendulum* between

experiences focused on projects with consensual participation of political parties as mediators contrasts with those in which the distinctive feature is the exclusion of other legitimate actors from the party-political arena in favour of social movements.

Significant differences — between dissimilar realities that range from relatively stable systems to experiences that deny any legitimacy to the government coalitions — may be observed in Latin America. These include different party models, quantity and quality of players involved in the political game and the role of institutions in reconciling interests, among others. On the one hand one has the group made up of Ecuador, Venezuela and Bolivia¹⁰ where the most outstanding feature is the clear difficulty of channelling conflict through political institutions. Broadly speaking, a general denial of the legitimacy of the presidents in office is observed, with an inability to form a coherent opposition *axis* that is stable and with chances of becoming a true government alternative. Political actors tend to be embedded in a dynamic zero-sum game, where representation of interests assumes particularistic profiles. On the other hand, Uruguay, Chile, Brazil and Colombia combine a party system with alternation in the exercise of power, a certain legitimacy of the actors in the political game and an active parliament. In the middle, Argentina and Peru represent cases in which, while legitimacy of the actors in government is undeniable, the quality of political institutions is low and, additionally, there appears to be no strong opposition with the potential to become a real government alternative.

Understood as conflict-channelling and creation of dialogue bridges between conflicting alternatives, politics requires clear rules which involve not only political but, especially, economic players. A development proposal in the context of a capitalist system in constant evolution and competition, which drives states to a strong bid for resources, investment, technology and human capital, needs a strong business sector (Sicsu et al. 2005; Diniz and Boschi 2004; 2007; Boschi 2009).

In recent years, Brazil seems to be going along this path. Although central, cooperation between businesses and the public sector also depends on the way in which the state has been able to establish such cooperation. The underlying coordination dynamics between state and market are affected, firstly, by the existence of planning mechanisms and of coordination between the two areas and, secondly, by effective means of implementation, which leads us to take into account state capacities. In fact, as already emphasized, the basis for any possibility of a development proposal implies a basic agreement between politics and the economy, or between economic and political actors. The issue is not only the public administration paying attention to market signals, but also knowing when these are positive and retaining the power to control and coordinate. Only as long as these signals act as a positive link in public goods distribution and user preferences, can they act to improve the performance of public institutions (Evans 2005).

This pattern of relations between business and an autonomous yet responsive bureaucratic core would be critical to explaining the virtuous paths of “recovery” following market reforms. Resistance from bureaucratic elites, business and unions has been a key factor in the neoliberal slowdown and in the late implementation of reforms in some cases. In contrast with the cases of Argentina and Chile, where privatization was almost total, in Brazil, the privatization of Companhia Vale do Rio Doce,¹¹ emblem of the Fernando Henrique Cardoso administration, faced resistance from business and trade union sectors, which acted as a brake on future privatizations. The question is why the opposition in Argentina displayed no effectiveness in resisting privatization.

The role of business is fundamental in the analysis of the formation of a development platform. One important line of study is made up of authors who emphasize the relationship between the business sector and the State as an explanatory factor for the incidence of certain development experiences. Critical of Olson and focused on partnerships between businesses interests in East Asian and Latin American countries, these studies show that economic performance is strongly related to cooperation between private sector interest groups and the State, to the extent that class associations contribute to correct market failures, apart from being functional in solving coordination problems (Schneider and Maxfield 1997; Schneider 2005).

Corporatism, usually understood as a form of representation of interests opposed to liberal democracy because it implied working class control — and, in this vein, negatively evaluated —, can in fact be reinterpreted in terms of its positive effects, constituting grounds for cooperation between social sectors and the state. In Latin America, there have been experiences of strong (Mexico, Brazil) or weak (Chile, Venezuela) corporatism, which generated different paths of transition to market-centred coordination and from there towards a new development orientation (Boschi 1994). State corporatism was essential to counteract the tendency towards business and corporate fragmentation such as in Brazil and Mexico. In cases of weak state corporatism, such as in Chile and Venezuela, corporate hegemony was achieved through the operation of strong peak associations. Above all, as has been analysed (Boschi 1994; Diniz and Boschi 1991) in Brazil, the development and consolidation of an official structure of representation¹² constituted a major asset at the time of shaping the collective identity of the private sector *vis-à-vis* the state, and was essential in terms of maintaining the relative integrity of the domestic private industrial sector in the immediate post-reforms scenario.

The existence of a development agency like the BNDES and its isolation from any privatization pressure can be also explained by¹³ the political and economic profile of the elites. Despite a change in its orientation during the neoliberal period, in which it acted as an agent of the privatization process, this agency never deviated from its

constitutionally defined role of supporting projects geared to job creation, in line with its founding aims.

Conclusions: Uncertainty and the Development Process

Even recognizing the role of institutions in creating the conditions for a national agreement around the idea of national development — still analysing States' bureaucratic capacity to enhance the benefits and opportunities that the current moment represents —, development is far from a clear idea. At this point, attention should be drawn to micro public policies and the behaviour of policy-makers with the ability to influence key items of the new agenda.

Imponderable elements are key to the development experience. These not cognoscible — *a priori* elements are pluri-significant and their importance can vary over time. The discovery of two vast oilfields in Brazilian jurisdictional waters that could turn the country into an oil producing and exporting power is an example of how imponderables appear as an explanatory factor. While discovery is the consequence of a strategic and investment decision, its mere existence is not predictable. In this sense, uncertainty is present in any development process. Development may also be a product of certain unplanned decisions. The current Brazilian experience, displaying robust economic growth and the reversal — albeit slow — of historical social inequalities, was unthinkable in the recent past.

Development is a long-term process. Only by being successful in surviving over time, can certain policies turn into successful dynamics. The delay or relative improvement at a moment of time does not *guarantee* a stable course. For example, mid-twentieth century Argentina had a relatively advantageous position with respect to all the countries of the region and that did not ensure a sustained or continuous development process.

On the other hand, the view one has of the processes can eventually change. Patrimonialism and corporatism, which have been analysed in a negative way as an expression of private elites over public arenas, can be positively reinterpreted in the long run. Patrimonialism, which in the Brazilian experience expressed the extension of the private domain of the oligarchy, was based on a sort of competition between various regional fractions over control of the state *apparatus*, the unexpected result being the preservation of its strength and capacity to intervene over the years. Also seen in perspective, the policies carried out by the military governments can be positively reinterpreted not only for their ability to generate sustained growth rates and potential for development, but also for their consequences in terms of nation-building. A dictatorship that banned all forms of civil rights represented the element on which the elites could count to keep the State isolated from particular interests and develop a national project.

In sum, the Brazilian experience illustrates a case of solid capitalism in which the process of creating an interventionist state, since Getúlio Vargas's 1930 Revolution, can be analysed in terms of the presence of imponderable elements, combining uncertainty with determination of some elite sectors. The elites that triggered the process of national industrialization may not have been clear as to the long term consequences of their intervention but they opened up a trail that was to preserve the possibility of a development experience with an effective pattern of state intervention throughout its course.

Changes in political regime in Brazil have not meant a drastic change in the rate of accumulation or in the pattern of state intervention. Concentration of power, a strong Executive capable of implementing a development agenda over time and the strengthening of a bureaucracy with *esprit de corps*, seem to be the pillars that explain the increasing strength of the Brazilian State, the weaker penetration of the neoliberal project and the achievement of a more integrated form of capitalism in the long run.

The specific nature of development processes in Latin America clearly shows, on the one hand, the role that the state can have in them and, on the other, the concern with structural inequalities as a complex system factor in the dynamics of development. It is in the space between the State and the process of overcoming inherited inequalities that development dynamics can thrive. Only the strengthening of the State *apparatus* can act as a factor to overcome historically inherited inequalities, in an inclusive process of development that promotes the welfare of the masses. Moreover, the creation or expansion of a domestic market can promote a process of integration of historically marginalized sectors, thus constituting one of the axes for future development strategies.

The specific nature of state intervention as the basis for breaking with long-prevailing negative complementarities stemming from endemic structural inequalities has been overlooked by theories. Such is the case of the Variety of Capitalisms literature. These approaches provide an analysis of the transformation of the capitalist system based on the central countries' point of view. In this vein, the state is strategically seen as important, but is at the same time treated as an *epiphenomenon* in the productive regime, which is basically guided by firms' perspectives and complementarities in terms of financing, research and development, labour force training and others.

The capacities of peripheral and semi-peripheral states to meet social demands that precede the generation of such complementarities, as well as their capacity to face adverse conditions in the international system, would represent a turning point regarding future trends. However, it would not be possible to return to the omnipresent role of the state, without taking into account the imperatives of macroeconomic stability and its value. Neither would it be possible to continue denying the role of the state in creating the conditions for development, as became clear from the poor results of the economic reforms of the 1990s.

The more a development project involves a large number of players representing the political arena, business and other economic actors, and the more it becomes inclusive from the social standpoint, the greater the chance it will be viewed as national task worth fighting for. Equally, the possibilities for the region as a whole in the international division of labour will be enhanced, spurred by strategies of regional integration.

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Notes

- 1 Development is a term of random biography in Latin America. Its promises dragged all sectors of society and somehow lit up one of the densest and richest debates of all times, but they were shaded in an increasingly evasive horizon and its bearers and followers were caged by disenchantment.
- 2 For Claudio Katz (2007), from the group of leftwing economists, the appropriate term is neo-developmental rather than fully developmental because it preserves monetary restrictions, fiscal adjustment, priority for exports and income concentration, whilst aiming to increase State subsidies to industry in order to reverse the consequences of extreme free-trade.
- 3 Brazil is the country of the region that has made the most progress in institutionalizing a system of science and technology. In this process, synergy between the State and national private sector seems to be a central factor in successful development experiences and in this case also appears to be an advantage in the Brazilian experience. While in Argentina the government represents 41% of financing and higher education institutions 22%, leaving 33.1% to companies, in Brazil the latter support the 39.9% of investments in research and development and universities 2.2%, leaving 57.9% for the government, which means greater integration of the research system in Brazil, where research relies on agencies specifically designed for that purpose and on the private sector. The Brazilian business sector has gone from historic R&D (investment rates of the order of 12% to a level around 40% in recent years, slightly over US\$ 2.5 billion. In Chile, institutions of higher education finance 2.2%, and government and business are responsible in almost equal parts (44% and 45.8%, respectively).
- 4 In 1960, Latin America accounted for 8%, in the 1980s this fell to under 6%, and in 1990 it reached just 3.3% (Lopez Segrera 1998). The current Latin American share of world exports stands at 3% (about US\$ 354.89 billion), thus constituting a process of marginalization (WTO, 2007). The largest country in the region, Brazil, represents 1.05% (i.e., more than one third of all Latin American and Caribbean exports), and 0.7% of world imports.
- 5 As it is an ongoing process, which recovers ECLAC's structuralist elements combined with a new direction and some new axes (in part a legacy of neo-classical paradigms), the identification of the neo-developmental agenda is not simple, but includes new forms of social policies, investment in education, science and technology, industry promotion and the diversification of the production matrix, among other aspects (Boschi and Gaitan 2008).
- 6 Hall and Taylor (1996) point out the existence of three neo-institutionalist lines: the first resumes studies of public election choice that emphasize institutions, such as rules that define the frame within which strategic interactions will take the place of rational actors and maximize utilities; the second refers to the sociology of organizations and seeks to interpret the role of institutions

in terms of standards of behaviour; the third also uses a broader definition and draws attention to the historical trajectories that resulted in certain institutional arrangements.

- 7 Under the neoliberal façade that characterized the Chilean model of development, mechanisms closer to a developmentalist form of State intervention operated. State coordination activities included public support, which acted as a catalyst for the boom in exports in sectors such as fish, fruit and timber. The preservation of State coordination mechanisms, in conjunction with the reorganization of business in support of economic reforms, made way even for the retention of the mining sector under the protection of the State and for the operation of capital-flow control mechanisms. Such elements meant that there was both an ability to deal with market failures and positive space for State intervention.
- 8 As pointed out by Rodrik and Kaplan (2002), Malaysia dealt with the Asian crisis with alternative prescriptions to the international lending institutions' proposals, achieving higher rates of recovery in a shorter period than those countries that clung to the handbook of the international community.
- 9 This author argues that cyclical capitalist crises lead to changes of economic policy (laissez-faire, mercantilism, centralized planning, demand stimulation, industrial policies) and that the resulting nature of the state is going to depend not only on those choices but also on the possibility that these will constitute the dominant model.
- 10 In theory, the governments of these countries constitute an axis that at least at the discursive level claim to be socialist alternatives. This is expressed in the formation of the Bolivarian Alternative for the Americas (ALBA), in which Ecuador refused to participate and was finally made up of Bolivia, Cuba, Dominica, Nicaragua and Venezuela.
- 11 Vale is the world's second largest mining company. It was created by president Getúlio Vargas in 1942 and privatized in 1997, during the Cardoso administration.
- 12 The degree of organization and strengthening of business associations has also been fundamental to moving processes of structural adjustment forward. Por ejemplo, las privatizaciones avanzaron mucho menos en el caso brasileño, en parte por haber sufrido oposición de sectores organizados que consiguieron atenuar el impacto de las mismas. For example, privatization progressed much less in the Brazilian case partly because of opposition from organized sectors that managed to mitigate its impact. La fragmentación del empresariado argentino y la mayor organización de sus pares brasileños, caracterizados por el fuerte pragmatismo y organizados en asociaciones corporativas y una tela de otras entidades a su margen, fueron en general receptivos a las reformas, a pesar de que las mismas impactaron diferencialmente sobre distintos segmentos de la industria. The fragmentation of Argentinian business sectors was not replicated in Brazil. This was owed to Brazilian business sectors' strong pragmatism and better organization into corporative associations and related organizations. This did not prevent Brazilian entrepreneurs from generally being receptive to the reforms, despite the fact that they had differential impacts upon the various segments of industry.
- 13 BNDES is the state-owned National Economic and Social Development Bank, created in 1952. It is the main source of credit for the private sector.

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Strong Presidents, Robust Democracies? Separation of Powers and Rule of Law in Latin America*

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The received wisdom on Latin America in the 1980s and 1990s was that countries where presidents enjoyed strong constitutional powers and where multiparty coalitions prevailed would be doomed to instability and institutional crises, while countries boasting weak presidents and strong parties were expected to consolidate democratic rule. After almost two decades, it is now widely acknowledged that this prediction failed. Recent re-conceptualizations of presidentialism have partly corrected the flaws in the established *diagnosis* but left unexplained the role of checks and balances and of the rule of law in containing presidential abuse and guaranteeing governability. The paper argues that the key to solving the paradox of strong presidents and robust democracies is that democratic stability in Latin American countries is a function of an extended system of checks and balances. These are ultimately generated by power fragmentation at the time of the constitutional choices over their institutional design and political competition sustaining their effective functioning.

Keywords: Checks and balances; Rule of law; Latin America.

Introduction¹

There has been renewed unease among pundits and experts about the imbalance of powers in Latin America's *presidencialismo*. This is reminiscent of concerns that were pervasive in the 1970s and 1980s about this system of government. Nonetheless,

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while recent presidential abuse of power and inter-branch conflict in Venezuela, Bolivia and Ecuador have attracted the bulk of the attention,² in some other countries — including Chile and Brazil — there has been much praise for their being on the road to good governance (Stein and Tommasi 2008). In the latter set of countries, which in the early 1990s were thought to be doomed to failure because of some alleged flaws in their constitutional design — “exaggerated presidentialism”, large number of effective parties and corresponding multiparty coalition government and open list proportional representation, among others³ —, there has been, paradoxically, stability or even an increase in the constitutional powers wielded by presidents.⁴ By contrast, the countries with the weakest executives in the region in the 1980s — such as Venezuela, Bolivia and Peru — have been the ones that have experienced greater instability and governability problems. Presidents enjoying few constitutional powers have imposed their preferences resorting to an array of informal authoritarian practices and unconstitutional means, thereby creating great institutional instability. This puzzle begs an explanation.

Indeed, the governability landscape in Latin America is markedly heterogeneous. In the Andean region and in Venezuela, there is widespread recognition that inter-branch tensions have grown and that presidents have increasingly abused power. The concentration of authority in the hands of the executive is the chief concern but other governance problems have also come to the fore, including violations of press freedom and systemic corruption, as well as *liaisons* with drug cartels in the justice system and legislative branch. In several countries, presidents have meddled with the internal functioning of high courts and of legislatures, going far beyond their constitutional attributes. Some of the new rulers in the region have typically adopted anti-system rhetoric and appealed directly to the populace. The Andean region and Venezuela have indeed been the privileged *loci* for these developments. They have witnessed the collapse of the party system and experienced a dramatic *crisis* of political representation, but, while less dramatic, sustained abuse of power has also been the rule in other countries such as Argentina.

From a broader perspective, presidential abuse of power is neither novel nor widespread, as the contrasting cases across Latin America demonstrate. Indeed, the *travail* of democracy in Latin America in the 20th century has involved a relentless struggle to rein in presidential powers, and abuse of power by authoritarian rulers has been the rule rather than the exception. The reason for concern is that for many observers such practices suggest a reversion of expectations regarding the consolidation of democracy in the region. Concerns about the prospects for democracy in the wake of the third wave of democratization in the Latin American region acquired an academic expression in the 1990s in the debate about delegative democracy (O’Donnell 1994) — a form of democracy where plebiscitarian leaders, oftentimes outsiders with no previous experience in politics,

adopted authoritarian practices and a discourse against existing political institutions but were legitimized through the electoral process. This debate is still ongoing and ushered in a recent concern about the quality of democracy, as measured by social indicators, and quality assessments of political institutions.

The overarching theme in all these discussions is the question of governability and its institutional determinants. It seems to be appropriate to re-evaluate, in the light of new research findings and recent public debates, what is wrong — if anything — with Latin American political institutions. Are the political institutions adopted in the region to blame for the underperformance of democracy in the region? The divergent paths of Latin American countries warn us against a generic problem with Latin American institutions. Many conflicts impairing inter-branch cooperation can be avoided when coalitional strategies are successfully implemented and the rule of law is robust. This may be the reason why countries such as Chile and Brazil have outperformed others in the region in terms of the functioning of political institutions.

By exploring the contrasts within Latin America, this paper seeks to establish some preliminary answers to these questions and to the puzzle posed by the contrasting governance outcomes of presidential systems in the region. The main claim developed in the present article is that the key to effective governance and democratic stability in Latin America is the combination of strong presidents with robust checks and balances, and the rule of law. Indeed, while in the early 1990s the institutional design of countries like Bolivia and Venezuela was seen as more conducive to democratic stability and good governance than Chile and Brazil, in the late 2000s, the opposite is true. Bolivia's and Venezuela's institutional design in the early 1990s combined narrow presidential powers with strong party leadership, whereas the constitutional structure of Brazil and Chile rested on strong constitutional powers and weak party leadership.

The main claim in the analysis developed in this article is that the key to promoting sustainable democracy in the region is success in establishing a robust system of checks and balances and rule of law. The latter involves media pluralism, the judicial system and horizontal accountability bodies such as *ministérios públicos*, *tribunais de contas* and *contralorías*, as well as robust mechanisms of parliamentary oversight. In other words, governability also requires that the three branches of government be strong. By exclusively focusing on executive-legislative relations, the extant literature fails to embed them in models of strategic interaction with the latter institutions.⁵ Similarly, the recent burgeoning literature on judicial independence and rule of law in Latin America have uncovered many of the causal mechanisms leading to more effective checks on executives, but have failed to ultimately link this discussion with the discussion on governability and system of government. The analysis presented in this paper is admittedly conceptual and exploratory,

but aims to generate testable hypotheses about the determinants of good governance in Latin America.

The paper is organized as follows. The first section reviews the debate on presidentialism and executive-legislative relations, showing the relative inconclusiveness of the debate and, more importantly, that the *diagnosis* of the ungovernability effects of strong presidents have failed. Strong presidents are not only able to implement their agenda but, more significantly, may be necessary for governability, provided that the institutional checks are in place. The second section discusses institutional and political checks on executive power and the role of the Judiciary, *autonomous* institutions and the media in reining in executive misbehaviour. Lastly, the final section focuses on the determinants of the rule of law and effectiveness of *autonomous* institutions. This section sets the stage for a research agenda on the role of checks and balance in containing presidential abuse. There follow some conclusions.

From Regime Types to Separation of Powers and Rule of Law

Over the last thirty years, academics have sought to establish the underlying causes of ungovernability in the region. Much scholarship has centred on the institutional determinants of ungovernability and on institutional *crisis*. The usual suspects have been the institutions of presidentialism. Indeed now it is possible to trace back the evolution of the intellectual history of this debate and assess to what extent the extant governance problems in the region — particularly as they relate to separation of powers and governability — are associated with this system of government.⁶

In the 1980s and early 1990s, the debate hinged on the nature of presidentialism, taken as a system of government — irrespective of other institutional features — and its alleged inbuilt instability. This view, closely associated with the name of Juan Linz, was proposed as an explanation for the breakdown of democracy and the emergence of military rule in Latin America, but was extended to include presidential systems elsewhere (Linz 1990; Linz and Valenzuela 1994). Indeed this view was very influential in academic circles but criticism of Latin American *presidencialismo* — a term with strong negative overtones — can be traced back to the beginning of the century. The bottom line of the argument is that presidential systems differ from parliamentary systems in key aspects that are directly related to governability. Presidential systems, according to Linz, create a system of mutual independence — as opposed to the mutual dependence of parliamentary systems — between the executive and legislative branches, allowing for the emergence of executives that do not enjoy majority support. Presidents and prime ministers differ inasmuch as the former are elected separately from the legislative branch and have a fixed term of office. In the language

proposed by Shugart and Carey (1992), under presidentialism there is separate origin (a separate popular election for the chief executive) and separate survival (neither the executive nor the legislature may shorten the other's term). Because presidents have fixed terms of office, if a president loses support, he or she remains in office and gridlock ensues.

Where presidents enjoy substantial legislative powers to issue decrees with the force of laws, they would be tempted to bypass congress by issuing decree-laws unilaterally; where they do not, they would attempt to unilaterally change constitutions by mobilizing the direct support of the populace. These attempts exacerbate conflicts, and in many developing countries prompt the military to intervene. A less radical *scenario* is when conflicts stymie policy-making and the political system remains incapable of producing collective decisions. These deadlocks are less likely to emerge under parliamentarism, according to the well-known Linzian view, because of the latter's flexibility: should a prime minister lose support, due to a motion of censure, the government falls. Presidentialism therefore is supposed to be more conducive either to inter-branch immobilism and/or to *crisis* (and, by extension, to military coups).

In this stylized Linzian view, parliamentary and presidential systems differ in another crucial dimension: while the former has supposedly inbuilt incentives for party discipline, presidentialism fosters party irresponsibility and individualism. The key element that ensures discipline under parliamentarism, in this view, is the "escape valve" of no-confidence votes, whereby prime ministers threaten legislators with the dissolution of parliament and the call for new elections. The upshot of this threat is that parties become stronger and there are more incentives for coalition formation under parliamentary systems. The lack of a similar tool under presidentialism, in this line of reasoning, explains why in this system parties are weaker and there is less propensity to bargain and to cooperate. Thus, in the Linzian view presidentialism has a winner-takes-all overall nature that produces confrontation rather than cooperation. Separate origins for presidents and legislatures are part and parcel of this problem because presidents receive a mandate directly from citizens and are symbolically the embodiment of the nation. When they do not enjoy the majority support of elected legislators there emerges a problem of dual legitimacy. Both branches are representative of the citizenry but they may clash, particularly where presidents enjoy minority support, a very likely *scenario* under presidentialism, according to this analytical model.

This stylized view is well known by Latin American scholars and was the received wisdom in the late 1980s and early 1990s. It provided an explanation for the breakdown of democracy in Latin America as well as predictions about the problems facing the consolidation of the newly established Latin American and Iberian democracies. Linz's mode of explanation provided the analytical key for the institutional malaise affecting these countries. In turn, the success of the Spanish transition provided a model for Latin

America and underscored the superiority of parliamentarism in terms of prospects for the survival of democracy. The superior qualities of parliamentary systems were also the object of numerous large sample studies.

A new wave of scholarship in the 1990s led to a much more nuanced notion of presidentialism. Several contributors showed that there is much more variation within presidential democracies than between presidential and parliamentary democracies. The landmark study is Shugart and Carey (1992), who argued that presidential systems differed in crucial dimensions. Presidentialism, in this hugely popular analysis, is only associated with governance *crisis* where the party system is fragmented and presidents have substantial proactive (exclusive introduction of legislation in specific issue areas, decree authority, agenda power) and reactive powers (veto).

In Latin America there is indeed great variation in the legislative powers of presidents, both overall and in terms of the balance between proactive and reactive powers. Figure 1 provides data compiled by the United Nations Development Program (UNDP), which is primarily based on the typology suggested by Shugart and Carey. The data is normalized from zero to one, and allows us to compare the countries on the two relevant dimensions (reactive and proactive powers). Interestingly, the presidents of Brazil, Chile and Colombia are located at the top of the list of countries with strong legislative powers (and therefore more prone to governability crises), whereas Bolivia, Nicaragua, Paraguay and Honduras are at the bottom. Venezuela was the outlier in terms of reactive powers — its presidents in the pre-Chavez era had virtually no veto power. Mexico and Venezuela also appear at the lower end, along with Costa Rica.⁷ Mexico and Paraguay, which had authoritarian regimes in the 1990s, have presidents who are weak in terms of legislative powers.⁸

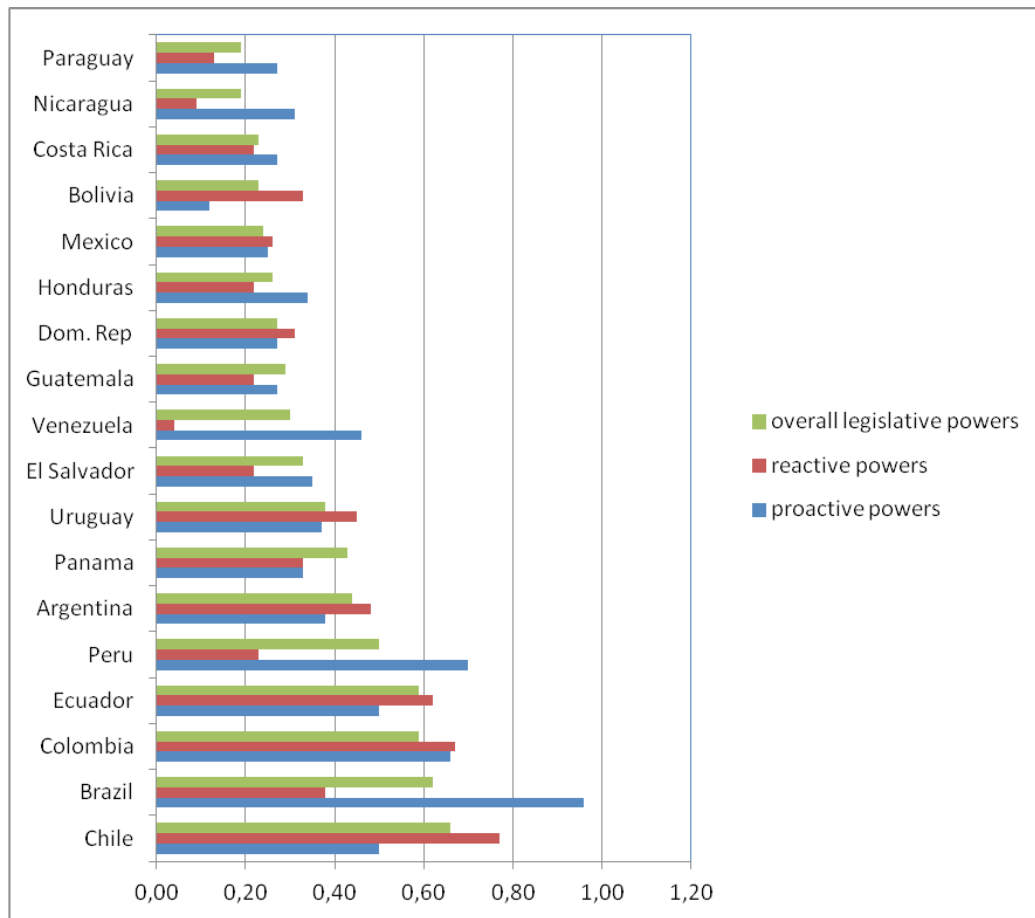
In this new wave of scholarship, the key to understanding the nature of party systems was the type of electoral institutions adopted in a constitution or similar statute of a country. By generating a large number of effective political parties, proportional representation was argued to weaken the party system. Conversely, majoritarian systems, by decreasing the number of effective political parties to a small set, were expected to produce a robust party system, which in turn would be instrumental for the support of presidents.

Moreover, Carey and Shugart argued that additional features were viewed as potentially decisive. These include the mechanisms of candidate selection (and the degree of control wielded by party leaders), the ballot structure, and the timing of executive and legislative elections. By exploring the number of micro-institutional features that affect the performance of presidential systems, this new wave of scholarship provided a richer picture of the effects of institutional design on governance outcomes.⁹

The bottom line of the analytical perspective inaugurated by Shugart and Carey (1992) is that not all presidential regimes are prone to institutional crises. Crises tend to occur in

contexts of multipartism — particularly those with a large effective number of (undisciplined) parties — where presidents tend not to count on the support of a stable majority. This is *a fortiori* true if presidents enjoy significant constitutional powers. Therefore, in this line of analysis, it is the combination of the degree of *partisan powers* of presidents — the extent to which they can count on a stable majority — and their *constitutional powers* that determine the propensity to governance crises. Where presidents have few constitutional powers but strong partisan powers, this propensity is significantly lowered.

Figure 1 Legislative powers of presidents in Latin America



Source: UNDP (2005).

This *diagnosis* implicitly contained the recipe for institutional therapy and several reforms informed by this emerging *consensus* were in fact carried out in the region. Bolivia, Mexico and Venezuela introduced mixed-member districts modelled at the German system, while other countries eliminated term limits for presidential elections. How have predictions made in the mid 1990s on the basis of these hypotheses fared in the light of developments in Latin America over the last decade? In fact, some of the predictions turned out not to

be accurate. Analysts writing in the influential volume edited by Shugart and Mainwaring, which had enormous influence in the region and beyond, expected two countries to have serious governance crises — Chile and Brazil — and two others, which experienced comprehensive institutional reform — Venezuela and Bolivia —, to be on the road to good governance. With the benefit of hindsight, the predictions for these two sets of countries could be reversed because the former group of countries have outperformed the latter by a significant margin.

The predictions were based on the assumption that these countries adopted open lists with a large number of effective parties and the presidential parties' share of the vote was small. In addition it was also assumed that presidentialism did not generate incentives for coalition formation.¹⁰

In that volume, Siavelis (1997, 349) argued that

(...) given the current dynamic of the party system and the uncertainty of coalition formation for the future, it is quite likely that in the future presidents [Chile] may not be able to rely on sizable legislative contingents of their own parties (...)

The most important consequence of the combination of multipartism and exaggerated presidentialism in the Chilean case is that the problem of *doble minoria* presidents has not been solved”.

In Chile, despite the binomial electoral system, encouraging joint lists among the parties, presidents were expected to receive a small share of votes and, consequently, were bound to encounter governability crises. According to Siavelis (1997, 349) in Chile

The possibility of presidents serving with legislative minorities is made more likely given the practice of second round elections. Second round elections often lead to the formation of temporary elections. *Following the presidential election there is little incentive for coalition members to continue to support the president.*

Similarly, the Brazilian political system lacked stable majorities as a result of party system fragmentation, caused by the combination of open list proportional representation and robust federalism (wherein regional and state loyalties also contributed to undermine party structures) (Mainwaring and Shugart 1997a, 1997b). Brazil and Chile were the object of great concern due to the fact that the presidential party share of the vote was minimal. During Cardoso's first term of office, the Partido da Social Democracia Brasileira (PSDB) took 12% of seats, while Lagos's Partido Socialista (PS) got 10% in 2000. In a context of lack of incentives for coalition formation, Brazil and Chile were anticipated to be *crisis-ridden* in the late 1990s and 2000s.

Contrary to expectations, a few countries that have been unstable and performed poorly in terms of democratic governance in the last decade were expected to be successful. Thus Venezuela and Bolivia, following their electoral reforms, were expected to improve:

(...) if electoral reforms of these sorts [the mixed system adopted in Venezuelan and Bolivia following the reform] continue to be enacted in Latin America, there is room for optimism that congresses may begin to provide more meaningful representation of their broader constituencies, rather than of party bosses or narrow patron-clients groups. If so congress would be in a better position to play an independent role and thus its check on the president would be more meaningful. Interbranch disputes would be more likely to be resolved through policy compromise (Mainwaring and Shugart 1997b, 429).

Likewise, Argentina was argued to have the correct ingredients for the “successful functioning” of its presidential system: a president with strong partisan powers and a strong party system. According to Jones (1997) in the same volume, this success was the product of an array of adequate micro-institutional incentives, including party leaders’ control over candidate selection, closed list proportional representation, weak federalism, among other factors. Admittedly, the authors were cautious and did not argue that these institutions would unilaterally produce good governance. Nevertheless, governability was viewed primarily in terms of the ability to form majority governments, and coalition governments were seen as intrinsically problematic.

In the last decade or so, a new wave of scholarship has strongly contested the received wisdom of the 1990s (Cheibub, Przeworski and Saiegh 2004; Colomer and Negretto, 2005). Presidentialism is no longer seen as impairing interbranch cooperation or as leading to ungovernability, and has definitively stopped being conceptualized in a negative vein. The new received wisdom postulates that presidentialism and parliamentarism differ in several important dimensions. While recognizing that constitutional design matters, there has been an emerging *consensus* that presidentialism does not cause governability problems.¹¹ Some of the alleged important differences still hold: all else being equal, a) government coalitions should occur more frequently under parliamentarism than under presidentialism;¹² and b) parliamentary governments should be more successful legislatively than presidential ones.¹³ However, three key findings contradict earlier views. Firstly, in both systems, minority governments are not associated with less success in terms of the approval of the government’s parliamentary agenda.¹⁴ Secondly, minority governments are not associated with deadlocks that lead to the demise of democracy. Thirdly, party system fragmentation does not affect the likelihood of impasses and interbranch conflict. Quite the opposite is true.¹⁵ These claims have been supported by extensive empirical research.¹⁶

Nonetheless, some minority governments occur under presidentialism and they

transpire for the same reasons that they do under parliamentarism: the *status quo* is preferred by a majority (Cheibub, Przeworski and Saiegh 2004). This intuition is definitional and comes from the very notion that under parliamentarism any existing government is the result of majority preferences because a new government could be formed if the majority prefers it to the *status quo*. This argument may be extended to presidentialism with a few caveats. Minority presidents may represent a stable *equilibrium* whereby potential coalition partners (the non-presidential parties) would opt to stay out of government while preferring the *status quo* policies enacted by the government. They might wish to stay out of the coalition because participation in government might incur in electoral costs and these parties have better electoral chances if they do not join the government. The key difference in the logic of cabinet formation under the two regimes is that under presidentialism the president must necessarily be a part of the government coalition, thereby reducing the number of potential coalitions. Two distinct logics take place depending on the location of the *status quo* (*vis-à-vis* the preferences of the president and the non-presidential parties) and on the president's constitutional powers (agenda powers, veto and decree authority, among others). If the president does not control the legislative process, the logic of coalition formation is identical under presidentialism and parliamentarism (Cheibub, Przeworski and Saiegh 2004).

Deadlock situations under presidentialism emerge in a rare class of cases: where the preferences of a minority president with strong constitutional powers and the other potential coalition parties are wide apart and further from the president's preferences than the *status quo*. In other words, the non-presidential parties' ideal points and the *status quo* are close but far from the president's ideal point. In this set up, presidents are unable to offer portfolios to potential partners because in order to attract a party that is close to the president's ideal point in the policy space, he or she must offer it a *quantum* of ministerial portfolios that is unacceptably high for him or her.¹⁷ On the hand, the president is expected to implement an agenda that is very far from his or her preferences to appease the non-presidential parties, and therefore a stalemate emerges.¹⁸

Although the role of the minority *status* of governments appears not to play a role in democracy's survival, presidential regimes are found to be less stable than parliamentary regimes. Therefore other factors might be contributing to the higher propensity of democratic breakdowns under presidentialism.¹⁹

The dynamics of coalition formation and their role in the effectiveness of presidential regimes have replaced electoral rules as explanatory variables in much of the debate on institutional design. Coalition management, in particular, appears as a crucial factor in the explanation of presidential success in implementing his or her agenda in Latin America. Cabinets help presidents implement their policy-making strategies (Amorim Neto 2006a;

2006b).²⁰ Presidents may decide to bargain with coalition partners (“the strategy of governing by statute”), in which case they allocate ministerial portfolios to non-presidential parties. Instead, they may opt to utilize their constitutional prerogatives (“strategy based on executive prerogatives”). The former strategy involves the appointment of a majority cabinet, the selection of more partisan ministers, and more proportionality in the distribution of portfolios to coalition parties.

Amorim Neto found that the president’s choice depends on the president’s preferences, as well as on institutional incentives and economic conditions.²¹ The president is more likely to appoint a majority cabinet, select more partisan ministers and distribute portfolios to parties on a proportional basis. The empirical analysis shows that the determinants of cabinet legislative *status* are the size of the president’s party, “extremist presidents” — presidents whose ideal point is wide apart from potential coalition partners — and economic crises. If the share of votes of the president’s party is small and he or she is an extremist holding large constitutional powers, he or she would have more incentives to use his or her presidential prerogatives and would tend not to appoint partisan ministers nor allocate portfolios proportionally. Rather than attempting to establish whether or not presidentialism leads to deadlock situations or presidential success rates in approving his or her agenda (or even democratic survival), this analysis shows that the distribution of preferences matters — confirming the findings discussed previously — and, more importantly, that coalition management is influenced by presidential prerogatives such as veto and decree powers.

Roughly similar findings are reached by Negretto (2006). He argues that the greatest potential for conflict also occurs depending on the president’s veto powers and policy preferences, as well as on the partisan distribution of portfolios.²² These recent findings provide a much more nuanced picture of presidentialism. The main lesson to be drawn is that simplistic unilateral diagnoses can be discarded and that presidentialism is not doomed to failure or *crisis*-ridden. Despite the recent expansion in the legislative powers of presidents in Latin America,²³ there is nothing to fear as to the future of democracy (Negretto 2009).²⁴ Strong presidents have been able to implement their agenda without crises and unilateralism in Chile and Brazil as argued, respectively, by Alemán and Navia (2009) and Figueiredo and Limongi (2000). Their constitutional strength may be required for good governance in the region, and the resulting governance outcomes are conditional on adequate checks on executive discretion (Alston et al. 2008).

In response to the question “When is a strong president a benefit?”, Carey argued “when presidential power can be configured so as to encourage deliberation within legislatures and bargaining between the branches of government, rather than a substitute for or deterrent to legislative-policymaking” (Carey 2009, 173). However, this much more nuanced view of presidential powers is not pursued further in the analysis. More importantly,

it is limited to the interaction between legislatures and the executive branch, and does not embed a broader strategic model that includes judicial and other institutions.

Persson and Tabellini (2004), who have developed the most ambitious research program on the impact of institutions on economic development, have aptly identified this missing link in the research agenda. They warn us that “the negative effect of presidentialism is only present among the democracies with lowest scores for the quality of democracy; this suggests that perhaps it is not presidential government per se that is detrimental to economic performance, but rather the combination of a strong and directly elected executive in a weak institutional environment where political abuse of power cannot be easily prevented” (Persson and Tabellini 2004, 96).

Institutional checks on presidents

In the light of Persson and Tabellini’s (2004) abovementioned suggestion that the reasons for presidentialism’s higher propensity for abuse of power is associated with the broader institutional environment, a key question may be posed: What in Latin America’s institutional landscape might explain the variation in the institutional performance of presidentialism in the area? This section and the next explore the role of what I call extended checks and balance institutions — legislatures, the judicial system and the media — in containing presidential abuse.

The bad functioning of democracies in the Latin American region has been associated in public debates with the problem of accountability and of flaws in the mechanisms of political representation. The weakness of checks and balances in the region is associated with a number of features: executives controlling the legislative process, legislatures that are simply rubber stamps of executive decisions, dependent judiciaries, manipulated media and weak control institutions such as *ministérios públicos*, *tribunais de contas* and *contralorías*.

The first two of these features can be found in parliamentary systems without implying violations of democratic accountability. In fact, in these systems, parliaments tend to be weak and single party majoritarian governments behave as “parliamentary dictators” (Powell 2000; Przeworski 2001). A legislature’s capacity is usually measured in terms of the number of active standing committees in parliament, the powers held by committees, including the power to approve or shelve a proposal before it reaches the floor, and the quality of expert advice provided by a body of permanent staff, along with several other aspects. The fact that they are weak in Westminster systems cannot be argued to indicate a lack of democracy but an expression of a particular type of constitutional architecture, the majoritarian design.²⁵ In fact, the ability of governments to approve their agenda can be defended on grounds of political efficiency or *decisiveness* (Cox and McCubbins 2001).

However, in separation of powers systems, legislatures are expected to participate actively in legislative deliberations and to exercise control of governments by reviewing executives' initiatives and overseeing policy implementation. The functioning of legislatures and the interaction of the executive and legislative branches in Latin America has attracted a large body of research in the last decade and a half. The large variation in terms of the role played by legislatures across presidential systems and in Latin America in particular (Morgenstern 2002) has now been mapped out in numerous studies (Cox and Morgenstern 2002; Morgenstern 2002; Saiegh n.d.). At the more proactive end of the *continuum*, legislatures such as the US Congress have the capability to formulate legislative proposals and thus have a key role in influencing the policy agenda. By contrast, at the other end, legislatures may be rather marginal players, serving as a rubber stamp for the executive's legislative proposals. These legislatures have scant capacity to scrutinize the actions of government. In the middle of this *continuum* there are cases where the legislatures have been somewhat active but still do not effectively influence the legislative process or oversee the executive.

The traditional view that is associated with the legislatures in the region is that they merely rubber stamp proposals from the executive branch. However, this is an oversimplified view. In fact, the average percentage of recent executive initiatives approved by legislatures is below 50% in countries such as Peru, Costa Rica and Ecuador.²⁶ Only in Mexico and Paraguay this percentage is above 80%. Even when they are approved, there is massive evidence that executive proposals never emerged unscathed from changes introduced by the legislature (Cox and Morgenstern 2002). Weak legislatures come in two types: those that have no institutional capabilities and indeed merely rubber stamp executive proposals and those that can obstruct executive proposals, their institutional weakness notwithstanding. As stressed by Cox and Morgenstern (2002), the latter type — which they call called “recalcitrant legislatures” — is particularly problematic and maybe even more harmful to the democratic process than the former. Legislatures of the former type can be “subservient legislatures” or “parochial-venal” varieties (Cox and Morgenstern 2002). While the subservient ones are entirely dominated by the presidency — such as Mexico's legislature before 1998 —, in the parochial kind, legislators' support can be easily cobbled together by pork-barrel projects.

A number of factors affect the capacity of legislators to influence the policy-making process and to oversee policy implementation: the extent to which the legislature enjoys the confidence of citizens, the number of committees, the average technical quality of law-makers and their expertise and seniority, among others. Other important factors influence legislative capacity: legislators' reelection rates and the importance of the party label. Table 1 shows capacity indicators for the Latin American legislatures: societal confidence in congress, legislators' experience in office, their qualifications, the average number of

committees and the effectiveness of law-making bodies.

Table 1 Measures of legislators' capabilities

	Confidence in congress – average	Effectiveness of law-making bodies	Average experience of legislators (years)	% of legislators with university education	Average no. of committees per legislator
Chile	36	3.7	8	79.4	1.95
Brazil	24.9	3.1	5.5	54	0.92
Colombia	20.3	2.7	4	91.6	0.86
Uruguay	38.2	2.7	8.8	68.4	0.98
Honduras	30.8	2.6	3	73.1	2.34
Costa Rica	29.9	2.2	2.6	80.4	2.09
Paraguay	25	2.2	5.5	75.4	3.15
El Salvador	27.7	2.1	3.9	64	2.44
Dominican Republic		2.0	3.1	49.6	3.54
Mexico	27.4	2.0	1.9	89.5	2.43
Bolivia	19.9	1.8	3.3	78.4	1.66
Guatemala	19.9	1.8	3.2	68.4	3.24
Panama	22.5	1.8	5.8	81.3	1.86
Ecuador	13.3	1.7	3.5	83.1	1.26
Peru	22.1	1.7	5.2	92.9	2.44
Argentina	20.5	1.6	2.9	69.6	4.5
Nicaragua	23.1	1.6	3.5	85.6	1.96
Venezuela	27.8	1.4	4.9	74.6	0.97

Source: Saiegh (n.d.).

Confidence in congress varies significantly across countries, being very high in Uruguay and Chile and very low in Ecuador and Guatemala, with Brazil falling somewhat in the middle. Reelection rates also vary widely, mostly because in countries such as Mexico and Costa Rica legislators have term limits and are barred from running for office again. This discourages legislative careers and leads legislators to build alliances with the executive in order to secure post-term appointments. Experience is high in Uruguay and Chile and low in Costa Rica, Mexico and Argentina. Building on these measures and additional indicators such as the strength of committees, legislators' technical expertise and assessments of congress as the place to build a career, the Inter- American Development Bank (IDB) (2006) proposed a classification of Latin American legislatures.

This is reproduced as Table 2.

Table 2 Legislature capabilities and legislative types

Congress type	Congress capabilities index		
	Low	Medium	High
Reactive limited	Argentina (1989-) Peru (1993-2000)	Panama Paraguay (1989-93) Venezuela (1999-)	
Reactive obstructionist	Argentina (1983-89) Guatemala Peru (2001-)	Bolivia Ecuador Nicaragua Venezuela (1989-98)	
Reactive constructive		Costa Rica Mexico (1997-) Paraguay (1993-)	Brazil Chile Colombia Uruguay
Proactive constructive			

Source: IDB (2006).

Table 2 classifies all legislatures in the reactive category and none in the proactive one (which hypothetically corresponds to the US type, where parliaments introduce legislation on their own initiative). The IDB (2006) identifies three types of reactive legislatures: limited, obstructionist and constructive, whose characteristics are somewhat self-explanatory. Limited are those legislatures that are relatively marginal to the political process. Argentina since 1989 is classified in this category. Obstructionist legislatures do not engage in the policy-making process and play the role of a “blunt veto player” — blocking or approving executive proposals. None of the countries are estimated to have high-capacity, proactive constructive legislatures.

Types of legislatures faced by presidents provide distinct incentives for strategies to be pursued in dealing with them, ranging from a bargaining mode of interaction to a more adversarial mode based on presidents’ use of their prerogatives (Cox and Morgenstern 2002; Amorim Neto 2006a; 2006b). Until recently, the bargaining mode had remained largely unexamined. As suggested by Cox and Morgenstern (2002), Latin American presidentialism represents a middle ground between the pure separation of powers system *à la* USA and European parliamentarism. Bargaining involves policy, pork and portfolio appointments. Where the political transaction costs are low as a result of less polarization and an adequate enforcement technology being in place — which is associated with strong institutions — actors can reap rewards from trade-offs; the potential for and scope of bargaining is thus enhanced.²⁷

Notwithstanding the overall weakness of Latin American legislatures, there is great internal variation. More importantly, Brazil, Chile and Uruguay clearly outperform other countries in the region. They are at the top in three categories: average of committees per

legislator,²⁸ effectiveness of law-making bodies and average experience of legislators. A more capable legislature indicates *ceteris paribus* a higher oversight capacity over executive actions (and not only enhanced law-making). Indeed oversight activity requires capacity and political incentives (discussed in the next section). Systematic data on oversight activities is not available and further empirical research is necessary to test the hypothesis that enhanced oversight capacity and presidents with strong constitutional powers are complements. Qualitative evidence and case studies, however, suggest that oversight is stronger in countries such as Brazil and Chile (Leany 2010).

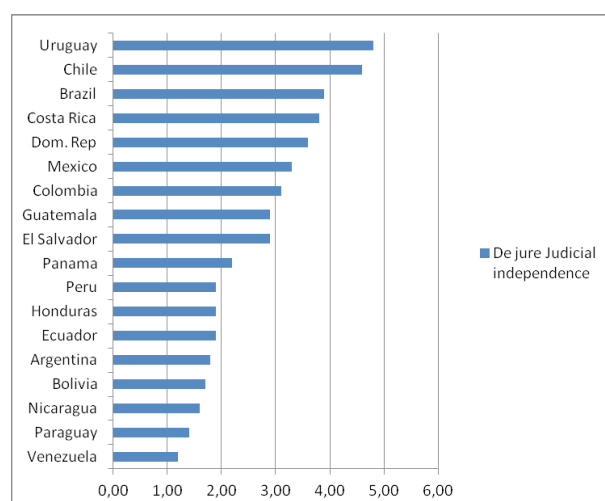
Presidential abuse goes hand in hand with de-institutionalization processes. They are particularly acute in the Andean region and in Venezuela, but there are alarming signals elsewhere. In countries where parties were strongest in Latin America, there occurred a process of disintegration of the party system. In Venezuela, the representation monopoly wielded by Comité de Organización Política Electoral Independiente (COPEI) and Acción Democrática broke down.²⁹ Similar developments can be found in Peru — the vote for Alianza Popular Revolucionaria Americana (APRA), Peru's oldest party and one of the oldest in Latin America, fell to 1.4% of the vote in 2000 (Mainwaring, Bejarano and Leongomez 2006). In Bolivia, traditional parties either almost disappeared, following corruption issues and evidence of links to drug dealing — the case of Movimiento Izquierda Revolucionaria (MIR) — or saw their share of the vote decline abruptly, as happened to the Movimiento Nacional (MRN) (Mainwaring, Bejarano and Leongomez 2006). There has been a collapse of the party system in Argentina as well, expressed, for example, in its denationalization, the proliferation of provincial parties and, most importantly, the virtual breakdown of the Unión Cívica Radical (Leiras 2007; Calvo and Escolar 2005). The flip side of the fragmentation of the party system is the rise of political outsiders, who individually or through their parties have held an increasing share of the vote. The cases of Toledo in Peru, Chavez in Venezuela and Morales in Bolivia are exemplary.

Another sign of de-institutionalization in the region is the increasing importance of social movements and street demonstrations in political developments that oftentimes lead to the ousting of presidents before the end of their terms of office (Pérez-Liñán 2007; Hochstetler 2006). Illustrative cases are Mauad (2000), Sanchez de Losada (2003), Collor (1992), De la Rúa (2001), Perez (1993) and Gutierrez (2002), among others. While these cases suggest a pattern of “stable presidentialism with unstable presidents” (Pérez-Liñán 2007, 204-5), wherein presidents do not finish their terms and there is no democratic breakdown, there are distinct *crisis* configurations.³⁰ As Pérez-Liñán (2007) argues, expressions of public outrage do not necessarily result in stronger systems of checks and balances, but are suggestive of mechanisms of spasmodic accountability. Legislatures prove capable of punishing wrongdoing without being able to prevent its emergence.

The key to explaining the puzzle posed in the introduction is that it is the quality of the extended system of checks and balances in a country that explains why powerful presidents — such as the Brazilian and the Chilean — wield vast powers yet the system does not degenerate into abuse. Rather, the upshot has been good governance. Presidents exercise powers in a constrained political space. Presidential abuses of power in countries such as Venezuela and Bolivia are clearly associated with attempts by presidents who are constitutionally among the weakest in Latin America to expand presidential powers against recalcitrant assemblies.

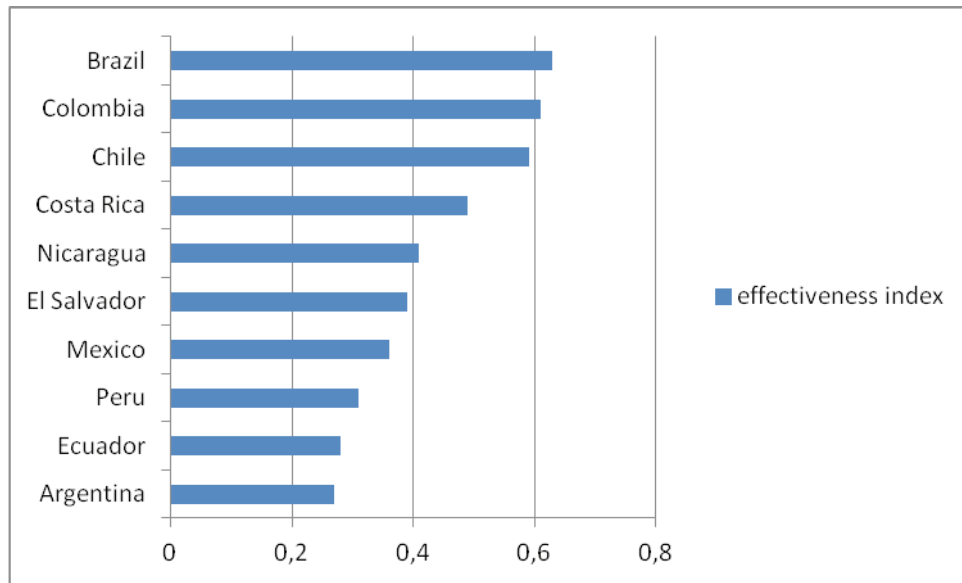
The role of the extended system of checks and balances — which includes the high courts, the *contralorías* (or *tribunais de contas*), the *ministério público* and the media — may provide the key to understanding the success of “exaggerated presidentialism”. Indeed the countries that possess the most independent and effective judicial and audit institutions, as well as *autonomous* and pluralistic media, are the ones that have been performing systematically better. Admittedly, existing measures of judicial independence are based on different conceptions of independence and do not provide consistent values across countries (Ríos-Figueroa and Staton 2008). However, the existing measures suggest that Brazil and Chile are among the top performers. Chile has the top score in five out of seven existing indicators compiled by Ríos-Figueroa and Staton (2008), whereas Brazil ranks first or second in six of them.³¹ In the widely cited Feld and Voigt de Jure indicator, Uruguay, Chile, Brazil and Costa Rica are the top performers in terms of judicial independence (IDB 2006) (See Figure 2).³² At the other extremity of the spectrum, Venezuela, Bolivia, Argentina, Honduras and Ecuador are the worst performers.

Figure 2 Judicial independence in Latin America



Source: IDB (2006).

Figure 3 Effectiveness of audit institutions in Latin America



Source: Santiso (2007).

The effectiveness of high courts depends on mechanisms that are path dependent (Stone-Sweet 2000, 139-50), including judicial activation and litigation, caseload and the associated legitimization of Supreme Court interpretation. Court stability and independence in the past evolve into institutional practices of the past. Thus, court independence in the new democratic context in Chile, Brazil and Uruguay may have been facilitated by the long-term stability they inherited. Brazil, Uruguay and Chile are also the top performers in the long-term investigation of judicial independence in Latin American countries presented in Perez-Liñan and Castiglione (2009). In this study, judicial independence is proxied by the turnover rates of Supreme Court justices in the period 1904-2006. Brazil displayed the lowest score overall (0.08) — slightly higher than the United States (0.06) — in the three periods discussed in the text (1904-1944, 1945-1977 and 1978-2006), while El Salvador, Argentina and Colombia were the countries with the most unstable high courts, particularly in the second period (1945-1977), when their scores were respectively 0.31, 0.24 and 0.27.

In terms of the effectiveness of national audit institutions, the top performers are also the countries that have the best judicial institutions in the region: Chile's Contraloría General de la República, Brazil's Tribunal de Contas da União and Costa Rica's Contraloría General de República (Figure 3).³³ Colombia's Contraloría General de la República also fares well and has the best score for the Andean region, regarding both types of institutions, which is consistent with the country's recent overall performance in terms of democratic governance. Indeed, despite the instability caused by the guerrilla movement, the country

has experienced none of the problems of neighbouring Ecuador, Peru, Bolivia or Venezuela. By contrast, Argentina's Auditoría General de la Nación and Peru's Contraloría General de la República are the weakest audit institutions in the region, in terms of criteria such as autonomy, credibility, enforcement and timeliness of audit work.

In addition to judicial and audit institutions, an independent media is also key to explaining good governance. Chile, Brazil and Uruguay boast the most diversified and independent media in the region. Chile and Uruguay are the only countries classified as having freedom of the press for the period covered by Freedom House (2002-2009) (www.freedomhouse.org). Likewise, Chile, Uruguay, and Brazil (along with Argentina) have been consistently among the top 4 countries in the Reporters Without Borders ranking (<http://en.rsf.org>).

The Determinants of the Independence of *Autonomous* Institutions

The preliminary and admittedly scant comparative evidence reviewed thus far points to the plausibility of the alleged link between the strength of institutions such as audit and judicial bodies and democratic stability and presidential restraint. The key issue then hinges on the determinants of their independence and effectiveness. This is a topic that has attracted considerable attention in the current research agenda. While independence is a necessary condition for the establishment of the rule of law, the former may exist in the absence of the latter (Helmke and Rosenbluth 2009). Independent *autonomous* institutions emerge as a result of the strategic interaction among political actors in competitive contexts (Whittington 2003; Vanberg 2008). The extent to which these institutions enjoy autonomy is associated with constitutional choices made in critical junctures in the past (Knight 2001). Constitutional choices made in competitive settings tend to generate independent institutions. Key elements in their resulting institutional design facilitate autonomy. At the level of their functioning (as opposed to the political process creating them), political competition likewise explain their activism and independence level. In other words, *autonomous* institutions are endogenous. The effects of political competition come in two forms, power alternation and power fragmentation.³⁴ Their effects are intertwined but analytically differentiable (Stephenson 2003).

The argument about the effects of power alternation is forcefully made in Chavez, Ferejohn and Weingast (2003) and Ferejohn (1999). Political competition and fragmentation increase coordination costs in the elected branches and make it harder for them to directly attack the judiciary and control institutions after decisions that affect their interests are made. Thus, the more competitive a political system is, the more *autonomous* judicial institutions and *autonomous* institutions such as audit bodies will become.

Power alternation in turn generates incentives for politicians to delegate independence to courts and similar institutions in contexts of intense competition because they fear that while in opposition they would be better off under an independent institution than under courts that can be manipulated by political rivals. Thus, political uncertainty provides incentives for delegation to these bodies. Politicians buy political insurance against the risk of being out of office (Ginsburgh 2003, 18-25). Furthermore, because judicial institutions are usually reactive — they respond to the actions of authors that demand their intervention —, more political competition to lead different parties to bring their disputes to the judiciary, thereby leading to more independence.

For the Latin American case, there is a growing body of literature exploring the effects of elite competition and power fragmentation on the emergence of *autonomous* institutions (Finkel 2008; Chavez 2004; Helmke 2005; Ríos-Figueroa 2007; Pozas-Loyo and Ríos-Figueroa 2010; Helmke and Ríos-Figueroa n.d.). Thus, case studies in Peru, Argentina and Mexico have all converged on the conclusion that power alternation is key to the emergence of *autonomous* institutions. These hypotheses have been tested at the subnational level in Brazil (Melo, Pereira and Figueiredo 2009; Melo, Pereira and Werneck 2010), Argentina (Leiras, Giraldi and Tuñon 2009), and Mexico (Beer 2010).

The enhanced role of high courts in Chile, Brazil, Uruguay and Colombia is consistent with more competitive political systems and constitutional choices under competitive conditions (Pozas-Loyo and Ríos-Figueroa 2010; Taylor 2008; Lemos 2010). Colombia's very fragmented constitutional assembly of 1991 produced a constitutional chart where judicial powers were ample and strong. Similarly, in Brazil's constituent assembly of 1987-1988, the *Ministério Público* and the *tribunais de contas* were significantly expanded. More importantly, their functioning has been effective because of the increasingly competitive political system in post-1988 Brazil. Lastly, Mexico also illustrates nicely the effects of power de-concentration on the emerging autonomy of institutions such as the Suprema Corte de Justicia, the Auditoría Superior de la Federación and the Instituto Federal Electoral (Ackerman 2007; Merino et al 2010).

Power concentration, on the other hand, largely explains the weakness of *autonomous* institutions following the collapse of the two-party system in Argentina in the new democratic setting. The calamitous debacle of Radical governments in Argentina's new democracy paved the way for the deterioration in the strength of checks to executive discretion (Levitsky and Murillo 2005). Indeed, enhanced participation by the courts in the region reflects both the judicialization of politics (Sieder, Angel and Schilolden 2005) and the expansion of judicial power resulting from the democratization process. The recent reassertion of judicial power reflects power de-concentration under presidentialism in several countries.

In sum, a configuration of factors that include political competition and power

alternation in a context of free and independent media seem to be conducive to the rise of *autonomous* institutions that are necessary to check executive power. The key point is that an open and professional media, reducing the information asymmetry between power-holders and citizens, and the breaking of political monopolies, is essential for the emergence of an independent judiciary, which in turn will have a decisive role in checking governments.

As occurs with the executive and legislative branches across Latin America, there is also great institutional diversity among *autonomous* institutions. Further research is needed to map out the institutional landscape (see Ríos-Figueroa, 2009 and Navia and Ríos-Figueroa 2005, for example) and, more importantly, to uncover the precise causal mechanisms linking the varying institutional arrangements with good governance. The interaction between political concentration, media independence and *autonomous* institutions is key to understanding this link. *Autonomous* institutions are endogenous to the political system. Indeed, a major threat to the judicial system and to *autonomous* institutions is non-compliance with their decisions. The executive branch controls much of the means of enforcement and can therefore undermine the authority of these institutions. Power fragmentation may erode the conditions for successful direct attacks on these institutions, but media support for the courts is also crucial to counter non-compliance (Staton 2010). Undoubtedly, institutional design matters — and constitutional choices made at critical junctures (and the power balance underlying them) have long-lasting effects. However, the costs of reversing judicial decisions are a function of the effects of such interventions on public opinion, and ultimately on belief systems. *Autonomous* institutions have long lasting effects but at the same time they are endogenous to political competition. As political competition declines and power concentration increases, governments will attempt to affect *de facto* independence of the institutions. Conversely, as competition increases, there emerges incentives for the *autonomous* institutions to become more *autonomous*. The methodological challenge is to disentangle the effect of institutional design, which is the effect of the power balance in key critical junctures, from the effects of changes in political competition within them. Testable hypotheses of the claims made in this paper require the obtention of reliable measures of the independent variable (presidential abuse of power), as well as adequate proxies for the autonomy of check institutions/rule of law, presidential powers and political competition, which are only partially available at this stage.

Conclusions

Latin America's *presidencialismo* is again at centre stage. Nonetheless, after almost three decades of academic debates on its alleged intrinsic flaws, hardly any observers now blame presidentialism for the governance problems in the region. The view that

ungovernability looms large in presidential systems has been discredited. For one thing, presidents have been removed from office without any democratic breakdowns. More importantly, the institutional landscape varies markedly across the countries, and while several countries have experienced crises that seem unrelated to institutional design, others seem to be on the road to good governance. While it has been recognized that parliamentarism and presidentialism differ along many relevant dimensions — ranging from the frequency of coalition governments to their contrasting influence on economic and social development or potential for making chief executives accountable —, the argument that systems of government affect governability has been largely discredited. Similarly, the view that coalition governments are *crisis*-laden has also been superseded by a much more complex view. Some specificities of Latin American presidentialism have also come to the fore — they represent a halfway house between a pure separation of powers system *à la* USA and European parliamentarism. Coalition governments seem to be the rule, and this entails hammering out agreements over policy, pork and portfolio appointments.

Paradoxically, strong presidents and strong legislatures have produced good governance, as happened in Chile and, to a lesser extent, in Brazil. This is only possible where checks and balances are firmly established. An extended notion of checks and balances has been proposed which includes the media and institutions of horizontal accountability — *ministérios públicos*, *tribunais de contas*, Ombudsman's offices — to highlight their importance for democratic governance. A contrasting example comes from Argentina, where polarization and weak checks on the executive have produced abuse of power. Venezuela and Bolivia, in turn, provide examples of countries where presidents enjoyed few proactive and reactive powers and the legislature was not fragmented, creating a situation of *crisis* which prompted presidents to pursue a strategy of unilaterally expanding presidential powers. Thus, the combination of weak presidents and recalcitrant legislators engendered explosive inter-branch conflicts. A major claim of the analytical overview in this paper is that for a strong system of checks and balances to take root, political competition and power fragmentation are essential both at the level of constitutional choice and at the level of its effective functioning. A much more complex view of presidential powers is needed — one that embeds them in models of strategic interaction between the branches of government and *autonomous* institutions.

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Notes

- 1 Numerous episodes are illustrative of these developments. For example, in Ecuador, Gutiérrez unconstitutionally fired members of the Supreme Court, while the government in Venezuela disclosed the identities of voters in the plebiscite, and in Bolivia, Morales was reported to have encouraged mobs to block access to the Assembly buildings during key legislative sessions. For recent accounts of these developments in the Andes, see Mainwaring, Bejarano and Leómgomez (2007), Lehoucq (2008) and Corrales (2009).
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- 3 The expression comes from Siavelis (1997; 2002). Uruguay — also a case of exaggerated presidentialism — would also be in this group of countries, whereas Argentina has seen great institutional deterioration. Although Uruguay does not share some of the features mentioned such as open list proportional representation or large number of effective parties, party support is fragmented due to the high level of intra-party factionalism. The predictions for Uruguay were that it would also be doomed to fail.
- 4 Admittedly, Chile's constitutional reforms of 1989 and 1991 eliminated some blatantly undemocratic features of the 1980 constitution, such as the president's ability to dissolve the chamber of Deputies at least once during his or her term.
- 5 Figueiredo, Jacobi and Weingast (2006) have termed such an integrated approach the “new-separation-of-powers approach”.
- 6 Useful reviews of the debate are Carey (2005) and Cheibub (2007).
- 7 Presidents in Costa Rica more than compensate their weak powers by their enormous influence over the legislature as a result of the crucial role they play in legislators' appointments to the bureaucracy after they have served their one term of office (after which they cannot be re-elected).
- 8 These are more than compensated by their vast partisan powers. This is postulated as a general pattern by Shugart and Mainwaring (1997); where presidents have little in the way of constitutional prerogatives, they also tend to have more partisan powers. The normative model behind this proposition is obviously the United States.
- 9 Thus it was argued that where party leaders have no control over candidate selection, the ballot structure allows for preference vote (open list) and elections are non-concurrent, the result would be a fragmented party system and minority presidents. This is so because the lack of control over candidate selection was believed to undermine party leaders' ability to secure the party line. In turn, open lists and proportional systems where votes are not pooled according to party affiliation would weaken the influence of parties during the electoral race, fostering legislators' individualism because they would become less dependent on the party for electoral success. Moreover, when elections for legislators and presidents are held at different moments in time, there is a decoupling of their electoral fate. If a president becomes less popular during midterm elections, the votes for the coalition members will probably be affected and the president will lose his/her support base.
- 10 Shugart and Mainwaring (1997, 397) argued that “whereas party coalitions in parliamentary systems generally take place after the election and are binding, in presidential systems they

often take place before the election and are not binding past election day. Executive power is not formed through postelection agreement among parties and is not divided among several parties that are co-responsible for governing, even though members of several parties often participate in cabinets”.

- 11 For a dissenting view, see Valenzuela (2008), where he essentially reasserts his earlier view.
- 12 Simply due to the fact that while all types of coalitions are possible in the former, in the latter they should include the president’s party.
- 13 By definition, parliamentary governments can approve all of their legislative proposals, whereas presidents can be defeated by coalitions of parties.
- 14 A surprising and counterintuitive finding is that, in fact, minority governments are more successful at approving their agenda than majority governments (Cheibub, Przeworski and Saiegh 2004; Cheibub 2007).
- 15 A key empirical finding is that the higher the fragmentation, the higher the probability of coalition rate.
- 16 Cheibub, Przeworski and Saiegh (2004) test these claims using a dataset containing data on all democracies between 1946 and 1999.
- 17 These claims are based on extensions of formal models of coalition formation under parliamentarism, developed by political economists. Coalition formation is modelled as a non-cooperative game (Austen-Smith and Banks 1988).
- 18 The alleged influence of presidentialism on democratic survival has also been disputed. However, as the likelihood of coups has decreased significantly over the last twenty years or so, this issue has lost its appeal in the intellectual debate. Parliamentarism as an alternative has also disappeared from the reform agenda in the region, most notably in countries where it was seriously considered in the recent past, such as Brazil, Argentina and Chile.
- 19 This association is due to the fact that military rule was more frequent under presidential regimes. See Cheibub and Limongi (2002) and Cheibub (2007).
- 20 In fact, the interaction between assemblies and presidents has been modelled as a distinctive bilateral veto game, where the president defines his or her strategy depending on the type of legislature he or she anticipates. Depending on which type of legislature (recalcitrant, workable, subservient or parochial-venal), the president will adopt an optimal strategy to deal with it (Cox and Morgenstern 2002); more on types of legislature in section 2.
- 21 I based the empirical analysis on the econometric analysis of 106 cabinets appointed in 13 countries of the Americas.
- 22 The empirical analysis is based on the performance of minority presidential governments in Latin America (74 cases).
- 23 This was the case, for instance, of the last constitutional reform in Uruguay, when the president’s agenda powers were extended.
- 24 However, the institutional debate is not exhausted by the debate on the influence of regime type on governability. Other normative values are crucial for democracy, such as accountability, representativeness, economic development and human development (Gerring, Thacker, and Moreno 2009). Research on these issues has been vibrant recently, but does not form a body of cumulative research similar to that found in the area of systems of government reviewed in this section. This caveat notwithstanding, it has been argued in large N research that parliamentarism is superior to presidentialism in avoiding the two canonical problems arising in political delegation: adverse selection and moral hazard. Parliamentarism is better at controlling adverse selection

problems in legislative recruitment (due to the enhanced role of parties in the process), while being less effective than presidentialism in controlling moral hazard problems (because the latter encourages more interbranch checks). Under parliamentarism, parties internalize the costs of the executive's misbehaviour and therefore have incentives not to oversee the executive (Strom 2003). Presidentialism, in turn, is generally held to offer more identifiability of governments and, consequently, more potential for accountability (Samuels, and Shugart n.d; Powell 2000).

- 25 Other relevant features of such designs include unitary states and absence of constitutional review, for example.
- 26 Data refer to different years from the 1980s to the 2000s (IDB 2006).
- 27 See Spiller and Tommasi (2007) for an extended analysis.
- 28 A small value indicates that legislators are assigned to one or to a small number of committees, thus with higher chances of specialization.
- 29 COPEI and AD supported an independent candidate in the 1998 election that elevated Chavez to the presidency.
- 30 In some cases, presidents are impeached by the legislature following procedures specified in the constitution; in others, they leave their posts amidst massive public outrage, usually after media scandals involving corruption and/or proved connections to drug cartels. More often than not, these two aspects are intertwined (Perez-Liñán 2007; Hochtetler 2006). The role played by the legislature varies, ranging from a marginal role, where street protests dominate, to a proactive role following denouncements by legislators. Presidents in these cases invariably count on minority support and have declining popular approval, or were attempting to implement unpopular economic reforms. The former case raises concern and suggests that the legislature is being bypassed in its constitutional role of overseeing the executive's actions.
- 31 I have omitted Henisz's indicator, which is in fact a dummy independent/non-independent. In this account, Chile has the only independent Judiciary in the region.
- 32 The figure refers to de jure judicial independence, that is, provisions aimed at insulating these institutions from the influence of the executive branch.
- 33 The data is for an index of effectiveness computed by Santiso (2007) on the basis of scores for independence, credibility, enforcement and timeliness and are available for a smaller set of Latin American countries.
- 34 Andrews and Montinola (2004) explore empirically a related theme: the effect of veto players on rule of law.

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At What Point does a Legislature Become Institutionalized? The Mercosur Parliament's Path*

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The Mercosur Parliament was created in 2005 to represent the peoples of the region. The constitutive documents affirm the necessity of reinforcing and deepening integration and democracy within Mercosur through an efficient and balanced institutional structure. In order to examine the potential role of the Parliament in strengthening the institutional framework of the bloc, this paper aims to analyse its initial years of activity. What is the institutionalization level reached by the assembly so far? The research is grounded on the idea that the more institutionalized the legislature is, the more it will influence the political system. The article presents a comparative approach that considers the earliest steps of the European Parliament. In terms of methodology, the qualitative analysis is based on documental research and on direct observation of the Mercosur Parliament's meetings. The main conclusions are related to the limited level of institutionalization of this new assembly, in spite of its innovative features regarding the Mercosur structure, and to its similarity with the initial period of the European Parliament.

Keywords: Regional integration; Parliamentary institutionalization; Mercosur; European Union.

Introduction

The liberalization of global economic exchanges after the end of the Cold War led to several *phenomena* conceived of under the “globalization” label. The “regionalism” encouraged by some international financial institutions at this time consisted

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mostly in neoliberal recommendations aiming to stimulate free trade. Nonetheless, different types of regionalism, based not only on commercial issues, had already been discussed or experimented worldwide. The European Union is probably the most far-reaching and successful attempt at political integration which has sought to protect the zone from the economic effects of globalization, reducing territorial asymmetries and disconnecting the productive system from international prices.

In South America, Mercosur was conceived in the late 1980s by right-wing governments within the “new-regionalism” trend (Hettne and Inotai, 1994, 2). The formal objective is to create an economically integrated zone with free movement of goods, services, capital and labour, which implies common policies on product and social regulation. During the 1990s, however, some neoliberal governments concentrated efforts in the free trade part of the deal, trying to expand it to the whole continent following the North American proposal for the Free Trade Area of the Americas (FTAA). After the election of left-wing presidents in the early 2000s, Mercosur countries interrupted negotiations on the FTAA and the strategy of reinforcing integration within the bloc returned to political declarations. But reality did not match ambitious presidential discourse, and economic integration in Mercosur remains limited to free trade with some steps in the direction of a customs union. In terms of competences, there is no indication that states would give up the intergovernmental model and transfer certain policy-making areas to the regional ambit. In spite of this, some recent initiatives, like the organization of structural funds and the creation of the Mercosur Parliament (Parlasur), seem to reflect the will to transcend commercial aspect, leading integration to the political and social spheres.

The Parlasur Constitutive Protocol, signed in 2005, affirms the necessity of reinforcing and deepening the integration process. According to the document, it is essential to have an efficient and balanced institutional structure, which would permit the production of effective norms in an atmosphere of security and stability. In order to infer the potential role of the Parliament in strengthening the institutional structure of Mercosur, this paper aims to analyse its initial years of activity. The institutionalization level reached by the assembly until now can indicate its capacity to affect Mercosur policies and institutions. This assumption is grounded on the idea that the more institutionalized the legislature is, the more it will influence the political system. Consequently, the Parlasur will only be able to increase the institutional framework of integration if it displays certain valued rules, procedures, patterns of *behaviour* and powers that characterize parliamentary institutions in general. This article uses Peter Hall's (1986, 19) relational concept of *institutions*: they consist in formal rules, compliance procedures and standard operating practices that structure the relationship between individuals in various units of the polity and economy. The idea of institutionalization includes, thus, the process of creation and

solidification of these structuring rules, procedures and practices.

It is clear that relations between parliamentary institutionalization and political influence are not the same as relations between the former and integration strength. Even if the Mercosur Parliament achieves an institutionalization level sufficient to have an effective bearing on the system, it does not mean it will search for deeper or broader integration. However, some indicators suggest that this could be precisely the case of Parlasur. Firstly, deputies are *a priori* more susceptible to detaching themselves from immediate national interests than ministers or other executive authorities. Secondly, the leading actors involved in the creation of this assembly have conceived it as a means of democratizing and reinforcing the integration process. Thirdly, the Parliament has already adopted at least two instruments typical of supranational organizations which are completely new in Mercosur: political groups ideologically organized and proportional representation. Lastly, the European experience shows that sitting in a supranational assembly contributes to a pro-integration perspective and that the increase of parliamentary powers results in more integration.

These premises explain the following research question: can the Mercosur Parliament be considered an institutionalized legislature? In order to evaluate the degree of institutionalization reached by the assembly so far, its current features are contrasted with institutionalization *criteria* presented by political science literature and with the characteristics displayed by the European Parliament in its initial decades. Qualitative research based on public documents produced by the Mercosur Parliament during its first three years of activity (December 2006 to December 2009) provided *data* to this analysis. They consist of recordings of proceedings of the monthly plenary sessions (minutes, *verbatim* reports, decisions adopted),¹ as well as registers of the Brazilian representation's meetings,² besides founding documents such as the Constitutive Protocol and the Rules of Procedure. Direct observations of Parlasur meetings conducted between March and April 2009 helped to support the sociological examination of the socialization process, as well as semi-structured interviews made with members of the Parliament and other Mercosur actors over the same period. Secondary sources were used to analyse the European Parliament, due to the relatively large number of studies on the topic.

The comparative approach considers the institutionalization events of both assemblies to provide an assessment of the current institutional design of the Mercosur Parliament. Although the features of the European Parliament (EP) are presented in the current stage, according to the Lisbon Treaty (2009), the earliest actions and movements of the Common Assembly of the European Coal and Steel Community (1952) and the European Economic Community Assembly (1958) have a special relevance. As the Mercosur parliamentary experience is just starting, the comparison cannot neglect the origins of the EP. But it has to consider, at the same time, the gradual achievements and the institutional changes of

this Parliament until the current phase, in order to avoid a static reflection that would not take into account the dynamics of the integration processes. The comparison between the South American and European experiences appears to be a useful tool to interpret the parliamentary institutionalization process in the two regions (Seiler 2004, 107), even if the former is emphasised in this article. There are few examples of integration parliaments worldwide, and most of them are inspired in the European “model”. The EP becomes, thus, an inevitable benchmark in this field. There is, however, a risk of artificially assimilating experiences when the comparative methodology is used to study similar *phenomena* produced in different realities (Vigour 2005, 160-1), as in this case. This is why this research highlights both similarities and differences between the European Parliament and the Mercosur Parliament: a comparative study that does not look for both resemblances and disparities will either empty the method (by excess of assimilation) or make useless the comparison (by excess of differentiation) (Sartori 1997, 209).

This paper proceeds as follows. The first part attempts to clarify the parliamentary institutionalization *criteria* with a review of the literature. The second part presents the main structure of Mercosur and the main steps leading to the creation of its assembly. The third part discusses the institutionalization level of the Parlasur, comparing it with the EP. This section is divided into four sub-sections, corresponding to the selected characteristics for institutionalization analysis in both legislatures: autonomy, complexity, socialization and attributions.

Institutionalization Criteria: From National Institutions To Supranational Parliaments

The hypothetical framework of this paper is based on the institutional approach to political science (Rhodes 1995), particularly on the new institutionalism (March and Olsen 1984; 1989; Hall and Taylor 1997; Orren and Skowronek 1994). Since the late 1970s, there has been a growing research interest in institutions among political scientists, after a period dominated by a non-institutional conception of political life. This movement, later described as “new institutionalism”, mixes elements of old institutionalism with the non-institutional style. It emphasises the role of institutions in providing order and influencing changes in politics, without denying the importance of social context and the performance of individual actors (March and Olsen 1989, 17). Institutions are considered variables that structure future political choices, acting normatively and conducting decisions and interpretations. Accordingly, Parlasur should substantially affect political preferences in Mercosur and trigger new institutional reforms.

This conception includes historical institutionalism (Skocpol 1984; 1995), which

assumes that institutions shape political actors' objectives and power relations. However, it does not mean that institutions are the only causes of outcomes, but one more element among the universe of political forces (Thelen and Steinmo 1992, 3). Institutional development is mainly understood by analysing trajectories, critical situations and unexpected consequences (Hall and Taylor 1997, 472). An institutional result produced in a certain social and historical context may not happen in different circumstances, so that small events can cause large and unforeseen effects. To this notion of "path dependence", Paul Pierson (2000) adds the idea of "increasing returns": costs to modify a decision accrue with time.³ Once an organization decides to follow a specific route, the costs of rethinking this option are high and increase as time passes. There will be moments for new choices, but the development of some institutional arrangements will complicate the renouncement of the initial option. These theories seem to adequately apply to the process of institutionalization of the Mercosur Parliament.

In a broad sense, institutionalization corresponds to the way in which social practices created in response to particular problems are solidified in aggregations of specific rules (Cox, quoted in Chevallier 1996, 17-18). Some authors have established specific *criteria* to identify this process. Jacques Chevallier affirms that institutions are processes of societal organization rather than stable social forms. This dialectical interpretation considers institutions in a dynamic way: they are not immutable, rigid and coherent, but a series of operations in permanent transformation. They derive from a persistent tension between instituted forms (*l'institué*) and instituting forces (*l'instituant*), where the latter is always destabilizing and reconstructing the former (Chevallier 1981, 8; 1996, 25). The institutionalization process reflects precisely a temporary stability which surpasses this contradiction. Therefore, institutions result from an evolutionary path distinguished by three essential movements: specification, differentiation and unification (Chevallier 1981, 14-17; 1996, 18-24). Nevertheless, these phases are not necessarily successive and can regularly be superposed by one another, with each institution developing its own pattern for the process. In Samuel Huntington's eyes, institutionalization of political organizations and procedures is an essential part of political development (Huntington 1965, 393), which comprises the processes of rationalization, integration, democratization and social mobilization. The presence of institutions defines the authority of the government (in the sense of political capacity) and cannot be dissociated from its economic links. Based on these assertions, he brings the institutionalization concept more vigorously to the political sphere and proposes four *criteria* to measure the value and the stability of a political system: adaptability, complexity, autonomy and coherence (Huntington 1965, 393-405; 1968, 13-24).⁴ Lastly, Johan Olsen (2001, 327) synthesizes the institutionalization segment of his research with James March into three dimensions: 1. structuration and routinization; 2. standardization, homogenization and authorization of codes of meaning, ways of reasoning

and accounts; and 3. binding resources to values and worldviews. Institutions would also need coherence and autonomy to be considered political actors (March and Olsen 1989, 17). The table below combines all these *criteria* in a transversal classification that approximates similar ideas presented with a different denomination by the abovementioned authors.

Table 1 Review of general institutionalization criteria

Autonomy	Specification (Chevallier): institutions tend to isolate a geographical or symbolic space to delineate their own identity and areas of intervention. It also corresponds to the social significance of the institution: the institutionalization process exists when the social imagination recognizes the organization, i.e., when this group of signals and symbols becomes socially stable.
	Autonomy (Huntington): institutions' interests, values and procedures exist independently of other political organizations and social groupings.
	Autonomy (March and Olsen): differentiation of social forces.
Complexity	Differentiation (Chevallier): institutions arise in a world full of social divisions, but also experience internal contradictions and disagreements emblematic of the struggle for power, mainly between agents and clients or between directors and employees. It is thus related to the social relations within the institution: institutionalization reflects the definition of roles, positions and functions in which the actors are divided.
	Complexity (Huntington): multiplication and specification of organizational sub-units, hierarchically and functionally, in order to depend less on isolated individuals.
	Coherence (Huntington): minimum substantial consensus about the functional boundaries and conflict resolution within the organization.
	"Structuration", "routinization", standardization, homogenization (Olsen): impersonal rules and standard operating procedures.
Socialization	Binding resources (Olsen): staff, budget, buildings and equipment which provide a capability to enforce rules in case of non-compliance.
	Unification (Chevallier): institutions conceive of themselves as a totality, a homogenous group, which is essential to maintain their cohesion and ensure their preservation. This stage refers to the forms of collective action of an institution, meaning that the institutionalization process implies a gradual transformation of identity: the institution becomes an impersonal, objective and autonomous entity (objectivization) and the members internalize this status, creating an organizational culture (internalization).
Attributions	Coherence (March and Olsen): capacity to make decisions.
Adaptability	Adaptability (Huntington): faculty of institutions to change and to adjust their procedures and functions to transformations in the environment and political context.

Source: Produced by the author.

The *autonomy* branch includes features used to differentiate the institution from the exterior world. *Complexity* includes all internal procedures related to the organic construction of the institution. *Socialization* refers to relations between the institution and its members. *Attributions* denote outcomes the institution is allowed and expected to deliver, while *adaptability* comprises concepts related to flexibility and reaction to new events.

The literature has also delineated institutionalization *criteria* for parliaments. A revival of legislative studies in Europe and the United States has taken place since the end of the 1960s. After a long period analysing parliaments' decline and the role of parties and Executive power in the decision-making process, some scholars began to investigate parliamentary transformations and institutional adjustment in order to fit in contemporary democracies. The large number of legislatures in the world and their historical persistence justifies some attention, mainly on a cross-national basis (Norton 1998, xii).

According to Nelson Polsby (1968, 144), institutionalization studies are legitimate because creating institutions is a necessary step to the viability of a political system and to its success in performing tasks on behalf of the population. Moreover, democracy and liberty depend on institutionalized representative *forums* containing political cleavages. Consequently, the author proposes three major characteristics to define an institutionalized organization: differentiation, organizational complexity and universalization (Polsby 1968, 145).

Jean Blondel (1973, 3) assumes that if legislatures are considered weak and resilient even if they are a symbol of liberal democracy, it is because the adaptation of modern representative ideals to reality was not entirely possible. Hence he proposes a re-evaluation of the legislature's role in the democratic process in conformity with contemporary practices. Success in achieving these renewed functions would depend on constitutional prerogatives and on internal and external constraints. The former emanate from the members or the structure of the assembly (time and size of the assembly, political and technical competence and infrastructure), while the latter derive from influence or coercion of outside elements (executive strength) (Blondel 1973, 45). In order to measure the influence of legislators, Blondel divides parliaments according to their role in the policy-making (Blondel 1973, 136-140). Also comparing parliaments' characteristics and functions from existing empiric bases, Michael Mezey (1979, 20) proposes a classification that corresponds to the masses' or the elite's expectations of the assembly. Depending on the strength of each of these conditions, parliaments can be active, vulnerable, reactive, marginal or minimal.

Based on studies by Blondel and Mezey, Philip Norton (1998, 8) proposes to consider external and internal elements to measure parliaments' capacity to influence government actions. The latter correspond to the institutionalization *criteria*: autonomy, universalism, adaptability and organizational complexity. Gary Copeland and Samuel Patterson (1994,

4-6), like Norton, try to combine functional and institutionalization analyses in order to explain institutional change, arguing that transformations in functions usually occasion transformations in the institution itself. They propose five dimensions for the study of legislatures' institutionalization process: autonomy, complexity, formality, uniformity and linkage to environment.

The institutionalization process also comprehends a human aspect: the socialization of actors. In spite of the various meanings that this expression can hold, like other basic sociological concepts, here it is understood as the process of interactions and symbol exchanges between the individual and society, and the consequent internalization of certain norms and values of the group.⁵ Political societies are only viable if the members share a *minimum* of common convictions about community allegiances and government legitimacy (Braud 1996, 193). Through assimilation, individuals try to change the environment to make it conform to their wishes; through accommodation, on the contrary, individuals modify personal convictions and practices to better adapt themselves to external circumstances (Percheron 1993, 32). Therefore, political socialization comprehends not only the inculcation of community principles among its members, but also the design of a societal political life by individual moods, manners and values: "what citizens believe and feel about politics both reflects and shapes the politics of their nation" (Dawson and Prewitt 1969, 4). As a process of identity construction — to socialize means to assume the belonging to a group — it should be interpreted in a dialectical perspective, which supposes interactive, multidirectional, gradual and non-linear characters.

Applied to parliaments, this process refers to the relation between deputies and the assembly as a whole. In this case, socialization can be temporary – if deputies only learn some rules of the game — or structural — if their values and worldviews change according to their experience in the parliament. In the first case, socialization is strategic to achieving certain objectives within the institution, vanishing as soon as the interest at its root disappears. In the second, socialization has a durable and more concrete effect on MPs' political visions and actions. The following table brings together the concepts related to parliamentary institutionalization presented above using the same structure as the first table for general institutionalization *criteria*.

Given that the objective of this paper is to apply political science's institutionalization patterns to the case of the Mercosur Parliament, institutionalization is understood here as the process of creation and maintenance of legal procedures and behavioural patterns which establish bases for institutional autonomy, complexity (which includes universalization), socialization and attributions. The notion of adaptability, even consisting of an important measure of institutional stability, cannot be considered yet, due to the brief existence of the Mercosur Parliament. Complexity and universalization are treated together because

of their similar nature: transparency and publicity depend, to a large extent, on clear rules and internal organization, as well as the latter providing the legal framework for the improvement of universalist values. In other words, real complexity necessarily comprehends the fundamentals of universalization.

Table 2 Review of institutionalization criteria for parliaments

Autonomy	Differentiation (Polsby): the parliament is differentiated from its environment, and its members are easily identifiable.
	Autonomy (Norton, Copeland and Patterson): independence from other structures or organizations.
Complexity	Organizational complexity (Polsby): the parliament displays a complex organization of roles and activities, with functional specification and patterns of recruitment.
	Universalization (Polsby): the assembly tends to use universalist and automatic means to conduct its internal procedures, rather than particularist and discretionary logics.
	Universalism (Norton): standardization of rules which apply to all actors.
	Organizational complexity (Norton, Copeland and Patterson): recorded rules and procedures, leadership positions, specialized committees.
	Formality (Copeland and Patterson): impersonal, standardized and predictable performance, which derives from codified and public rules and procedures.
Socialization	In a strict political sense, socialization is the process by which individuals incorporate beliefs and representations regarding power (vertical dimension) and groups (horizontal dimension) into their attitudinal structure and behaviour patterns (Braud). This happens in two different dimensions: assimilation and accommodation (Percheron).
Attributions	Parliament's role in policy-making according to material competences (Blondel): the institution can interfere on detailed, intermediate or broad subjects.
	Popular expectations of the parliament (Mezey): policy-making model, representation model and political system maintenance model.
	Type of legislature (Mezey): active, vulnerable, reactive, marginal or minimal.
	Uniformity (Copeland and Patterson): development of typical parliamentary functions, which differentiate legislatures from other political organizations (law-making, recruiting legislative and executive leaders, representation and accountability).
Adaptability	Linkage to environment (Copeland and Patterson): refers to the representative principle. Legitimacy is a vital feature of legislatures that derives from bringing citizens' demands to the public space.
	Adaptability (Norton): flexibility in adapting to the constitutional and political context.

Source: Produced by the author.

Since the institutions in question are integration parliaments, the *criteria* are adjusted to the context of absence of a traditional government and representation beyond the nation-state. Although the institutionalization theories described were developed to explain national

parliaments, the outcomes may be applied to integration parliaments, especially if they are compared with legislatures rather than with international assemblies. In the case of the European Parliament, its legislative and control powers already satisfy such classification. When it comes to *Parlasur*, the situation is more complex. It displays important innovations in comparison to classic international assemblies, but its consultative *status* does not ensure the construction of a real parliament. Measuring *Parlasur*'s institutional achievements with a national legislature perspective thus seems to be the first step to identifying their mutual distance.

Regionalism in South America and the Rise of *Parlasur*

The first concrete attempt towards regionalism in Latin America in the 20th century was the Latin American Free Trade Association (LAFTA). LAFTA was born in 1960 with the Montevideo Treaty, based on developmentalist assumptions derived from the US influence over the region (Santander 2007, 123-4) and conceived as a reaction to the European external tariff and agricultural protectionism (Mattli 1999, 140). The negotiations were sponsored by the Economic Commission for Latin America and the Caribbean (ECLAC), an agency of the Economic and Social Council of the United Nations. In 1967, LAFTA was formed by Argentina, Brazil, Mexico, Paraguay, Peru, Uruguay, Colombia, Ecuador, Venezuela and Bolivia. Its formal objective was not only to achieve a free trade area but also to construct a long-term development model attentive to social issues. Nonetheless, the absence of delegate powers and the reduced institutional framework did not encourage more than an economic-oriented organization. The formation of a continental free trade area was skewed by difficulties regarding the asymmetric levels of industrialization between states and changes in national political regimes (nationalist and authoritarian forces governed many Latin America countries during the 1960s and 1970s). As a consequence, LAFTA was replaced by the Latin American Integration Association (LAIA), created in 1980 by the second Montevideo Treaty signed by the same states, plus Chile and Cuba (the latter having joined in 1998). The general objective of this new association, which still exists, is also to promote trade liberalization in the region, but through less ambitious and more flexible means. Its relatively complex institutional design and stable Secretariat contributed to enhance commercial negotiations among its members, which led to the signing of bilateral and multilateral agreements. The Asunción Treaty (1991), constitutive of Mercosur, is one of them (Bonilla 1991, 84-6).

Mercosur (the Spanish abbreviation for Common Market of the South) dialectically emerged as an element of continuity, for prolonging the integrationist efforts of the continent, and as a factor of change, for introducing a new economic, commercial and political context

(Baptista 1998, 36). It was founded by Argentina, Brazil, Paraguay and Uruguay. Chile, Bolivia, Ecuador, Peru and Colombia are associated countries. Venezuela's Adhesion Protocol was approved in 2005 and awaits parliamentary ratification in Paraguay. The Asunción Treaty established the initial institutional guidelines, which were reviewed by the Ouro Preto Protocol (1994). Later on, the Olivos Protocol (2002), concerning dispute settlement, and the Constitutive Protocol of the Mercosur Parliament (2005) contributed to redefine the institutional design.

The Common Market Council (CMC) is responsible for the main political decisions and it is constituted by the presidents and ministers of foreign affairs. It is supported by the Committee of Permanent Representatives and meetings of different ministers. The Permanent Revision Court sits in Asunción. It is made up of five arbitrators who can be asked at any time to review *ad hoc* judgements or directly decide on conflicts between member-states, besides expressing consultative opinions by request of the decision-making bodies of Mercosur. The Common Market Group (CMG) and the Commerce Committee (MCC) are the executive branches, formed by diplomats and officials from ministries and central banks. The latter assists the former in policy-making regarding commercial issues. The structure of the Common Market Group includes a large number of thematic *committees* and working groups dealing with several matters: communication, environment, transport, health, employment, agriculture, industry etc. The Economic and Social Consultative Forum (ESCF) represents the economic and social sectors of Mercosur. It is formed by an equal number of representatives of each member-state, usually from trade unions and employers' associations. It can make recommendations to the Group. The Mercosur Secretariat, sited in Montevideo, carries out the main administrative and technical responsibilities.

In spite of a general inspiration from European regionalism and some structural similarities with the EU (Camargo 1999; Medeiros 2000), Mercosur is an intergovernmental organization. Its main goals are the creation of a common market, the promotion of social and economic development and the maintenance of democracy within member-states. In economic terms, it is currently seen as an "imperfect" customs union because of the various products excluded from the common external tariff. Mercosur rules do not have primacy over national law nor can they be applied to individuals or states without internalization in the national juridical systems. Decisions are highly centralized in national executives, mainly through irregular, itinerant and non-public meetings of diplomats and officials from different ministries.

In 2007, the Mercosur Parliament replaced the Joint Parliamentary Committee (JPC), which represented national parliaments and had consultative functions. Although LAFTA and LAIA did not display representative institutions, the Treaty for Cooperation,

Development and Integration signed by Brazil and Argentina in 1988 provided for a parliamentary committee to follow up negotiations. The Asunción Treaty almost failed to include the JPC — it is not mentioned in the institutional structure, but in the “general provisions” at the very end. The purpose of this last-minute body was to accelerate the ratification of the Treaty in national chambers and to ensure this procedure in the future, considering that more parliamentary approvals would be necessary until the implementation of the common market. JPC approved its internal rules in 1991: it would be formed by sixteen deputies appointed by each national congress and meet twice a year. One of its statutory attributions was to develop actions required for the establishment of the Mercosur Parliament.

The Permanent Administrative Parliamentary Secretariat of Mercosur was established in 1997, following a demand of the European Commission, which asked for a contact body to negotiate the cooperation project in 1996. In spite of its small staff, the Secretariat centralized JPC's structure in Montevideo and provided administrative support to the meetings. In 1999, it helped to establish the first *agenda* for the institutionalization of a Parliament in Mercosur.⁶ The agreement with the EU was implemented in 2000 and offered JPC a budget of € 917,175 over three years, which substantially changed the Secretariat's work dynamics. Based on the Secretariat's 1999 plan, JPC started to discuss more concretely the idea of creating a parliament. The Secretariat organized seminars bringing together deputies, staffers from national *committees* and academics,⁷ which provided experience-sharing opportunities and theoretical grounding for deputies to agree on new actions regarding the subject.⁸ In 2003, the Argentinian and Brazilian sections presented the first written proposals concerning the Parliament. The following year, JPC arrived at an initial version of the project for a Constitutive Protocol, already mentioned in the Mercosur Work Program 2004-2006.⁹

Committee members expected the approval of the draft Protocol in the Mercosur summit of Ouro Preto in December 2004, which was to celebrate the 10th anniversary of the Ouro Preto Protocol. But the presidents decided JPC should pursue the debates on the subject. A team formed by specialists, civil servants of Mercosur and national parliaments and representatives of political parties was thus formed to improve the proposal in technical terms, in order to support further political discussions. The Constitutive Protocol of the Mercosur Parliament was finally approved by the Council in December 2005.¹⁰ During 2006, it was gradually ratified by each member-state. The new assembly was officially opened in December 2006 and began its working sessions in May 2007. It represents the peoples of Mercosur and should be formed by directly elected representatives. The next section sets out the main features of Parlasur by means of a comparative analysis of the process of parliamentary institutionalization in Mercosur and the European Union.

Parliamentary Institutionalization in Mercosur and the European Union

This section proposes a linkage between institutionalization theory and the realities of the European and Mercosur Parliaments. After identifying and organizing the *criteria* for parliamentary institutionalization, it is time to apply the framework to the concrete experience of Parlasur. The EP is presented here as an external element intended to serve as a parameter to understand the parliamentary path in Mercosur, even though it has participated actively, along with the European Commission, in the creation of Parlasur (Dri 2010). Although the real world is not likely to follow the exact conditions foreseen by political theory, the use of an ideal platform in the study of Parlasur has the advantage of supplying objective standards to measure its institutional achievements, limitations and the place it deserves in legislative studies. The following analysis is thus organized according to the *criteria* mentioned: autonomy, complexity, socialization and attributions.

Interdependence or dependence? The insignificant autonomy of the Parlasur

Institutional autonomy refers to the construction of organizational identity through space delimitation, membership identification and differentiation from other political and social organizations. Immersed in the political system, *autonomous* legislatures also demonstrate linkage to their environment. Interdependency *vis-à-vis* other institutions and citizens' demands are part of a free-standing parliament. If the European Parliament nowadays fits into all of these *criteria*, this was not the case in the beginning, which approximates the EP and the Parlasur.

Both institutions have a delimited symbolic space, although the Mercosur Parliament remains without its own seat. Temporarily, plenary sessions take place in the Edificio Mercosur in Montevideo, Uruguay, where the Parliament's technical and administrative structure is located. But the building cannot accommodate offices for the members of parliament or for permanent *committees*. The EP has three different workplaces, established officially only in 1992 (Brussels, Strasbourg and Luxembourg, the latter only for certain administrative services), which is costly and time-consuming. In terms of juridical structure, there is no formal provision regarding the legal personality of the Parlasur.

Having power over the High Authority ensured some autonomy to the Common Assembly of the European Coal and Steel Community (ECSC). In general, the rapport between the two institutions was good, and a sort of alliance developed in order to improve the supranational spirit of the ECSC. On the other hand, the absence of control power over

the Council of Ministers and the nomination of deputies among national parliamentarians limited the Assembly's activities and made it dependent on national governments and parliaments. Especially after the direct elections of 1979, the European Parliament improved its organic, institutional and political independence (Costa 2001, 37). The possibility of accumulating the European mandate and national functions continued in some countries, but the autonomy of most of the deputies in relation to national chambers strengthened the identity and the prestige of the EP. The suffrage also allowed an enhancement of the EP's direct relations with the Council and symbolically reaffirmed the roles already achieved by the Parliament, which reinforced institutional and political equilibrium within the Community. With the implementation of co-decision ("ordinary legislative procedure", according to the Lisbon Treaty), the Parliament is responsible, along with the Council and the Commission, for most legislative decisions. There is thus evidence that the empowerment of the EP brings with it autonomy and interdependence to the European institutional framework. Indeed, the design of the EU's political system demands from actors that they listen to their counterparts in the other institutions (Peterson and Shackleton 2002, 350). The Parliament is not only interlinked with other European institutions but also with citizens' associations and other interest groups in a highly institutionalized manner. As the members of the European Parliament (MEPs) cannot count solely on their elected mandate to legitimize their action, they try to compensate a problematic representation by invoking citizens' expectations and being attentive to the demands of social organizations and lobby groups (Costa 2006, 17).

The representatives of the Mercosur Parliament are not easily identifiable as MEPs are today. They belong to national chambers (except for Paraguay) and this is considered their main arena. Besides, *Parlasur* is dependent not only on national parliaments but also on national governments, due to the coalitional presidential system typical of the region (Santos 2003; Malamud 2003). Direct elections may partially change this situation, chiefly because the Constitutive Protocol forbids the simultaneous holding of two terms of office. *Parlasur* autonomy depends on full-time Mercosur deputies, so that they can start thinking with a regional perspective.

The limited interdependency of *Parlasur* regarding Mercosur decision-making bodies does not contribute to its institutional consolidation. The Parliament may request information from the CMC and other bodies, but this mechanism has only been used twice and the CMC has not officially responded.¹¹ Another situation concerning the accountability function of *Parlasur* illustrates the imbalance in its relations with Mercosur head institutions. The Constitutive Protocol, as well as the Rules of Procedure, provides that the Mercosur temporary presidency¹² shall attend Parliament each beginning and end of semester to present either the work programme or the activities developed. After the presentation of

the Paraguayan minister of foreign affairs in 2007,¹³ parliamentarians have started a debate about the possibility of asking questions and requesting more detailed explanations from the invited authority. The implicit majority position was that the report should not be discussed with the minister because a potential embarrassing situation could make governmental authorities refuse to attend the Parliament in future, meaning that governments could legitimately go against a regional rule if the assembly asks for too much. Given that the Protocol fails to mention this point, parliamentarians could have interpreted it in order to enhance their faculties. Nonetheless, they chose to do exactly the opposite, giving up on discussing relevant themes presented in the account, such as projects for structural funds, limits to the free circulation of products, the creation of the Mercosur Social Institute and the new commercial agreements between Mercosur and countries outside the bloc. After the following minister's speech, this time from Uruguay three months later, no comments were made.¹⁴ A year later, during the Brazilian presidency, the speaker of Parlasur talked to the Brazilian minister of foreign affairs before the plenary session and the latter agreed to answer questions from parliamentarians.¹⁵ This represented a turning point for ministerial speeches at Parlasur: no other authority could refuse to have discussions after that.

Deputies' general passive behaviour reveals the imbalance between the Common Market Council and the Parlasur, and reflects a reproduction of the logic of national politics: legislatures wait for government initiatives and search for the required majority to approve them, instead of making proposals and pressuring the executive. Other evidence of this institutional disparity includes the absence of a record of the Mercosur Secretariat's budget report, which should be sent annually to the Parliament. In addition, temporary presidencies have not returned at the end of the semester for an evaluation of their programme, as the Constitutive Protocol establishes, nor has Parliament demanded this. On the one hand, this may be a normal situation during a period of institutional structuring; on the other, it represents the institutional weakness of the Parliament and its dependence with regard to the executive bodies of Mercosur.

Relations with non-decision-making Mercosur bodies are slightly different. Institutions like the Economic and Social Consultative Forum consider the Parliament an ally in achieving more influence over regional decisions. In 2007, the Parliament signed an institutional agreement with ESCF. According to the document, the two institutions are to meet at least once a semester in order to exchange information and impressions about the integration process.¹⁶ The Forum can also offer reports and opinions that are considered by the Parliament, whether or not requested by it. This commitment aims to reinforce and formalize the rapport that existed between the ESCF and JPC, and to increase the possibilities of the Forum intervening in Mercosur policy-making.

Institutions working with integration issues without being part of the Mercosur

structure also expect the Parliament to contribute to their representativeness in the regional decision-making process. *Mercociudades*, which represent local governments,

[...] has always defended, promoted and asked for a Parliament in Mercosur, as a means of enhancing and democratizing integration. Mercociudades has agreed on the creation of Parlasur and firmly expects the Parliament to succeed in its role of deepening and decentralizing the integration process in order to limit power concentration and stimulate transparency in Mercosur, [...] [According to a member of staff.¹⁷].

In 2009, the Parliament signed a cooperation agreement with Programa Mercosur Social y Solidario (PMSS), formed by non-governmental associations from Mercosur countries.¹⁸ The agreement oversees the exchange of documents and information and organization of joint courses and seminars. In spite of the feeble functions of the Parliament, it is perceived as a sort of political platform for different types of demands from several regional actors. Clearly, the potential rather than the present role of Parlasur is being considered. Besides, this shows a latent wish on the part of Mercosur institutions and economic and social forces to be listened to by governments.

Another example of Parlasur external institutional contacts consists in the negotiations with a view to the Unasur Parliament.¹⁹ Some Mercosur representatives have participated in meetings with the Andean Parliament to discuss possibilities of partnership between the two institutions²⁰ and the formation of a "South American parliamentary space".²¹ Directly negotiating with its international counterparts and the intention of taking part in major continental issues denotes Parlasur's autonomy. This position is also seen in the participation in the Euro-Latin American Parliamentary Assembly (Eurolat),²² which conducts periodic meetings in Europe and Latin America.

The limited autonomy of Parlasur is also related to its social meaning. Until now, most citizens are clearly unaware of the existence of the Parliament, in spite of recent initiatives in this respect.²³ This fact can be explained by three main reasons: ignorance about Mercosur in general, Parlasur's still incipient web-oriented publicity initiatives and the lack of press information about regional integration issues. The construction of a social imagination about the assembly may begin when it displays an interest in citizens' demands, putting into practice mechanisms to deliberate on their bases. The Constitutive Protocol and the Rules of Procedure provide that the Parliament is to organize public hearings with civil society and business organizations, and to receive petitions from any person or organisation related to acts and omissions of Mercosur bodies. Some *committees* have discussed issues of social relevance to the region, like foot-and-mouth disease and children's and women's rights, but their conclusions or propositions are still restricted in terms of public reach and effectiveness in everyday life.

Parlasur's "independence and autonomy" affirmed by the Constitutive Protocol may be achieved when it starts acting according to its own values and interests towards integration and specifies its particular intervention field, that is to say, when the institution becomes relatively well-bounded and interdependent with other Mercosur bodies. This is not the current general situation: executive branches keep defining integration policies without consulting parliamentarians. For now, the autonomy of the Mercosur Parliament is insignificant and less important than the autonomy of the Common Assembly. The absence of headquarters, the dependence on national parliaments and executives and the distance from civil society are characteristics of both institutions, but the European assembly could control the High Authority and therefore developed relative horizontal rapports with it. The project of direct elections is an advantage for Parlasur, but the traditional fragility of South American legislative chambers may extend to the regional level, which would continue to limit the differentiation and the interdependence of the Mercosur Parliament *vis-à-vis* other institutions of the bloc.

From parliamentary organization to institutional complexity

Complexity refers to functional differentiation and specification within the institution, which derives from a relative hierarchical organization, the structuring of units and sub-units and the "routinization" of procedures. It comprehends the universalization processes of unification and objectivization (standardization/formality). An institutionalized parliament should consist of a coherent and impersonal collectivity whose rules are clear and public and apply equally to all actors. The production of its own values, the definition of reproduction mechanisms (recruitment and socialization), the insertion of formal regulations in a hierarchical system (Delpeuch and Vigour 2006, 141-2), regularity of meetings and the existence of bodies which are able to speak for the institution are some of the main required characteristics. In the case of a regional parliament, direct elections and representation proportional to the size of the states in question are also important indicators. The Mercosur Parliament seems to be heading in this direction, while its European counterpart has already consolidated these practices.

The European Parliament displays a highly complex internal organization, improved over the years. The Common Assembly of the European Coal and Steel Community had six specialized *committees*, created to follow the High Authority's activities, although the censure motion was never used. According to the ECSC Treaty, it could set its own Rules of Procedure. In 1953, political groups were officially recognized and in 1958 the European Parliamentary Assembly created thirteen permanent *committees*. Nowadays, seven political groups, more than twenty *committees* and thirty-four delegations structure

work within the Parliament, assisted by a Secretariat. If political groups are compared to the Parliament's lifeblood, the *committees* are its legislative backbone (Westlake 1994, 191). The Bureau is the regulatory body, consisting of the president, the fourteen vice-presidents and the quaestors, elected for two and a half years. The bodies responsible for the broad political direction are the Conference of Presidents, formed by the EP's president and the chairs of the political groups, and in a smaller measure, the Conference of Committee and Delegation Chairs. For its part, the Parlasur framework is relatively simple. The Rules of Procedure, drawn up mainly by the Brazilian representation staff, were adopted in 2007 after a semester of difficult negotiations. Differently from the EP, which transformed the right to adopt its own rules into an instrument of interpretation of the treaties in order to extend its power and influence (Judge and Earnshaw 2003, 196-7), current Parlasur Rules detail some Constitutive Protocol provisions without running the risk of escaping its framework.

In Parlasur, the Bureau is made up of a president and one vice-president from each member-state elected for a two-year period, without the possibility of reelection.²⁴ Until the first general elections, however, the president is replaced every six months following the Mercosur temporary presidency,²⁵ which entails less coherence to the annual session. Besides administrative tasks, the Bureau defines the subjects to be dealt with in plenary sessions and sets the *agenda* in conjunction with the coordinators of political groups.²⁶ The Parliament has ten permanent *committees*: 1) juridical and institutional issues; 2) economic, financial, commercial, fiscal and monetary issues; 3) international, interregional and strategic issues; 4) education, culture, science, technology and sports; 5) labour, employment policies, social security and social economy; 6) sustainable regional development, territorial organization, home, health, environment and tourism; 7) citizenship and human rights; 8) security and defence; 9) infrastructure, transport, energy sources, agriculture, cattle-rearing and fishing; 10) budget and internal issues.²⁷ The Bureau establishes the *committees*' makeup in the beginning of each year. Temporary and special *committees* can also be formed to deal with specific issues, as well as external delegations to represent the assembly in international organisations and events. Four temporary *committees* have been organized so far, mainly to investigate transnational problems regarding sanitary questions and human rights. According to the Rules, *committees* should reflect political groups' relative strength,²⁸ but Parliament has adopted national *criteria*, for now. The predominance of the national logic within Parlasur also comes through in other organizational aspects: Bureau structuring, geographical positioning of deputies during sessions and organization of debates, when a parliamentarian often speaks in the name of his/her national delegation. This constitutes a substantive difference in relation to the EP, whose members decided from the very beginning to organize their work along lines of ideological affinity.

However, daily parliamentary work has been displaying exceptions to this logic. One of them is the formation of political groups. According to the Rules, they can be formed by five parliamentarians, if they belong to more than one member-state, or by ten *per cent* of the total number of deputies if they have the same nationality.²⁹ This rule facilitates the maintenance of the national organization within the assembly but also allows regional arrangements, which is totally new in Mercosur. Informal meetings and discussions within the two main political forces — the “progressive” and the conservative or social-democrat — have taken place since the launch of the Parliament. The Progressive Group was formalized in November 2009, bringing together members of left-wing tendencies from all the countries, including Venezuela.³⁰ Before that, in August 2007, a group with a national character had been formalized: the Uruguayan National Party Group.³¹

The Rules establish that Mercosur parliamentarians will be elected by citizens through direct, secret and universal suffrage according to a proportional *criterion* related to member-states’ population.³² However, during the first legislature, each national congress has nominated the same number of representatives (eighteen, according to the Constitutive Protocol, and eight for states during processes of adhesion). Paraguay was an exception: direct elections for Parlasur were organized simultaneously with the presidential elections in April 2008. This country has thus unilaterally fixed its representation on eighteen deputies. The other national delegations disapproved of this, for they considered eighteen a high initial number, whilst Paraguayan representatives had always refused to discuss proportionality within Parlasur. In 2009, when some parliamentarians had already given up on the negotiation, the Parliament finally came to an agreement on the national representation *criteria*. This agreement has two dimensions, one parliamentary and one judicial. Firstly, the Parliament recommends that the Common Market Council approve a relative “citizenship representation”, which implies 75 deputies for Brazil, 43 for Argentina, 18 for Uruguay, 18 for Paraguay and 31 for Venezuela when it completes its process of adhesion to Mercosur, as well as requesting more powers and political influence for the institution. Secondly, deputies demand the creation of a supranational court of justice in Mercosur and, transitorily, more competences to the existing Permanent Revision Court, which was the condition for Paraguay to accept proportionality. This recommendation has not yet been appreciated by the CMC. In the European case, the 78 deputies of the Assembly of the ECSC were designated proportionally to national populations but considering a favourable balance to the smaller states (Germany 18, France 18, Italy 18, Belgium 10, Netherlands 10 and Luxembourg 4), which remains a feature of the European Parliament. Direct elections only happened in 1979, almost thirty years after the creation of the assembly. Aware as it is of the European experience, the Mercosur Parliament is certainly intending to move faster through certain phases.

The Common Assembly of the ECSC used to meet once a year, in the second week of May, to analyse the High Authority's report. Only the Council and the High Authority could call extraordinary sessions. The European Parliament nowadays sits once a month in plenary sessions. Similarly, the Mercosur Parliament ordinary sessions take place monthly from 15 February to 15 December.³³ The CMC, the Bureau or 25% of parliamentarians can decide on extraordinary sessions.³⁴ The Bureau also meets once a month, usually two weeks before the plenary session. Committee meetings are less regular, due to the lack of structure to organize the *agendas* and the low priority of regional integration to national deputies. All meetings should be public unless they are declared closed to the public, which requires an absolute majority vote.³⁵ In spite of this, Bureau meetings are not open, and its minutes and decisions have not been made publicly available.

Parlasur has four secretariats (parliamentarian; administrative; institutional relations and social communication; and international relations and integration), corresponding to the number of Mercosur member-states, divided into four small rooms at the Edificio Mercosur in Montevideo. The number of staff has been on the increase since the establishment of the assembly, reaching some thirty-five at present. The Parliament makes up for its limited permanent structure with national delegation officials, who come to Montevideo during plenary sessions and develop an important part of the work. Nevertheless, this precariousness affects the rhythm and the quality of activities. For instance, if *committees* rarely meet due to their lack of staff and organization, discussions and decisions about certain topics may not progress in plenary sessions.

Members of staff are recommended by national parties, governments or congresses, although the Constitutive Protocol determines the holding of open external competitions among citizens of member-states to make up the technical and administrative staff,³⁶ like in the European Parliament. The current budget — about 1 million dollars *per* year — depends on equal contributions from states, but its execution is not available on the website as indicated in the Rules of Procedure,³⁷ January 2007 excepted. The Parliament should also publish an official journal with its rules, propositions and meetings reports.³⁸ However, a significant part of the legislation approved by Parlasur is expressly not public, as well as the proceedings of Bureau and Committee meetings, even though the Constitutive Protocol and the Rules of Procedure affirm the “most complete transparency” of Parlasur activities. Even if one considers the website a real advance concerning parliamentary communication in Mercosur, its general information is limited and the diffusion of the site itself is not substantial, even among regional institutions. This lack of transparency regarding staff appointments and Parliament's resources and decisions clearly restricts the institutionalization of the assembly, introducing a personalist/particularist logic that prevents the consolidation of democratic principles within an institution that was supposed

to democratize the whole integration structure.

In terms of complexity, Parlasur and the EP in the 1950s strongly resemble each other. Both institutions have provision for their own Rules of Procedure, Bureau, Secretariat, *committees* and political groups. Nonetheless, an important difference is the early organization of political affinities in Europe and the maintenance of the national logic in the first years of the Mercosur Parliament. Another element that limits the satisfactory complexity level of the assembly is the incipient and precarious structuring of the secretariats and *committees*. In spite of this, the introduction of proportionality and the provision of direct elections are elements that government beyond the traditional intergovernmental logic of Mercosur and introduce indications of deeper institutionalization in the Parliament.

Socialization on the increase

If the development of the attributes mentioned above — autonomy and complexity — is part of legislatures' establishment, they are not sufficient to characterize a consolidated institution.

For a parliament it is a matter of coming to embody values shared in some significant degree by the society at large. Moreover, a clear line cannot be drawn between the institution and its members: it is how they behave within the normative framework set by the institution that determines its character and perhaps its chances of survival (Johnson 1995, 609).

This process refers to parliamentary socialization, which can take forms such as, a) adaptation to the institutional role, b) increased institutional support and c) ideological convergence (Navarro 2009, 195-6). In terms of regional integration, it means the progressive strengthening of communitarian convictions among the deputies is an important aspect of the socialization process, but not the only one. The acquisition of new skills and understandings, related to the traditions and procedures of an assembly, and the shape of preferences, which tend to harmonize and moderate political demands and policy goals, are aspects of the parliamentary experience that cannot be neglected. They result from interpersonal relations among deputies: the feeling of belonging to a group and the wish to share values and knowledge increase in line with the quantity and quality of connections and the level of mutual trust and sympathy.

Much research remains to be carried out on socialization in the European Parliament, but the idea that the EP accomplishes an “integration function” by socializing the members is widely accepted. Empirical information will confirm this hypothesis or not depending on the different variants of the socialization *phenomenon*. A survey *data* analysis, relating

to the attitudes of members of the European Parliament between 1996 and 2000, showed that the experience in the EP does not socialize deputies into more pro-European attitudes (Scully 2005). The author concludes that there is little evidence that MEPs are more pro-integration than their national counterparts, and when this happens, it appears to be unrelated to deputies' length of service in the EP. In the same sense, an analysis of roll-call voting *data* from 1999 plenary sessions evince that MEPs do not become more inclined to support measures of closer integration as time passes (Scully 2005). Hence, the fact that the EP has constantly pushed for more European integration and for a more significant role in the institutional design (Costa 2001; Costa and Magnette 2003) cannot be explained by parliamentary socialization at the European level, but rather by national politics. MEPs belong to national parties, which, in general, have historically supported the integration process. Among them, euro-scepticism has been the exception.

MEPs are generally pro-integration for the same reasons that national MPs are: they are members, and representatives, of parties for whom such views are part of accepted, mainstream political opinion (Scully 2005, 142).

Deputies' interest in increasing their powers is also due to the EP's strategic importance. Since their arrival in Brussels, MEPs understand that institutional competition within the Union will leave them little space if they do not perform their role actively (Costa 2001, 66).

On the other hand, the institutional framework of the EP has a significant impact on members' behaviour, even if parliamentarians do not necessarily interiorize a common understanding of their role or converge in their attitudes (Navarro 2009, 234-5). It means there is parliamentary socialization on the European stage, but it can be temporary or strategic rather than permanent: deputies learn about the assembly's formal and informal rules, realize which are the most efficient procedures and patterns of behaviour, discover how to work with colleagues from different nationalities, acquire new professional skills and understanding of politics. This situation is reflected in the particular modes of political competition and conversion within the EP. Although political cleavages in the EP are structured according to right-wing/left-wing and integration/sovereignty positions (Hix 2001; Noury 2002), the deliberation process reveals a more complex logic. The absence of a European government, the complex nature of texts submitted to the assembly's appreciation and, more generally, the mobilization around the consensual and "non-political" objective of forming a "union", which characterized European construction, result in a relative fragility of the party *phenomenon*, fluidity of majority combinations and a *consensus*-building that surpasses traditional ideological divisions (Costa 2001, 328). Moreover, treaties force deputies to overcome their heterogeneity if they want to take part in the decision-making

process. But these features are not necessarily related to ideological convergence among deputies: the inclination to vote with EP or group majority is not connected with seniority or previous political experience (Navarro 2009, 199).

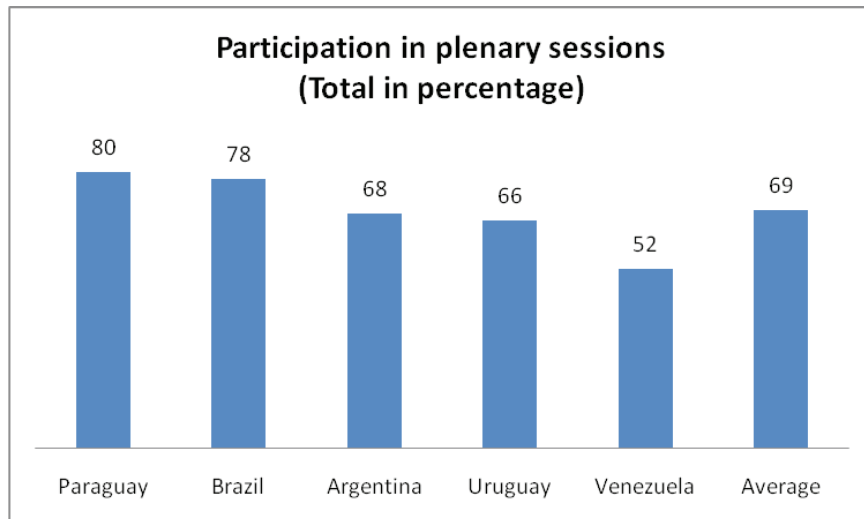
Due to its brief existence and incipient activities, precise conclusions about socialization within the Mercosur Parliament are very limited. In general, adaptation to the institutional role seems to be on the rise among some deputies. “When I go to Mercosur, I am not a Brazilian deputy anymore, I am a Mercosur parliamentarian. We have to see things this way”.³⁹ If it is true that accommodation is more significant than assimilation in the EP, Parlasur faces the opposite situation. As the assembly is still young and procedures are being set out, rules are to be created more than to be followed. Each national delegation conceives of the parliament according to its own political culture and constitutional system. Moreover, each parliamentarian devises the assembly depending on his/her ideological orientation and general idea of Mercosur. During debates or negotiations, mention of rules and experiences from national contexts and attempts to import them to the regional ambit are not rare. For instance, a Paraguayan deputy insisted that his surprise at a certain statement in the Rules of Procedure be recorded, since it was considered “unusual, mainly to the Paraguayan delegation”.⁴⁰ In a process in which socialization creates political culture, this is quite a normal situation: creation never occurs without integration and maintenance of old values with the new (Dawson and Prewitt 1969, 27). But it is important to pay attention to the rigidity level of this sort of variable, which may influence the accommodation/assimilation balance in the Mercosur Parliament over the next few years, and consequently its degree of institutionalization.

The working languages are an advantage for Parlasur over the European Parliament. Spanish and Portuguese are the only dominant languages in the region. Although all documents are to be drawn up in both languages and parliamentary sessions have simultaneous interpretation, in general, parliamentarians understand each other without this mechanism. It facilitates deliberation within the assembly and informal contacts among deputies and assistants.

Simple participation in plenary sessions translates into a socialization benchmark if it means the recognition of an additional level where political life takes place. The three years studied (2007-2009) reveal a stable and relatively high attendance level in comparison with the last meetings of the Joint Parliamentary Committee. Paraguay displays the highest participation level, which has increased after its representatives were directly elected in 2008. Before that, Brazil used to have the most participative delegation. Uruguayan deputies are the least participative and their presence in meetings has been gradually decreasing, which is due to the feeble participation of National Party deputies and to the priority given to national issues over regional discussions, considering that they stay in Montevideo

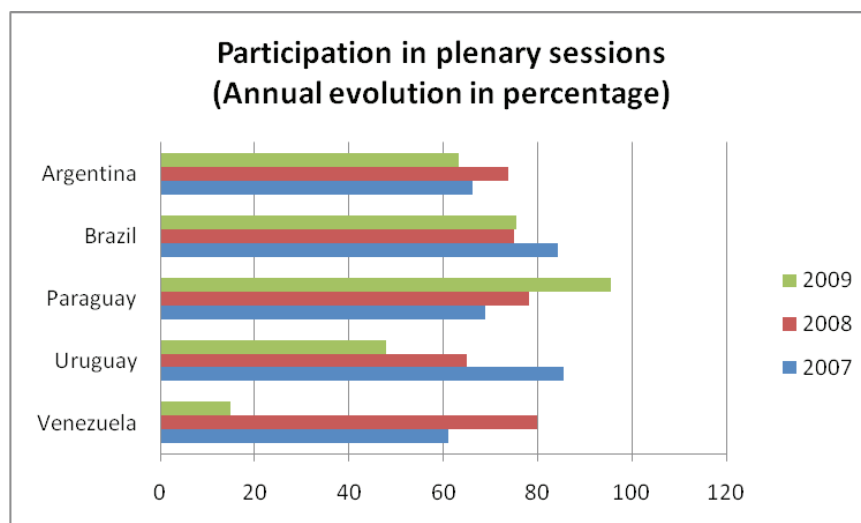
for Parlasur sessions. The Brazilian and Argentinian delegations display the stablest participation rates. (As for Venezuela, the current absence of voting rights helps explain the delegation's reduced presence.) The EP faced the opposite *phenomenon*: absenteeism has been a problem from the Parliament's earliest days. Deputies who had to travel the furthest, attended the least (Kapteyn, quoted in Westlake 1994, 102).

Graph 1 Participation of parliamentarians in Parlasur plenary sessions 2007-2009



Source: Produced by the author, based on minutes of Parlasur plenary sessions.

Graph 2 Participation of national delegations in Parlasur plenary sessions



Source: Produced by the author, based on minutes of Parlasur plenary sessions.

In terms of support for integration and ideological convergence, there is a clear and progressive movement towards recognizing the importance of regionalism itself and of the Parliament, although national *agendas* still guide deputies' actions and preferences. As one deputy puts it,

I have always been proud of Mercosur, I always thought this is an interesting way, even more when the Parliament was established, because it is no longer a strict commercial question, but it comes to deal with environmental, social issues.⁴¹

Until now, the procedure to appoint the regional parliamentarians was internal to each congress. The choice and arrangements to compose the representation in the Mercosur Parliament were analogous to the formation of other national parliamentary *committees*: membership was mostly self-selected and proportional to the weight of each political party. Just like in the beginning of the European Parliament, members of Parlasur were nominated according to some sort of interest in integration matters. Many of them were already involved in the JPC and participated in the negotiations that led to the emergence of the Parliament. But this “affinity” with integration is less important in Mercosur than it was in the European Union, where the Common Assembly of the ECSC developed an open militant federalism in favour of further steps towards integration (Westlake 1994, 11). With direct elections, the tendency is a reproduction of the European *phenomenon*: parties will select pro-integration candidates or politicians either retiring from national political life or wishing to start a career.

A movement seen since the start of Mercosur continued in the beginning of the Parliament's life: parliamentarians from the Left, from smaller countries and from border regions are, in general, more inclined to work actively for the integration process. But lately, interest in the new assembly has been growing among other groups of parliamentarians, especially among the most prestigious politicians of each national congress, among the right-wing and those who had not participated in regional experiences before. In the same sense, a certain bad reputation of the deputies who “go for tourism in Montevideo” is decreasing among their national counterparts, which means the relevance and the visibility of Parlasur are on the increase. When it comes to institutional support, the majority of members and staff recognize the importance of the integration process and the need for a regional political arena.

The ones who are here, many are from the very beginning of all this, then we are pretty much impregnated by what is the work in the Parliament, and new people that join us also feel involved with the team work. [...] In general, the ones who work here have this idea [the belief on integration, the need to deepen Mercosur]; [...] comparing to other Mercosur institutions, I think here in the Parliament we have more people with a passion for integration.⁴²

For now, the only exception is the Uruguayan National Party, whose representatives opposed the Parlasur's creation at the outset, believing it would affect Uruguayan sovereignty.

Political groups are another relevant indicator of parliamentary socialization. Initially, members of Parlasur have registered two groups composed of members of only one member state: National Party and "Frente Amplio", both from Uruguay, the country with the strongest party tradition in Mercosur. But that strategy has been replaced by a different perspective on the organization of political action in Parlasur: the formation of transnational ideological forces. The Progressive Group was the first to be established by centrist and left-wing parliamentarians who actually guided the creation of the assembly and have always had the majority of seats in the Bureau. Informal meetings generally take place once a month before the plenary session in Montevideo. Ideological identification and mutual trust can be considered high among its members. The conservative group is not yet very well organized due to a lack of ideological *consensus* among the right-wing parties of the region. Another point is the analogy with the European People's Party: a segment of the Brazilian Right considers itself more social democratic and would not like to be compared with European Christian democrats in inter-parliamentary *forums*. But negotiations are in progress and, when formalized, this group should have a majority of seats in Parlasur.

This ideological movement is more important to some delegations than to others. Brazil and Paraguay display a high level of cohesion inside the delegation due to the traditional weakness of national political parties and to the feeling that there are national interests to be protected. Brazilian deputies support each other in Parlasur negotiations even if in the internal arena they take part in tough disputes. In the case of Paraguay, almost all the representation comes from right-wing forces, which contributes to the unification of positions. On the other side, the Uruguayan and Argentinian delegations are less united due to the strength of national parties in the first case and to a particular political culture in the second. The relative maintenance of the national logic at the same time as ideological groups are being established can reflect either the current transition and institutionalization period of Parlasur or the classic personal-oriented politics still present in Latin American culture. The socialization effects should be slightly divergent from one hypothesis to the other.

The coherence mentioned by Huntington, March and Olsen is also related to socialization. The more socialized an institution is, the more members will agree about its functions and objectives, and the decision-making process will be less troubling. In the case of the Mercosur Parliament, records show a limited *consensus* about the real role of the assembly. The few instruments discussed by parliamentarians with this objective

reveal the usual agreements on democratic liberties, human rights and the consultative role of the Parliament, even if the necessity of reinforcing political integration is generally stressed. This was the case of a paradigmatic debate about the Parliament's functions in the integration process in 2007.⁴³ Points of divergence emerged, although all speeches agreed on the fundamental role of Parlasur regarding the necessity of surpassing the commercial integration and reinforcing Mercosur mechanisms in order to reach social inclusion, sustainable development and international influence. It means that although the assembly still lacks a clear project, the deliberation itself reflects the fact that deputies accept debating the functions and the mechanisms of the Parliament. Consequently, they recognize the legitimacy of the institution and the principle of a supranational and reflexive deliberation, which may have significant influence on the other powers of the Mercosur Parliament (Costa 2001, 483).

The socialization of actors within Parlasur remains limited but has been increasing since the establishment of the institution. Limitations have to do with the temporary combination of national and regional terms of office and with Mercosur's general lack of visibility and information on its acts and role. Alternatively, the high participation in meetings, the incipient pro-integration propositions of some parliamentarians and the constitution of ideological groups denote a latent socialization potential. But as the European experience shows, this does not necessarily mean a socialization of consequences that surpass the ambit of the Parliament. In Parlasur, the general limited socialization is related to the other institutionalization phases: in order to develop an integrative function of its members, an institution has to be *autonomous*, complex, display universal values and rules and have certain policy-making powers. The weak structuring of the Mercosur Parliament does not make it politically attractive to deputies and consequently does not facilitate their socialization. Therefore, a transitory and strategic internalization of the rules of the game and some kind of identification with other members would already reflect a different level of parliamentary institutionalization in Mercosur.

Attributions, not competences

"Attributions" are understood in this paper as the development of typical parliamentary functions combined with material competences. In national democratic political systems, parliaments usually perform representative, deliberative and accountability functions, besides legislating on a broad range of social, economic, cultural and political issues. However, this classic concept cannot be directly applied to regional organizations. The European Parliament is responsible for all parliamentary functions at the supranational level, but its control and legislative powers are limited not only by the communitarian

competences but also within them. As an entirely intergovernmental system, Mercosur does not have exclusive areas or sectors of competence, which applies to the Parliament by extension. It means that all subjects can be discussed or regulated, but the final decision belongs to national institutions. In addition, the Parliament was not conceived as part of the decision-making structure of Mercosur. Therefore, the *Parlasur* does have some functions, but these are restricted both by the lack of supranational prerogatives and by the consultative *status* given to the assembly.

The permanent reinforcement of the European Parliament's powers is a major feature in the history of European construction. In 1952, the Common Assembly had only deliberative and relative accountability functions. The faculty of adopting declarative resolutions on the missions of the Community and the abstract possibility of provoking the dismissal of members of the High Authority entailed a gradual affirmation of the assembly *vis-à-vis* other institutions. The supranational management of coal and steel resources was the basis of the need for a body to control the executive branch, which configures a fundamental difference from the Mercosur experience. In 1957, the European Parliamentary Assembly gained consultative powers regarding the budget and legislation. From 1970 on, following the new model of financing proposed by the Commission, the Assembly had the final word on non-obligatory expenses and in 1975 it was accorded the possibility of rejecting the whole budget. From 1979 on, the directly elected deputies started employing a double strategy of specific unilateral initiatives and broad formal demands on the extension of their powers (Costa 2001, 38). In 1980, for instance, the Parliament began approving commissioners nominated by the Council through its deliberation capacity. Nowadays, the European Parliament has extensive attributions regarding representativeness, deliberation, accountability and legislation. The most common and influential legislative procedure, co-decision, assures the EP the final decision, along with the Council, on more than forty communitarian areas. Concerning appointment faculties, the EP can influence the investiture of members of the Commission, the Court of Auditors, the Central Bank and the European Ombudsman. In the same direction, the institution has several means of controlling executive activities: oral and written questions, reports, petitions, temporary inquiry *committees*, sanction measures and the right to appeal before the Court of Justice.

The Constitutive Protocol of the Mercosur Parliament establishes the following functions: (see Table 3).

In absolute numbers, the Parliament has adopted more than 170 normative acts since 2007. The average of six instruments *per* plenary session is much higher than the legislative production of the Joint Parliamentary Committee, and has been increasing: from 1.5 acts in 2007 to 7.5 in 2009. However, the most common acts — measures, declarations and recommendations — seem to be the least efficient way to intervene in the Mercosur's

directions. Bills and opinions on CMC projects obviously display a more important influence potential, but were rarely discussed by parliamentarians, as shown by Graph 3. Nevertheless, the decrease in the number of declarations and the progressive increase in the number of recommendations approved indicate a gradual shift on the legislative behaviour of the assembly. Also, the four bills presented to CMC and the two draft bills sent to national assemblies in 2009 constitute new initiatives deriving from the rationalization of parliamentary work and the development of knowledge of the instruments available on parliamentarians' part.

Table 3 Functions of the Mercosur Parliament

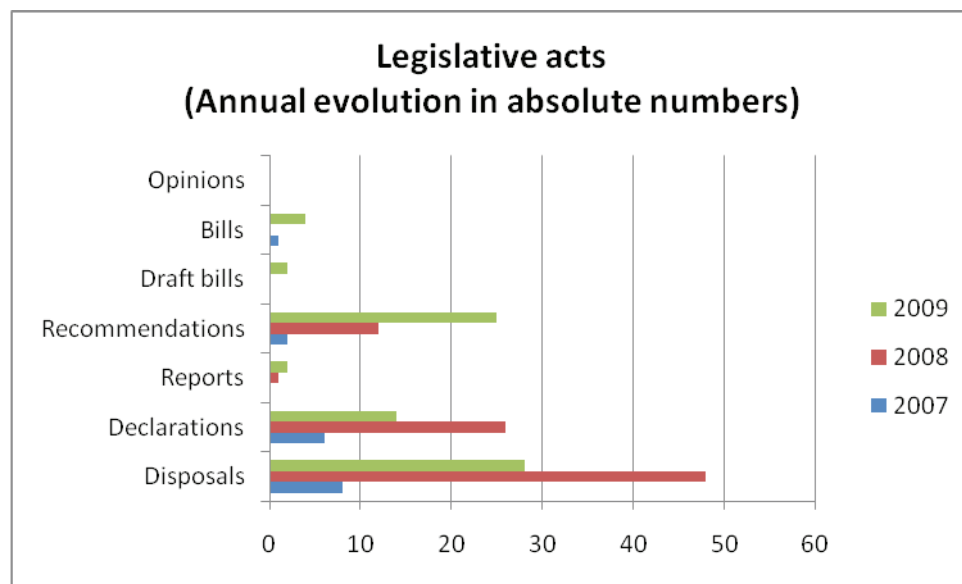
Representative	The Parliament represents the peoples of Mercosur.
Deliberative	Parlasur can organize public meetings and seminars with civil society and business sectors. It organizes twice yearly meetings with representatives of the Consultative Economic and Social Forum to exchange views on the integration process. Internal debates may entail normative acts such as declarations and recommendations.
Accountability	<p>In order to control Mercosur bodies, the Parliament may:</p> <ul style="list-style-type: none"> - receive an annual report of the Mercosur Secretariat budget; - produce an annual report on the human rights situation in the region; - receive petitions from citizens or moral persons related to actions or omissions of Mercosur bodies; - ask Mercosur institutions for written information, which should be answered in 180 days maximum; - invite representatives of Mercosur institutions to discuss the integration process; - receive authorities from the Mercosur temporary presidency in the beginning and end of each semester to present a plan and an evaluation of activities; - demand consultative opinions of the Permanent Revision Court.
Legislative	<p>The Parliament counts on the following normative instruments:</p> <ul style="list-style-type: none"> - opinions: formal statements about legislative projects of the CMC; - legislative projects: bills presented to the CMC. If Parlasur suggestions are taken into account, the bill is considered in national congresses through an accelerated procedure; - legislative draft projects: bills presented to national parliaments in order to harmonize member-states' legislation; - recommendations: proposals to the decision-making bodies of Mercosur; - reports: studies about specific subjects prepared by Parlasur committees; - measures: Administrative rules on Parlasur internal organization; - declarations: Manifestations about any subject of public interest.

Source: Produced by the author based on the Parlasur Constitutive Protocol and Rules of Procedure.

In terms of contents, most of the norms adopted consist in administrative determinations and rhetorical manifestations about subjects relating predominantly to disputes between

national political forces or to international events. Debates about integration issues or about the role and the objectives of the Parliament itself are not frequent and have rarely become rules. In addition, parliamentary deliberation is usually disconnected from the topics dealt with at CMG or CMC ambits, which entails a low interest level by decision-making bodies in subjects discussed by the Parliament. Until now, the Council has not considered any of the recommendations or bills formulated by the Parlasur. Besides Brazil, no other national congress has regulated the fast track procedure for Mercosur rules relying on a favourable opinion from the Parliament, which prevents the building of an important item of bargaining power for the assembly. The annual report on human rights, the only substantive faculty of the Parliament, was first published in 2009. Except for the visits of foreign affairs ministers once a semester and a few information requests to the CMC, no other accountability functions are being carried out. Public meetings and seminars are organized according to parliamentarians' *agendas* and interests, but the lack of publicity on their objectives and results does not motivate social participation. This *scenario* reveals the fragile degree of formality of Parlasur actions, and limits the construction of an institutional project.

Graph 3 Legislative production of Parlasur



Source: Produced by the author, based on acts approved during Parlasur plenary sessions.

Considering Blondel's classification of the parliamentary role in policy-making, the European Parliament is able to influence detailed and intermediate matters: the assembly discusses all matters of government but cannot influence broader questions. Parlasur, on the contrary, presents very small ostensible activities and its effectiveness remains at the level of secondary issues. The EU's system could thus be understood as the representation model proposed by Mezey, with parliament being perceived as an intermediary between

voters and government: influence on public policies is achieved by interest articulation and representation more than by direct legislative activities. Alternatively, Mercosur corresponds to the political system maintenance model, which supposes that the legislature's essential role is to keep the system functioning, through socialization of elites, conflict resolution and government legitimation. Still according to Mezey, the EP can be classified as an active parliament: it displays strong policy-making powers, efficient interest representation and a political activism that strengthens the political system. Parlasur would not surpass the level of a marginal assembly because of its scant policy-making power, its inefficient interest representation due to limited parliamentary prerogatives, strong executive power and lack of publicity of the activities, and because of having the legitimation of the regional structure as its main — yet not formal — function.

It took more than half a century for the EP to reach this position in European policy-making, but the European assemblies of 1952 and 1957 already had more powers than the Mercosur Parliament has today. The lack of supranational competences in Mercosur and the traditional parliamentary weight in European national systems are relevant elements of dissonance between the two experiences, which consequently does not point to similar paths. However, Parlasur does have some attributions, which are larger in comparison with the former Parliamentary Committee, but are not being entirely employed. An *analogous* situation has lately distinguished the European Parliament: its political influence is determinant but authorities seem to be satisfied with the symbolic benefit of high prerogatives instead of effectively exploiting them (Costa and Saint Martin 2009, 62). For now, the political potential of Parlasur depends on the real exercising of its faculties rather than on the passive hope for presidential concessions or for accommodation in the symbolic space achieved.

Conclusion

The confrontation of Parlasur's means with theoretical institutionalization *criteria* has allowed a *diagnosis* of the current institutionalization level of this young regional assembly. The analysis shows that the Parlasur is humbly institutionalized, although it has been improving in this regard since its establishment. Moreover, some institutionalization conditions are developing faster than others: the assembly displays considerable complexity and socialization features, but has very limited autonomy and attributions. The comparison with the European Parliament has evinced that the classic assumption that the Mercosur is far from the European Union in terms of institutionalization does not apply to the beginning of its parliamentary history. The Mercosur Parliament and the Common Assembly of the ECSC show similar characteristics and fragilities. But half a century and a considerable

amount of integration experiences set the two institutions apart. If the Mercosur Parliament arises after (and based on) the European trajectory and many other regional attempts, the expected institutionalization should be achieved even faster than in the European Parliament. This is not the current situation, though.

If this emerging institutionality keeps progressing in the next few years, Parlasur could eventually achieve a higher degree of influence in defining the directions of the integration process. But the consultative legal *status* of the assembly is an important barrier to this kind of evolution. This is why, for the moment, the Mercosur Parliament does not hold conditions equivalent to the European Parliament's bases and it is not likely to grow along the same path. The Mercosur Parliament has arisen with some positive points relative to the EP: direct elections were planned four years after its creation and deliberation is easier due to language issues. But the negative points are comparatively larger: European parliamentarians have sat from the very beginning according to political affiliation, relations between the executive branch and the assembly were relatively balanced and actors developed an open militant federalism. The result is that, "in terms of formal powers, the EP has undergone much more significant growth than any other institution since the Communities came into existence" (Shackleton 2002, 96).

However, if the institutionalization level of Parlasur is restricted considering traditional parliaments in general and the EP in particular, it is already bringing important innovations to Mercosur organization. The composition according to proportional and ideological *criteria* defies intergovernmental assumptions. In the same sense, more visible deliberation within the assembly and direct elections would form totally new spaces for citizenship participation, which could engender substantial representation and impact national elites and interest groups (Ajenjo 2007). These features indicate that the process of parliamentary institutionalization in Mercosur is more "socializing" than "institutional": it is not only offering space for parliamentary interests and preferences, which could be hostile to integration, but also favouring the construction of integrationist aims and ideals that can help to strengthen the regional institutional framework. The confirmation of this tendency will have to rely on the general parliamentary behaviour, as it depends on whether Mercosur parliamentarians decide to attend meetings just to keep their seats warm or to lead the integration process.⁴⁴

The institutionalization process of Parlasur also depends on the future of Mercosur itself. The low priority of integration measures, in spite of presidential rhetoric, directly affects the construction of the assembly. Recently, the creation of Unasur (2008) and the launch of the Community of Latin American and Caribbean States (2009) reflects at the same time a will for more political and social cooperation and the historical overlap of integration attempts in the continent, which result in lack of solidity and stability. There

is a relative *consensus* among Parlasur actors on the idea that other regional initiatives cannot prosper over the failure of Mercosur. If this is true, chances are the Parliament becomes the link between the commercial past and the political future of regionalism in Latin America.

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Notes

- 1 These documents are available at www.parlamentodelmercosur.org.
- 2 Available at www2.camara.gov.br/comissoes/cpcms.
- 3 “For some theorists, increasing returns are the source of path dependence; for others, they typify only one form of path dependence” (Pierson 2000, 251).
- 4 To consider Huntington’s conditions of institutionalization as a significant benchmark in the literature does not mean we endorse the developmental perspective. On the contrary, this work is founded on the assumption that each political system moves according to its own path, following a specific internal logic, even if external elements exist and may influence the institutional modelling.
- 5 Langton (1969); Hyman (1969); Dean (1973); Dennis (1973); Renshon (1977); Schwartz and Schwartz (1975); Leclercq (1998); Dubar (2000); and Lagroye, François and Sawicki (2002) adopt similar conceptions of socialization.
- 6 JPC Provision 14/99. Most Mercosur documents referring to the creation of the Parliament can be found in Konrad Adenauer Stiftung and Comisión Parlamentaria Conjunta (2006). *Hacia el Parlamento del Mercosur*. 2nd edition. Montevideo: KAS Uruguay.
- 7 JPC Provisions 11 and 12/00.
- 8 For instance, CPC Provisions 35/00 and 05/02 (calendars for the institutionalization of the Parliament), Recommendation 25/02 (creation of an ad hoc committee to work on the project) and Provision 08/03 (institutional agreement between CPC and CMC as a first step to the Parliament).
- 9 JPC Provision 01/04 and CMC Decision 26/03.
- 10 CMC Decision 23/05.
- 11 Constitutive Protocol, Article 4.4. The requests concerned Executives’ negotiations related to the revision of the Itaipu Agreement (XVII Plenary Session, Asunción, 28 April, 2009) and to the Mercosur-European Union economic agreement (XIX Plenary Session, 21 September, 2009).
- 12 According to the Asunción Treaty, the CMC presidency will be held by each member-state for a period of six months, by alphabetical order.
- 13 III Plenary Session, Montevideo, 25 June, 2007, verbatim report, p. 19-24.

- 14 V Plenary Session, Montevideo, 3 September, 2007, verbatim report, p. 37-41.
- 15 XII Plenary Session, Montevideo, 18 August, 2008, verbatim report, p. 14.
- 16 IV Plenary Session, Montevideo, 6 August, 2007, minute, p. 7.
- 17 Interview to the author, Secretaria Técnica Permanente de Mercociudades, Montevideo, 19 March, 2009.
- 18 VI Extraordinary Session, Montevideo, 17 August, 2009, annex VI of the minute.
- 19 The Union of South American Nations (Unasur) is an organization created in April 2007 by Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela. Its main objectives are political and diplomatic coordination in the region; integration of transport, energy and communication; harmonization of rural development policies; and stimulation of dialogue among social and economic sectors.
- 20 Mercosur Parliament and Andean Parliament Bureau Meeting, Buenos Aires, 5 February, 2007; Mercosur Parliament and Andean Parliament Joint Declaration, Asunción, 27 April, 2009.
- 21 Seminário Regional Alternativas para un Parlamento de Unasur, Cochabamba, 4-6 October, 2007, organized by the Bolivian Ministry of Foreign Affairs.
- 22 Eurolat was created in August 2006 upon the initiative of members of the Committee on Foreign Affairs of the European Parliament. It brings together regional parliaments from Europe and Latin America — European Parliament, Latin American Parliament, Andean Parliament, Central American Parliament and Mercosur Parliament — and aims to help strengthen parliamentary exchanges between the regions.
- 23 Since 2009, the Secretariat of Institutional Relations and Social Communication of Parlasur has been mailing press releases and information on the assembly to an open mailing list. Brazilian and Argentinian representations have created websites and a monthly newsletter on their activities. Since the beginning of 2010, Parlasur has also been on Facebook and Twitter.
- 24 Rules of Procedure, Article 40.
- 25 Rules of Procedure, Article 169.
- 26 Rules of Procedure, Article 43.
- 27 Rules of Procedure, Article 69.
- 28 Article 59.
- 29 Article 34.
- 30 XXI Plenary Session, Montevideo, 30 November, 2009, minute, appendix V (Nota de “Constitución del Grupo Político Progresista del Parlamento del Mercosur”).
- 31 IV Plenary Session, Montevideo, 6 August, 2007, minute, p. 4.
- 32 Rules of Procedure, Article 7 and Constitutive Protocol, Article 5.
- 33 Parlasur Disposal 47/2008.
- 34 Rules of Procedure, Article 107.
- 35 Rules of Procedure, Article 114.
- 36 Article 16.

- 37 Article 158.
- 38 Rules of Procedure, Article 160.
- 39 Brazilian member of the Mercosur Parliament, interview to the author, Brasília, 8 April, 2009.
- 40 Alfonso González Nuñez, Partido Colorado, Paraguay. I Special Session of Parlasur, 3 September, 2007, verbatim report, p. 4.
- 41 Brazilian member of the Mercosur Parliament, interview to the author, Brasília, 8 April, 2009.
- 42 Civil servants of Parlasur, interviews to the author, Montevideo, 18 March, 2009.
- 43 V Plenary Session, Montevideo, 3 September, 2007, verbatim report, p. 29-37, 43-49.
- 44 “Nosotros, como Parlamento del Mercosur, no tenemos que venir solamente a calentar sillas. Nosotros debemos ser protagonistas dentro de este proceso de integración, fundamentalmente por la calidad de los actores políticos que integran este Parlamento regional.” Parliamentarian’s speech, III Plenary Session, Montevideo, 8 May, 2007.

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Analytical Challenges for Neoinstitutional Theories of Institutional Change in Comparative Political Science*

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This article analyses the core critiques on institutional change theories within the neoinstitutional research agenda in comparative political science. It offers an explanatory typology using analytical challenges for the development of theories with new institutional approaches. This typology provides key critical issues that should be seriously considered by political scientists when analysing change. The framework suggests that the analytical challenges be posed in five interwoven dimensions: a) inclusion of institutional variables; b) agency and cognition; c) contextual sensitivity; d) increasing precision in the concept of institution (and institutional change); and, e) recursive interaction between agents and institutions in the process of institutional change. Based on these challenges, the article conducts a comparative analysis of the theories of change suggested by North and Aoki to understand how they deal with such issues.

Keywords: Comparative political science; Institutional change theory; New institutionalism; Theory and models; Research design.

Introduction

The study of institutional change continues to take up a prominent position in the research agenda of comparative political science. Considerable analytical efforts within this discipline seek to offer consistent interpretations and explanations of how and why political institutions are transformed in various contexts and under various

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conditions. In spite of significant advances in the provision of theories and models generated since the beginning of the last decade, political scientists have continued to question their effectiveness. Traditional models and theories have been deeply questioned, and the emergence of new conceptual, theoretical and methodological demands has challenged the new generation of comparativists. In this sense, the analysis of institutional change is generating a set of theoretical and methodological critiques considered fundamental to the development of comparative political science.¹

These critiques have been formulated on the basis of theories originating within two of the main paradigms that orient analytical reflections in political science: new institutionalism and rational choice.² Authors from these traditions continue to vigorously discuss about the limits and possibilities of the generation of more robust theories and interpretative schemes about change. In this sense, the field of comparative politics is generating the *reflexive conditions* for the emergence of new advances and methodological refinements. This work focuses precisely on understanding these critiques about change, taking the specific case of new institutionalism. Around which questions and problems do critiques of the theory of change take shape in the context of new institutionalism? And how does this generate new challenges — theoretical, methodological and epistemological — for political scientists? These are the central concerns of this article.

As stated by Hall and Taylor (1996), new institutionalisms in political science seek to understand how institutions emerge, evolve and change. For their part, March and Olsen (2006) say that in new institutionalism, authors start from the assumption that the existing institutional arrangements possess considerable causal power to explain how and why institutions emerge and are transformed. In comparative political science, the intense use of neoinstitutional theories since the start of the last decade has been responsible for a considerable expansion in supply, yielding a large and diverse set of studies on the possibilities of change.³

However, despite this arsenal of studies and research, several authors consider the existing set of theories generated by new institutionalism to be problematic to produce consistent theories about the complex problem of institutional change. This point is the principal challenge to the advance and consolidation of the institutional tradition in political science.

This paper is situated exactly in the reflection on the constitutive dimensions of these critiques. It conducts a systematization of the critiques, as well as pointing ways forward for overcoming these critical points and the elements needed to generate neo-institutional theories of change.

The text is organized as follows. In the first section, it provides an explanatory typology,⁴ systematizing the main critiques by neoinstitutional authors in political science.

The analysis of the critique of institutional models reveals that, despite their diversity, the fundamental tensions are structured on the basis of four articulated dimensions: a) rational choice; b) conceptual separability; c) the premises of stability; and, d) the problem of the connection between ideas and institutions. These dimensions are presented in systematic (and not exhaustive) fashion to show how they impact the development of more effective institutional theories.

Next, the text turns to a set of themes and problems — understood as *analytical challenges* — considered indispensable for one to construct more refined theories and models starting from institutional assumptions. One seeks to understand which would be the elements and questions considered essential for analysts to be able to adequately deal with the problem of change in future ventures in the field of comparative political science. It is suggested that the possible paths articulate five dimensions: a) the inclusion of institutional variables; b) agency and cognition; c) contextual sensitivity; d) greater precision in the concept of institutional change; and, e) strategic and recursive interaction between agents and institutions. The article specifically discusses how these elements should ideally be treated in the construction of models and theories for the case of new institutionalism.

Lastly, and in the light of existing critiques and of the frontiers of refinement mentioned in the two sections, it offers a comparative analysis of two theories of change that take on board significant innovations in the treatment of the theme in the context of the new historical institutionalism, namely those by North (1990; 2005) and Aoki (2001; 2007), so as to illustrate how refinements in institutional theories of change have been processed.

Emerging Critiques about Change in the Neoinstitutional Debate

This section presents the main emerging critiques within the neoinstitutional debate. These critiques are systematized on the basis of the concept of explanatory typology suggested by Elman (2005). A presentation of the main narratives around the critiques and their implications for institutional change theory is attempted. The fundamental tensions produced in this debate are structured in four areas: a) the limits of rational choice approaches; b) the problem of conceptual separability; c) the premises of stability; and, d) the problem of the connection between ideas and institutions. These critiques produce the five analytical challenges with which we deal in the next section.

The limits of rational choice approaches

Despite being very useful when it comes to interpreting *phenomena* that relate to the creation of new political institutions, agency models inspired in rational choice theories

— that amply influential in contemporary political science analyses — are not capable of dealing satisfactorily with the analytical demands present in the treatment of the problem of institutional change.

Traditional models from rational choice theories in political science basically suggest that processes of institutional change should be understood based on alterations in the *equilibria* position by the strategic interaction of rational agents (or agents with limited rationality). Institutions represent *equilibria* built to overcome *dilemmas* of collective action, to reduce transaction costs and to reduce the uncertainties in the interaction of social agents in politics. Rational agents would be capable of producing institutional designs that tend to persist over time.

Institutions represent positions of *equilibrium* created from the structure of incentives and opportunities that rational agents face. The central critique of these models rests in the basic fact that they consider self-enforcing assumptions. This notion that institutions cause incentives for their own maintenance is a problematic one, if political science is to explain change in institutions based exclusively on agents' choices. How to account for processes of alteration in institutional arrangements starting off from rational agents if these supposedly suffer the costs associated with change without the assumption of analytic recourse to causes or factors considered *exogenous*?

It is widely known that interactionist models centred on rationality fail in their explanation of institutional change based on these assumptions — rationality, self-enforcement and recourse to *exogenous* factors. Such assumptions would be more useful for one to understand processes related to stability and order, as opposed to dynamic processes of institutional change.

Greif (2006) considers that when game theory models are applied to the problem of institutional change they suffer severe limitations. Classic theory is silent with reference to the problem of cognitive sources that produce given behavioural choices by agents in relation to the construction of new institutions. Cognitive dimensions get reduced to the supposition of a “common knowledge” that each agent possesses about the context, the causal relations, other agents' preferences and a range of other important parameters for the decision about rules. *Endogenous* theories of institutional change should be more attentive to the question of social transmissibility of cognitive systems over time. Traditional models are highly limited to deal with the problem of cognition and reduce the question to the optimization of rational choices.

Greif and Laitin (2004) consider that the main challenge for these models lies in dealing satisfactorily with the following question: “*how to explain that institutional change is generated endogenously, i.e., based on institutional variables ?*”. Explanations in the ambit of this tradition of analysis end up resorting to a set of *exogenous* variables to

explain changes in the position of *equilibrium*, therefore not managing to understand how the institutions themselves produce — or fail to produce — institutional change.

One of the possible routes to solve this in political science has been to resort to models of “analytical narratives” (Bates et al. 1998), which attempt to explain institutional change based on models of rationality, adding in elements relating to the context, processes and narratives of the agents. The basic transformation is to conceive of institutions as extensive-form games, rather than as Nash *equilibria*, i.e., positions that, once created by the agents, do not generate incentives for their alteration. Once institutions come to be seen as extensive-form games, analysts can seek to understand *equilibria* based on specific sub-games (cases). Therefore, analytical narratives innovate when they attempt to avoid the well-known problems involved in the imputation of preferences to the agents in rational choice models and to penetrate deep inside the basic processes of preference-formation — fundamentally, in the mechanisms involved in institutional change processes, considered essential to political explanation.

The problem of conceptual separability

Another powerful critique present in institutionalist debates rests in the fact that institutional theories of change suffer from important *dilemmas* of “conceptual separability”. This problem emerges decisively when analysts need to specify institutional variables relevant to the explanation. Two basic levels of conceptual separability are strongly taken into account in the analyses: a) those between structure and institutions; and, b) those that relate to institutions and the intentional (and non-intentional) effects generated by them.

At the first level, it is usually recognized that the dividing lines between institutions and structure are tenuous, configuring two basic types for political scientists. The first lies in analysts’ ability to discern with reasonable levels of accuracy (and operationalization in specific cases) what actually constitutes an institutional variable. Analysts run the risk of producing structural and non-institutional models in the face of this imprecision, owing to a problem of specification of institutional variables. In this sense, institutional models might be generating only new structural explanations.

The second relevant problem is associated with the *dilemmas* that analysts encounter to make the claim that institutional variables that actually matter for one to comprehend processes of institutional change. How can analysts tell whether the institutional variables are the ones that *really matter* when explaining change? And, more broadly, how to differentiate institutions from specific structural effects (intentional and non-intentional)?

Ferejohn (2006) considers conceptual separability between institutions and agent

behaviour a problem for practical institutionalism, i.e., that concerned with understanding empirical processes of institutional reform. He argues that the inseparability between institutional arrangements and the behaviour of human agents associated with them makes institutional variables suffer from problems when one tries to understand change on the basis of causal models. If institutional models could be *autonomous*, it would be possible to choose institutional variables dissociated from behaviours associated with them, as is usually done in positive political theory and rational choice models. These models usually consider that institutions represent formal restrictions to the agents and their choices, and leave aside important questions relating to the fact that institutions and behaviours are analytically inseparable. *Might institutional variables be relevant when it comes to understanding change?*

Przeworski (2004) offers an answer to this important question. He argues that institutional variables in fact do not have an *autonomous* role to play in explanations of change. This is due to the *exogenous* nature of institutionalist premises. Institutional models suffer considerably from a problem of connection between social structure, institutions and associated effects. Analysts face considerable difficulties in specifying what really matters in institutions. Given that structural conditions mould institutional arrangements, how might we tell whether what really matters to explain change is related or not to institutions? The advance of institutionalist theories largely depends on analysts' ability to analytically "isolate" institutions' conditions, and then gain a finer understanding of the causal mechanisms of *endogenous* institutional change.

A plausible alternative for overcoming these limits suggested by the author is more intensive use of comparative research to account for contextual variations and to gather under what conditions institutional variables effectively matter. Fundamentally, the explanation of institutional change in political science requires an added dose of scepticism in relation to the status of institutional variables.

Premises of stability

The third source of criticism resides in the premises of stability and persistence of institutions. The assumption that institutions must be relatively stable to be considered analytically reduces the capacity of neoinstitutionalist models to deal with processes of change. In this sense, several authors consider that neoinstitutional theories suffer from a "stability bias" and are therefore more suited to explain *phenomena* linked to the institutional genesis and the maintenance of order than to change.

For one to be able to state that institutional variables are analytically relevant, it is necessary for models to take into account assumptions related to stability and order. This

assumption is typical of the first generation of neoinstitutional studies, in which models start off from the idea that it would not be possible to study the influence of institutional arrangements on the formation of agents' preferences, on the construction of actors' identity, on strategic action and on decision-making processes if the theories did not have assumptions centred on the stability, persistence and durability of institutional arrangements.

More recent critics of institutionalist models take two paths: one is a theoretical critique, the other, an empirical one. The theoretical critique derives from the basic fact that these models should be more attentive to producing *endogenous* theories of change, i.e., theories that admit the smallest possible dependency on *exogenous* factors or causes, as models are usually constructed. Various authors consider that the weight placed on non-institutional causes to explain change end up discrediting the analysts of change in this tradition. On the other hand, one must consider that theories and models should be more in tune with the important fact that in the empirical world, institutions do not have as much stability or persistence as is usually assumed in theory.

Peters (2000) argues that institutional theories possess reduced adaptability to include dynamic elements involved in the analysis of change. He suggests that institutional theories are more adequate to explain differences and variability between institutional types than to explain processes of change. In order to analyse change, neoinstitutionalists usually resort to a type of rupture with legacies of institutional stability generated by critical events *exogenous* to the institutions.

Hall and Soskice (2003) consider the problem of change to be the weak point of institutionalist theories. Conceptions of change are usually dealt with based on punctuated *equilibrium* models. In these models, formulations that consider a "clear analytical demarcation" between moments of stability and moments of rupture and change are typical.

The basic conception of this kind of model derives from the original formulation by Katznelson (2003), who looks at change generated at critical junctures, when one finds a reconfiguration of relations between structure and agency. Models usually consider that during periods of stability, structure prevails over the agents, and at times of change, the agents prevail over the elements of structure, and therefore have causal power to explain processes of change. Critical junctures create more latitude for agents to undertake change on the basis of new institutional choices.

Another conception derived from the premises of stability is the analysis centred on the legacies of path-dependent trajectories that are usual in politics (Mahoney 2000; Pierson 2000; 2004). Typical arguments around change derive from new choices by agents at critical junctures, when positive feedbacks are radically altered. Harty (2005) suggests that the principal critique of the models rests in the fact that the theories must be able to account for change taking institutional variables into consideration. The idea that critical

junctures reduce, suspend or eliminate the costs associated with change does not turn out to be analytically reasonable.

Gorges (2001) argues that neoinstitutionalist explanations for change usually fail to spell out clearly the *specific conditions* under which institutions produce institutional change, as well as to explain the causal patterns and mechanisms⁵ involved, given that there is a strong tendency to associate change with *exogenous* factors. Strong premises of order and stability, high causal complexity, strong appeal to the notion of embeddedness in institutional matrixes and dependency on *exogenous* variables to explain change end up complicating the analysis of processes of institutional transformation and reform.

He argues that the first of the two problems is more urgent to the development of neoinstitutional theory and that adherence to the assumptions of path dependency inhibits the production of endogeneity that is necessary to understand better change and its diversity. Neoinstitutional approaches end up being problematic for one to understand change owing to the fact that they are generated by punctuated *equilibrium*, drastic ruptures with institutional orders produced by changes in *exogenous* conditions. This bias significantly reduces the *endogenous* understanding of the causes and conditions that produce change. Upon being exogenously determined, change usually confers little attention on the problem of agency.

Lieberman (2002) argues that institutional theories of change suffer from three decisive problems: reductionism, exogeneity and the primacy of structural elements over elements of agency. A considerable part of the theories is geared to explaining elements of stability, coherence and the production of *equilibria*. The fundamental question to be answered is: “*how can analysts explain dynamic and highly complex processes starting off from stable causes such as institutions?*” Given this impasse, contemporary institutionalist explanations would be immersed in the well-known trap of “regress to infinity”: to explain institutional change, it is necessary to attribute causes and factors situated in a previous change, in initial factors and conditions, and so on. This style of analysis ends up eliciting crucial *dilemmas* for analysts to confront the problem of “preceding variations”.

These models typically lead to *exogenous* conceptions of change. The important question to be answered by institutionalists should be: which conditions produce critical junctures and how do these really affect processes of institutional change? Institutional models are powerful to explain processes of stability and institutional reproduction, but are fragile to understand processes of change over time.

Several authors converge towards the fact that neoinstitutional models and theories lack fertile conceptions that permit one to comprehend elements of gradual, *endogenous* change in depth, and, especially, the diversity intrinsic to processes of change. The refinement of historical institutionalist models takes off from the idea that it is necessary

to overcome the typical determinism that the notion of legacies confers on the analysis of institutional change.

Ideas and institutions

Another source of limitation for institutional theories of change lies in the questioning of the actual capacity of the models to generate explanations combining ideas and institutions. Some authors take the view that the survival of institutionalist explanations in contemporary political science depends on analysts managing to find satisfactory ways of introducing the explanatory power of agents' ideas over institutional transformations.

Lieberman (2002) points out that the survival and evolution of institutional models in political science necessarily implies *bringing ideas back in*. Institutional models and theories have shown themselves to be limited in terms of incorporating variables that take into consideration important aspects related to processes of formation of beliefs, of structuring of preferences, elements of knowledge, understandings and expectations, which in his eyes would be central “variables” to conceive of change based on the interaction between agents' mental models and the institutional fabrics where they are situated and operate the change.

Introducing variables relating to ideas or ideological matrixes in the broadest sense might be an excellent point of departure for the connection between dynamic processes of change because they open up the possibility of incorporating agency and its chances of altering structural restrictions, largely overcoming the problems of exogeneity, the imperatives of stability and legacies. Ideas play a decisive role in the creation of new institutional arrangements and analysts must seek variables associated with ideas. These would need to be given better consideration in order to account for the causal mechanisms that produce change.

Although arguing that ideas and institutions matter decisively is relevant, it does not suffice to explain how these ideas matter more effectively under specific historical conditions. The question of to what extent ideas of institutional reform are produced or caused by other social, economic and historical factors has not been specified much by recent models. Moreover, it is important to consider that a large part of institutionalist explanations are too limited to explain the “origin of ideas”, and even the specific conditions under which norms and values are diffused and implemented in different contexts.

Analysing the case of change in institutional patterns of social policy provision, Béland (2005) argues for the need to include factors related to ideas to complement variables related to the legacies of public policies. When confronted with the necessity of understanding and interpreting change, he considers that analysts must permit models to take into account the

mechanisms through which policy entrepreneurs resort to ideological matrixes to suggest the creation of new institutional alternatives. Beland suggests that understanding public policy change based on models constructed in the new historical institutionalism depends to a large extent on the capacity to seriously consider analytical categories that deal with the role of beliefs and values that bolster a new institutional matrix. Consistent theories of change should work in more balanced fashion, incorporating institutional variables (legacies and formal and informal institutions) and ideas. The notion of policy ideas emerges as a possible category to deal with agents' principles and values linked to certain policies and institutional designs.

Models centred on agenda-setting theories show that ideas about institutional models that try to capture policymakers' attention are situated at two levels. Firstly, they belong to policy paradigms that consist of models and principles about causal beliefs, which produce credible paths for reforms. Secondly, the agents in the political and bureaucratic arenas try to obtain the most popular support for the changes proposed.

To the analytical models within the new historical institutionalism that allow for a better reading of change, the concept of social learning is associated. In it, one considers the explanatory power of the analytical categories associated to ideas as fundamental to the interpretation of processes of institutional change. This concept permits one to consider three articulated elements: a) the importance of cognitive elements and the intellectual formulations of the agents as decisive mechanisms in the process of production of public policies; b) a reaction to existing institutional models; and, c) the crucial importance of making room in models for the role of public policy experts who work with relative autonomy from political and bureaucratic agents.

Lieberman (2002) suggests that institutional theories can more adequately interpret complex processes of institutional change when reconfigured on the basis of an ontology of politics as "situated in multiple and not necessarily equilibrated order". This conception requires processes of change to be interpreted as being generated on the basis of tensions (frictions) between institutional models and ideas. Political orders are laden with uncertainty and ambiguity, thus significantly increasing the potential to produce change.

He considers fundamental the introduction of variables associated to ideas and values, by far overcoming the reductionism of institutional theories in political science that tend to understand political conflict and cooperation by means of decisions by rational agents situated in a one-dimensional space, based on a given structuring of preferences. The introduction of ideas enhances the chances that the models may confer the multidimensional nature typical of political *phenomena*, as well as allow analysts to "be able to leave aside" the premise of considering the interests and beliefs of the agents as being fixed and given, as in usually done in traditional rational choice models.

The key to the interpretation of change rests in understanding how tensions between institutions and cognitive models can, under specific conditions, drive the reformulation of incentives and strategic opportunities for political agents. Therefore, the adequate approach suggested by Lieberman (2002) would not permit emphasis on ideas or on institutions in isolation. It is precisely the interaction between these models that allows for a more satisfactory comprehension of change. The model's basic hypothesis would be that the probability of abrupt political change (as opposed to a normal variation) will be greater under conditions where the level of tension between political orders is more prevalent.

The model's essential analytical category is the decomposition of the notion of a single political order; rather, it considers to what extent its constituent parts get superimposed, integrated or conflict with one another, and how these configurations produce change. One comparative advantage of this model is that it considers as much the institutions as the "ideas in interaction", as basic constitutive elements of an explanation. In analytical terms, this situational and relational comprehension of change allows elements associated to the specific way in which the variables (or causes) are articulated under specific historical conditions to be considered, expanding on traditional models that emphasize the causal power of legacies in determinist fashion.

One application of the approaches centred on the idea of friction between multiple orders is offered by Weir (2006), for public policy reform. She suggests that two analytical strategies are appropriate to understand change from the point of view of causal powers situated in agency: institutional dissonance theories and the analysis of processes of configuration of agents' strategies.

Institutional dissonance theories start from the assumption of the coexistence of multiple institutional orders. Institutional change is understood — similarly to Lieberman's (2002) model — as being constituted by an emergence of "processes of institutional friction" between these multiple orders and their different logics, with reference to the production of public policies. The strategic role of agents, situated in different institutional domains, in the production of the process of change becomes decisive.

On the other hand, approaches that focus on the construction of agents' strategies start from the assumption that agents should be understood as "complex organizational entities", inserted in multiple institutional networks, and that set up their strategies based on a situational and relational logic. The analysis of change must pay attention to the internal processes by which agents configure (re-configure) their interests and strategies of action, as well as the mechanisms by means of which they manage to obtain political support for the strategies of change in a complex institutional environment.

Smith (2006), although considering that multiple order models are of fundamental

importance to the advancement of more consistent theories on change in political science, offers a critique of Lieberman's (2002) model, by drawing attention to the analytic need for defining more precisely the concept of "multiple orders". It becomes important to differentiate between institutional orders and analytical categories related to ideological traditions or ideational orders. Analysts must seek to introduce variables related to ideas that may ensure greater coherence, meaning and direction to institutions.

Historical institutionalists in comparative political science do not work with institutional categories that allow one to treat ideas adequately in their theoretical models. Institutions carry ideas but cannot be reduced to elements merely related to ideas. Smith (2006) considers that the purposes, rules, norms, roles and patterns of behaviour in institutions are manifestations of agents' ideas. *Phenomena* like the creation and maintenance of institutions cannot be understood if dissociated from the ideas of the members of the coalitions that support them. Smith takes the view that more models with more sensitivity in relation to ideas and institutions are fundamental to comprehend processes of change.

Analytical Challenges to the Generation of Institutional Theories of Change

Once reviewed the arguments around the main critiques of the efforts of theory and analysis about institutional change in the new institutionalism, it becomes necessary to present an agenda of problems considered "essential", to be confronted in the formulation of new models and theories. These we will call "analytical challenges" here. Due attention to these essential questions will allow analysts to have greater chances of developing more consistent routes towards institutionalist interpretations in the field of comparative political science about the always complex problem of change. In this section, we will approach the following problems that may be considered decisive: a) the centrality of institutional factors; b) inclusion of agency and cognition; c) contextual sensitivity; d) conceptualization of institutional change; and, e) recursive interaction between agents and institutions.

The Centrality of Institutional Factors – The first analytical challenge of key interest is located in the question of deepening one's comparative knowledge on institutional factors or causes that lead to processes of change in specific contexts. Theories must clearly specify what the institutional variables are and how they produce mechanisms associated with change. Satisfactory theories cannot be built just by attributing change to *exogenous* factors or to radical alterations in institutions' external environment. A decisive point is showing that there exist causes internal to institutions that produce processes of change, either in isolation or combined with *exogenous* elements.

In this sense, as argued by Mahoney and Thelen (2010), analysts must be on the alert, so as to adequately deal with the problem of theorizing about the causes and variations of *endogenous* change. The authors suggest that it is necessary to understand more closely which institutional properties create possibilities for the production of change, and how agents formulate behaviours and strategies that unleash such change.

Inclusion of Agency and Cognition – The second challenge for analysis lies in considering the potential created by models and theories to include causal factors associated with agents and their cognitive models. The inclusion of these elements allows for a better understanding of how and under what conditions agents reflexively generate processes of change in institutions. One is not merely talking about including variables closer to agency rather than structure. Rather, the point is making conceptual and analytic room to understand how and why institutions change based on the reflexive interaction of agents with institutions. Understanding how rational agents (or agents with limited rationality) interpret, create interests, identities and representations in the political calculation of the strategies of change remains a considerable challenge. Models centred on cognitive factors still constitute “outliers” in the range of institutional theories of change in political science.

Contextual Sensitivity – The third analytical challenge rests in the question of how to include contextual elements in a theory of institutional change. There is considerable latitude for convergence of the argument that contexts are decisive for one to understand the specific way in which complex processes of production of new institutions occur on the basis of elements that integrate the context with the resources available to agents. Ostrom (2008) considers that more consistent theories on institutional change should be more attentive to the issue of the emergence of forms and variations in strategies of change in multiple contexts and configurations. Analysts should avoid the temptation of promoting theories and interpretations devoid of contextual sensitivity. Contexts are fundamental analytical categories for one to understand the specific conditions under which preferences, choices and agents’ action strategies are structured in the face of the policy for the choice of new institutional arrangements.

Conceptualization of Institutional Change – Another challenge that seems essential to the advancement of institutional change theory relates to what actually constitutes change. Models and theories must be attentive to be more precise regarding what it is they are dealing with as “institutional change”. Given that the occurrence of *phenomena* associated with changes exhibit great variability of forms and mechanisms, it is necessary to define more clearly what is being considered in each analysis (or set of analyses) about patterns of specific change in institutions.

One of the clearest steps in overcoming this challenge is for theories of change to draw closer to middle-range theories to create theorizations that deal in differential forms

with differential *phenomena*. Often what analysts consider institutional change could be simply termed an incremental adaptation or review/reorganization of institutions.

Defining more accurately what institutional change is in each analysis (or cluster of analyses) can deal with the issue of comprehending more adequately how and when processes of institutional stability permit one to include considerable elements of “institutional adaptation” or series of sequential reforms.

Thelen (2009) argues that the reflection on what in fact constitutes an institutional change represents one of the main points of inflection in the contemporary neoinstitutionalist debate. New theories should avoid starting off from the premise that institutions are stable and persistent. Rather, they should include dynamic elements that may understand incremental, gradual and adaptive change in institutional arrangements. Institutions are durable and persist because there exist agents that produce collective action to maintain the institutional models. More consistent theorizations, such as the theory of gradual change proposed by Mahoney and Thelen (2010), represent a first solid step taken by the new historical institutionalism towards the progress of a new generation of theories.

Recursive Interaction between Agents and Institutions – Harty (2005) – suggests that models ought to seriously consider the problem of why agents should seek change in the face of the benefits of stability and institutional persistence. Consistent theories must account for processes that unleash institutional changes and consider two options as fundamental to the explanation: a) the connection between loss of legitimacy and institutional change; and, b) the question of the costs involved in the change. These options permit one to deal with the interaction between agents and institutions as a central process in the analysis. Theories must turn their attention to an analysis of the conditions under which agents initiate processes of change. The idea that there exist favourable institutional opportunities for change to be produced by agents must be seriously considered. The search for plausible explanations for processes of change seems to be closer to models that incorporate the interactions between agents and existing institutions as a problem of resources, and agents’ ability to transform legacies to produce new institutions. The advantage of an approach centred on resources — material and immaterial — is that it allows analysts to shift the focus of an analysis to the costs associated with the choice of new institutional models.

Chart 1 systematizes the set of analytical challenges, the fundamental questions raised for the institutional change debate and possible effectiveness gains for theories mindful of such problems.

Having gone over the analytical challenges for the development of institutional theories, we turn in the next section to the comparative analysis of two contemporary theorizations that are heedful of some of the recommendations generated by the neoinstitutionalist debate on institutional change: the models by North and Aoki. The analysis of these theories will

demonstrate how they offer plausible alternatives to the treatment of these problems and of the critiques put forward in comparative political science debates.

Chart 1

Analytical challenge	Basic questions to be answered for models	Impacts on theory's effectiveness
Centrality of institutional variables	How to specify clearly which institutional variables matter? How to understand change with institutions as the starting point? How to identify the key mechanisms generated to produce change?	Increase in models' endogeneity level. Allows for more intense understanding of how institutional aspects are relevant in the various types of institutional change.
Inclusion of agency and cognition	How to include causal factors associated with agents and their cognitive models? How to include analytical categories associated with agents' reflexivity?	Increase in the power to understand and interpret processes of change based on mechanisms of reflexive interaction between agents and institutions.
Contextual sensitivity	How to include elements related to context and culture? How to conceptualize and operationalize elements relating to the institutional (and non-institutional) context?	Increase in the capacity to understand how the conditions generated by the context affect dynamic processes of institutional change.
Conceptualization of institutional change	How to define accurately what institutional change is in each analysis (or cluster of analyses)?	Greater conceptual precision about the various types of change that are usually analysed in each class of theories about change.
Recursive interaction between agents and institutions	How to include more clearly the recursive interactions between agents and institutions?	Enhancement of explanatory power regarding the costs associated with processes of institutional transformation based on agents' mental models.

Institutionalist Innovations in the Analysis of Institutional Change

In this section we explore the perspective of analytical challenges to compare two models of interpretation of change, those proposed by North (1990; 2005) and Aoki (2001; 2007), in the context of new institutionalism. The purpose is to understand how these authors responded to the analytical challenges in building models to deal with complex processes of institutional transformation. The analysis attempts to cover the principal innovations suggested by the two authors in order to refine institutionalist theories of change.

North and the incremental change of institutions: From adaptation to cognitive models

The first theoretical case presented in this section is the theory of incremental change proposed by Douglass C. North in the book *Institutions, institutional change and economic performance*, published in 1990, and refined in *Understanding the process of economic change*, published in 2005. The refining of the model of analysis shows how the author develops his arguments about change so as to gradually respond to the analytical challenges raised by the institutionalist theory of change.

The original model proposed by North in 1990 is grounded in the concept of incremental change typical of the neoinstitutionalist tradition in economics and political science. The author bases himself on the well-known evolutionist tradition of economic thought that associates — as formulated by pluralist and neo-pluralist authors in political science — changes to processes of adjustment of values at the margin, as suggested in the “muddling through” model originally proposed by Lindblom⁶ (1959) in his analysis of public policies. North proceeds to combine the ideas of the new historical institutionalism, especially the conception of path-dependency, with the argument on transaction costs, typical of the new economic institutionalism. Incremental change is affected by existing institutional legacies, as well as by transaction costs associated with reform processes.

With reference to the specific way in which North’s model deals with the problem of conceptual separability, the model offers a clear distinction between organizations and institutions. Organizations analytically represent the agents that conduct the processes of change, while institutions are treated as formal and informal rules with which agents interact strategically in the process of creation and transformation of institutions. This important analytical distinction allows one to understand how in each case the processes of incremental change result from the intentional action of organizations.

The elements relating to contextual sensitivity are also markedly present. North proposes to account for factors relating to the context in which agents and institutions are interacting based on the notion of efficient adaptation. Processes of incremental change are produced by diverse mechanisms of efficient and gradual adaptation to the context. He suggests that institutional theories should direct their energies at understanding the diversity of processes of adaptive efficiency in each context (i.e., under different configurations of conditions). Based on this understanding, analysts can say in more detail how institutional variables effectively have causal powers to explain the mechanisms of institutional change.

The treatment of institutions in the incremental model proposed by North suggests a pattern of recursive interaction between agents and institutions. These are understood as

having a dual role for organizational agents. The duality consists in dealing with institutions at two articulated levels. If on the one hand institutions structure their strategic processes of acquisition of knowledge and abilities, on the other, they act as a restrictive element, limiting the maximization of opportunities to individual agents endowed with rationality. The attention paid to the elements of context permits analysts to identify how processes of acquisition and mobilization of resources occur within specific processes of change.

The idea that institutions create means of making resources available to agents is the central point of change theory. North suggests that organizations are more prone to promoting changes starting from a systematic movement of acquisition of resources considered “critical”, commonly treated in political science literature as knowledge and ability resources. Agents’ capacity to carry out the acquisition of critical resources in each context in order to promote changes largely explains the differential capacity to promote processes of change.

Typical institutional change generating mechanisms suggested by North are change in the structure of incentives (understood in economic language as a change in relative prices) and alterations in agents’ preferences. In this sense, it combines elements *endogenous* to institutions with elements of agent choice, i.e., in organizations. As commented earlier, processes of change are produced by a political calculation of “marginal adjustments” to the institutional values of the context. This context may be understood as a set of norms, rules and structures of voluntary obedience (compliance) contained in the institutional structure that can be operationalized in each analysis and specific case. Institutions tend to produce configurations of incentives for agents to be able to invest in the acquisition of knowledge and learning, to induce innovations, absorption of risks, enhancement of creativity and availability to solve problems of collective action associated with the creation of new institutions.

The interpretation of processes of institutional change in the incremental model is grounded in the following argument:

[...] significant transformations in the structure of incentives present in institutional rules tend to promote alterations in the perception that the agents involved have of the benefits and costs generated by the contracts that govern relations in existing institutional arrangements.

The configuration of new preference structures is associated to a calculation by agents in terms of costs (and benefits) in the face of the expectation of the construction of new contracts. Institutional changes involve the mobilization of uncertainty about new rules, which tend to raise substantially the transaction costs associated with processes of change.

Changes involve high transaction costs and uncertainty for the agents, given that decision-making processes about the “reform policy” are embedded in existing institutional arrangements. In order to promote changes, agents must act strategically to mobilize the uncertainty produced by the attempt to alter institutional incentives. Institutions produce a gradual erosion of norms and the introduction of new informal rules, which are decisive for agents to create room for transformative action. Institutional reforms are often laden with mechanisms typical of the “politics of institutional choice” analysis in comparative political science, such as agenda-setting and veto power, *dilemmas* of collective action and non-anticipated effects.

In this sense, the informal dimension of institutions becomes an element of crucial importance to understand change. Informal institutions’ main role would be to modify, supplement or complement formal rules. North argues that it is fundamental to consider in the analysis that institutional changes to formal rules gradually generate new informal *equilibria*. The model suggests that analysts should understand how continued interaction between formal rules, informal rules and the mechanisms of enforcement and monitoring of rules get processed.

Culture plays an important role as a factor to explain why reforms are more likely to occur in certain contexts and under certain conditions than others. Culture must not be seen as an invariant, but as possessing aspects related to natural selection and social learning, as well as to randomness. Culture plays a crucial role in the production of change in elements of informality.

North suggests that one of the decisive points for change theory is that formal rules get altered, while informal institutions (understood as restrictions) do not vary in such elastic fashion.⁷ Granted, there emerges a continued tension between the informal institutions and the new formal institutions, which are usually inconsistent with each other. Informal institutions, conceived of as gradual evolutions of pre-existing institutional arrangements, tend to continuously demand new formal institutions. It is in this sense that the question of cultural heritage becomes decisive. It reflects the fabric of institutional arrangements produced by agents over time; these are endowed with considerable power to resolve transaction *dilemmas*. This tension increases the chances of incremental change.

The incremental model proposed by North was expanded in 2005, when he conceived of a new theory of economic change. In it, he adds elements to further emphasise agents and the role of intentionality in contexts of limited rationality. In the new model, the understanding of change is refined based on the assumption that agents have the ability to interpret and act reflexively about new institutional alternatives. Agents’ reflexivity is situated in culture and context, and matters decisively to explain why institutions vary beyond factors linked to policy legacy or even the notion of efficiency connected with transaction costs.

The basic source of agents' intentionality derives from the crucial role of uncertainty that institutions face, given a context of constant mutability. North seeks to integrate cognitive elements in the sense of including elements relating to the formation of beliefs and to agents' capacity for reflection. He dives deep into questions of the formation of beliefs, of relations between agents and of institutional arrangements. The basic argument developed by North is that agents construct their beliefs and mental models based on how they understand the normative elements of institutions.

However, he puts special emphasis on the crucial role of the beliefs and values of agents (organizations) in bringing about change. These strategic agents' choices are limited by structural restrictions. The basic mechanism of change suggested is the perception of reality, adaptation and revision of beliefs by agents, production of institutions and intervention in reality via new policies.

Aoki: Reflexivity and mental models in institutional change

The second case analysed in this section is the model developed by Aoki (2001) in the field of political economy for the analysis of institutional change. This approach represented a significant innovation in relation to traditional approaches in the new institutionalism. Using the tradition of game theory, the author responds to the analytical challenges of theories of change by suggesting a re-conceptualization of institutional change and by introducing greater latitude to agents' explanatory powers on the basis of cognition. He suggests a rupture from the conception of institutions (and institutional change) as *equilibria* for one to be able to actually understand how and why institutions change, especially owing to factors considered *endogenous*.

The basic argument put forward by Aoki is that refining institutionalist conceptions of change requires conferring explanatory power upon agents' cognitive elements in the face of changes in *equilibrium* positions. Changes, conceived of as shifts in the *equilibrium* position, produce significant alterations to models of representation of strategic agents involved in the politics of institutional choice. More robust models should allow for conditions to find more satisfactory forms of integration between the formal and informal dimensions of institutions. And, according to Aoki, one possible route for this is the inclusion of elements of agency and cognition present in agents' mental models.

In this sense the model innovates by responding to the problem of the inclusion of agency: it takes seriously the inclusion of elements relating to the behaviour of agents instead of the traditional concern with rules. The main innovation lies in the fact that institutional change is an alteration of agents' expectations, and not produced by rules. Transforming institutions is not only about transforming the rules of the game (formal or

informal). Rather, it is about understanding how agents' expectations and mental models are "altered", with the threat of institutional change as the starting point.

Aoki's fundamental criticism of traditional models of strategic rationality in the new institutionalism focuses essentially on the limited conception of considering institutions merely as rules. He argues that this conception is rather restrictive, especially when one is dealing with understanding change based on elements *endogenous* to institutions. Processes of institutional change should be analysed on the basis of categories related to elements situated in agents' mental and cognitive models, regarding changes in positions of *equilibrium*.

The problem for Aoki is in the conception of institution and of institutional change. He suggests that as institution be understood as a summary representation of just a few "visible" characteristics of a position of dynamic *equilibrium*. Institutional change is in fact a contingent transition to a new position of *equilibrium*, one that causes direct impacts on agents' mental models. Far from understanding the role of path dependency in deterministic fashion, and from conferring causal powers on *exogenous* elements with the occurrence of "critical junctures" as do historical institutionalists, institutional change depends on how agents — situated in the institutional reality and endowed with limited rationality — "interpret" change and its effects. In this sense, Aoki suggests that agents' reflexivity should constitute an essential category for understanding processes of institutional transformation. Traditional new institutionalism is not on the alert as to these categories from agents' viewpoint, even in its versions that are closer to cognition and mental models, such as the models of new sociological institutionalism, which are usual in political science. These tend to conceive of change as being generated by processes of diffusion, adaptation and, fundamentally, of isomorphism. Models mindful of agents' cognitive construction in the face of change are rare, especially in comparative political science.

This feature (attention to cognitive elements) translates the need for greater sensitivity on the model's part to questions of context and agency. Culture plays a decisive role, as the model considers that agents' mental and cognitive resources are mediated by culture. Culture matters less as social capital and more as a flexible element, directly linked to agents' internal construction by means of their interactions with institutional orders. Strategic agents embedded in institutions in fact tend to perceive and formulate the alternatives for change in highly differentiated fashion, based on their values and beliefs, and not on clearly revealed effects.

Agents interpret reforms on the basis of their worldview and culture. The analysis of processes of change should not construct theories that assume processes of change generated exogenously as an effect of structure over agencies such as legacies, or, as is common among conceptions that use critical junctures, of prevalence of agency over structure. Rather, it

should have a more elaborate understanding of how agents interpret culture, with their cognitive elements as the starting point.

Analytical categories directly linked to culture, values and mental models should therefore play a crucial role in explaining change based on contexts and configurations of conditions present in specific reform processes. Agents possess incomplete internal versions about the new *equilibrium* position, faced with the choice of new institutions. The interaction between agents' representation of change and the change proposed is what generates conditions for the implementation of reforms in certain contexts.

The basic mechanism of the theory is directly linked to agents' reflexivity about the alternatives of change. Limited rationality makes clear that agents tend to observe a truncated, simplified version, i.e., a "representation" of the processes involved in the change. The uncertainty typical of reform processes has an incidence on the particular way in which agents reflect internally about processes of change. Agents' internal elaborations about these truncated processes should play a fundamental role in the analysis.

As for the analytical challenge of recursive interaction between institutions and agents, the model proposed suggests that institutions be understood by analysts as mechanisms that create cognitive resources for rational agents in the face of change. Institutional arrangements operate in the structuring of *shared representation spaces* that articulate the complex interdependent strategic behaviours of the multiple agents involved in reform processes.

In this sense, the model responds well to the problem of how to incorporate the elements of agency and cognition. Analyses of reforms should substantially plunge into understanding how agents' mental models get altered owing to changes relating to institutional parameters. Agents react reflexively and learn from change, constantly reviewing their mental models and beliefs about *equilibrium* positions.

The endogeneity of institutional models would be directly linked to the way in which agents work through their mental models based on elements associated to reflexivity. Analytical attention to the construction of cognitive orders can be decisive to overcome the classic problems of rational choice theories and of institutionalist models that usually neglect the important element of beliefs and representations as a variable or decisive analytical category. By neglecting such an important element, these models lack consistency in effectively accounting for *endogenous* processes of change.

Final Remarks and Implications for the Research Agenda in Brazil

This article systematically discusses the main critiques generated within neoinstitutionalist debates in comparative political science about the limits and potential

for building models and theories of change. Traditional models within the various new institutionalisms continue failing to generate plausible alternatives to account for change. They are more useful when one is dealing with order and stability. The criticism is structured around four themes: the limits of approaches that focus on institutions as *equilibria* produced by rational agents; the difficulties inherent to the problems of conceptual separability to define institutional variables with more precision; the premises of stability contained in traditional theories; and, lastly, the question of how to deal with the problem of ideas in institutionalist models.

These critiques converge to introduce a high *exogenous* bias, present in traditional theories of change. The models tend to confer excessive causal powers to parameters external to institutions, i.e., social structures or agents' strategic choices. The explanations end up resorting to a high level of determinism, since they centre their attention on causal factors related to legacies, trajectories, external shocks and diffusions, or even functional adaptation, which end up being insufficient for one to gain a more refined understanding of how and why change occurs with institutions as the starting point.

The argument developed here is that these critiques generate a series of analytical challenges that must be confronted creatively by future generations. The advancement and survival of the neoinstitutionalist tradition in political science (and more broadly in the social sciences) are associated with the relative success of the theorization about the always relevant problem of the transformation of institutions. How and why institutional reforms occur remains one of the fields of theoretical reflection leaving much to be desired within the neoinstitutional tradition.

A considerable number of the political scientists who work within this research tradition continue to affirm persuasively that traditional theories *fail* in interpreting the complex problem of change. Why they fail and how to overcome this problem in the construction of new theories has been the basic point of this article.

The reflection on analytical challenges for neoinstitutionalism in political science retains its relevance since the study of change also retains its relevance as one of the major challenges of the contemporary political science research agenda. The analyses developed in this brief study reveal that despite significant advance in the theorization of institutional change, one finds the emergence of a set of critiques relating to the potential of institutional explanations. Political scientists continue to ask themselves: do institutions actually matter when explaining change? If so, how? This work has tried to understand the principal arguments and themes around which this debate takes place and at the same time offer possible paths to refine these theories.

The advance in knowledge generated by this article lies in the signalling of the relation between the critiques and the five specific analytical challenges for the "case"

of new institutionalism. These signals reveal *spaces of attention* on which political scientists must focus in their new formulations, to construct new theories. It shows that these analytical challenges are related to the following questions: better specification of institutional variables that matter to explain causally; the problem of the inclusion of agency and cognition; contextual sensitivity; refinement and better specification of the concepts of institution and institutional change; and, lastly, the discussion relating to the treatment of the crucial problem of recursive interaction between agents and institutions in generating change. Successful theories must find creative ways of “dealing” satisfactorily with these problems. Therefore, research designs represent fundamental elements for political scientists to formulate possible ways of dealing with change, while avoiding the pitfalls of suggesting a single model, concept or variable to account for such a complex question.

It is important to stress here that those striving to develop more refined theories must be on the alert as far as possible to questions of how to combine traditional elements with new problems put forward by the analytical challenges. A theory of institutional change must not, for instance, distance itself completely from the social structures or penetrate without limits in questions of agency to understand changes. The degree of theoretical success depends essentially on models’ ability to promote fruitful “integrations” between traditional models and, fundamentally, to know in which cases and under what conditions these combinations may be undertaken. Greater attention to actually institutional elements requires a gradual reduction in elements *exogenous* to institutions, but it is not possible to attribute change completely to such factors.

As the theoretical cases put forward by North and Aoki demonstrate, it is fundamental to ensure the refinement of traditional models, whilst not losing sight of the usefulness of some elements. It is important to understand that the agents, rationality and new institutional choices are rather dependent on contexts and, fundamentally, the historical configurations in which they are inserted.

The notion of *institutional individualism* utilized by these theories, especially by North, shows that a more refined understanding of change cannot remain completely on the agency analytical level. Changes do not occur based just on rational choices about specific institutional designs. More satisfactory explanations must go into the specific way in which institutions matter. Rationality would therefore be *institutionally constructed* by the agents.

Broadly speaking, the enhancement of causal powers for agency is necessary in contemporary theories. Agents do not operate changes solely under conditions of external shocks, as suggested by theories associated with critical junctures. In order to understand under what conditions reforms occur, it is important to introduce elements linked to contextual sensitivity. These tend to make analysts take due care in carrying out the trade-offs considered essential to calibrate the specific ways in which agency and context matter

in each case studied. In this sense, research design becomes an element of fundamental importance in the conception of more refined models to deal with these always complex questions. *How can agency be incorporated, introducing elements linked to values, beliefs and cognitive elements?* This is a fruitful path, as Aoki suggests.

In this effort of synthesis, it is also necessary to point out that more satisfactory theories ought to work creatively to develop attention to the essential mechanisms involved in processes of change in various contexts. Reforms represent a fruitful field for theoretical innovations based on a set of methodological paths suggested by the new generation of comparativists working with qualitative research in political science, with an emphasis on process-tracing, the analysis of causal mechanisms and intensive use of case studies and small-n research designs.

The implications of these debates on the analytical challenges are essential for the development of the theoretical-methodological reflection, as well as of applied research in Brazilian political science. The first considerable impact is to show the clear absence of a more sophisticated reflection by political science about the problems of institutional change. In Brazil, a considerable part of political scientists still delves more into the study of the political order than into issues of institutional change in tune with the new methodological debates generated within comparative political science.

Studies about institutional change remain timid or restricted to the area of public policies, a field considered secondary and highly problematic in Brazilian political science. In contrast with the international experience, in which the reflection on changes in the patterns of public policies — after all, public policies are political institutions — introduced substantial gains to the effort to theorize about the question of change, Brazilian institutionalists still concentrate on formal political institutions.

This is curious, for despite Brazilian political institutions being fertile ground for analysing processes of change, national political science contributes little to understanding and reflecting more systematically upon such processes based on a more fruitful dialogue with research issues generated within the comparative tradition. Brazil appears to be a rather opportune case to contribute heuristically to the generation of theories of change on the international plane. Yet, curiously, recent research agendas shrink from dealing more solidly with institutional transformations brought about in a series of political institutions.

One of the central challenges for the development of national political science — from the perspective of institutional change theory — would be to create incentives for the new generation of political scientists to cease “passively consuming” models and theories created abroad and to vigorously embrace forms of development and construction of theories on the basis of the Brazilian case. Substantial investments in reflections on theory and methodology for new generations of political scientists can make the Brazilian case contribute fruitfully

in future to the refinement and critique of existing models and theories within the new institutionalism of comparative political science.

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Notes

- 1 The “new political science” that emerged in the 1990s has sought to redefine its epistemological, theoretical and methodological orientations. These redefinitions are taking shape in the direction of a growing commitment to theory-building, with causal explanations (Van Evera 1997; King, Keohane and Verba 1994; Brady and Collier 2004), and with a more rigorous connection between empirical data, formal methods and theory (Morton 1999; Bates et al. 1998). More than at any other time in the history of political science, there is a need to shift the traditional focus from the historical, contextual, descriptive approaches of traditional political science to commitments considered more “rigorous” and tied to explanation. Despite the strong tensions and fragmentation that characterize the programmatic universe of the discipline, such commitments have substantially affected the way knowledge is produced, with decisive impacts on typical modes of “explanation” in political science. (See Laitin 2002; Shapiro 2002; Shapiro, Smith and Masoud 2004; Marsh and Stoker 2002).
- 2 A considerable part of these critiques derives from new models of interpretation and explanation of social phenomena generated on the basis of new institutionalism (North 1990; Hall and Taylor 1996; Immergut 1998; March and Olsen 1989; Putnam 1993; Weaver and Rockman 1993; Rodrik and Subramanian 2003) and of rational choice (Coleman 1990; Elster 1989; Green and Shapiro 1994; Satz and Ferejohn 1994; Friedman 1996; Lichbach 2003; Morris et al. 2004; Mac Donald 2003). These paradigms introduced substantial redefinitions of the production and explanation of social and political phenomena.
- 3 In comparative political science research, there took place an explosion of studies containing institutionalist analyses of institutional change with several configurations of empirical research: democratization (Alexander 2001), constitutional change, transformation of electoral regimes, administrative reforms (Capano 2003; Cheung, 2005), alteration of governance patterns (Putnam, 1993; Easton, 2004), Welfare State reforms (Torfing 2001; Beyeler 2003; Cox 2001; Korpi 2001; Pierson 1994), sectoral reforms, fiscal reforms (Steinmo 2003), mechanisms of diffusion of reform paradigms (Béland 2005; Béland and Hacker 2004; Campbell 1998) and other traditional research domains.
- 4 Elman (2005) considers explanatory typologies to be crucial resources for the comparative qualitative analysis of theories. Such typologies are constructed based on the logical implications of a theory, with a focus on differentiating the patterns and types of causal relations it contains. Explanatory typologies differ from inductive typologies, which are quite common in the social sciences, given that the latter are constructed on the basis of empirical evidence, while the former are constructed on the basis of theories and their elements: concepts, variables, hypotheses and mechanisms.
- 5 Explanations centred on causal mechanisms (Elster 1989; Hedström and Swedberg 1996; Mayntz 2004; Hedström 2008) are gaining more ground in social science and political science.

Gerring (2007) takes the view that explanations through mechanisms are more and more frequent in the social sciences. However, it is concept laden with tensions and ambiguities. He argues that there exist nine typical meanings for this concept, but there is a core conception according to which a mechanism represents “the pathway or process by which an effect is produced”.

- 6 Lindblom (1959) argues in favour of the method of successive limited comparisons. He conceives of change based on the pluralist assumption that institutions (understood as public policies) change over time incrementally rather than discontinuously. This is so because change results from a complex process of “muddling through”, i.e., a gradual adjustment of new institutions (policies) to the values of agents in the decision-making process of institutional choices. Changes must be understood on the basis of mechanisms of small adjustment at the margins. These processes take shape as agents direct their attention at values that vary very marginally in the new institutions in relation to the pre-existing institutional arrangements. Institutions change based on a set of small gradual changes, through mechanisms of gradual acceptance of new values. In the incremental model, it is fundamental to consider that patterns of radical, discontinuous or non-incremental change are typically thought of as politically irrelevant and containing unforeseen, undesirable consequences for reformers.
- 7 Helmke and Levitsky (2006) argue that variations in the stability of informal institutions depend essentially on the type of institution one analyses. Three basic factors explain change in such institutions: a) changes in formal institutions; b) changes in the structures of distribution of power and resources between agents; and, c) changes in shared social beliefs and collective experiences.

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Political Parties, Foreign Policy and Ideology: Argentina and Chile in Comparative Perspective*

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The aim of this article is to discuss the distribution of preferences of members of the Chilean and Argentinian Congress on foreign policy issues through the analysis of roll call votes. This goal is guided by the debate in Latin American literature concerning the decision-making process in foreign policy. The predominant argument focuses on the Executive as the principal decision-maker, disregarding the Legislative as relevant in this field. Thus, legislators would tend to abdicate from their preferences in determining foreign policy. Confronting this argument, we have many studies emphasising the importance of domestic actors in the foreign policy decision-making process. This article proposes to analyse two case studies in comparative perspective: the lower houses of the national parliaments of Argentina and Chile. The result is that the party ideology is a relevant explanatory factor of deputies' votes. Although the argument is more evident for the Chilean case, it is possible to argue that there is a similar pattern to the structuring of deputies' votes in the two countries, both on the domestic and on the international arena. The methodology used makes it possible to infer legislators' preferences by means of roll call votes and of the construction of maps of deputies' ideal points in foreign policy terms, as well as the correlation between Chilean and Argentinian parties' ideological classifications. Votes on foreign policy questions during the 2002-2006/2007 legislatures are considered.

Keywords: Legislative; Political parties; Foreign policy; Chile; Argentina.

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Introduction

The main aim of this study is to delineate the distribution of preferences among Chilean and Argentinian deputies on foreign policy themes by means of an analysis of roll call votes. This aim is oriented by the debate being had in Latin American International Relations literature regarding the process of foreign policy-making. The predominant argument positions the Executive as the main formulator, disregarding the Legislative branch as a relevant *arena*. Thus, Latin American legislators would tend to abdicate from their preferences in determining foreign policy, affording presidents full conditions to establish foreign policy without legislative interference.

As a counter-position, several studies emerge in the 1990s stressing the relevance of domestic actors in foreign policy formulation, national congresses among them. Although much of this literature makes reference to the US case, recent studies focusing on Latin American countries maintain that the Legislative is relevant in decision-making on foreign affairs, even in the face of a preponderant Executive. It is precisely within this perspective that the central argument of this article fits, taking the lower house of the Argentinian and Chilean National Congress as its objects of analysis.

The Chilean political system, like many others in Latin America, functions under the aegis of multiparty presidentialism, which makes it extremely unlikely for a president to be elected just with the backing of his/her own party, which, in turn, is unlikely to obtain a majority of congressional seats (Nolte 2003). Hence, the scant possibility of a single party winning the presidency and a majority in Congress makes it necessary to form a governing coalition to ensure the political system's stability and governability. The Chilean binomial electoral system offers strong incentives to the formation of two party coalitions (see for example Carey 2002; Aninat et al. 2004; Vásquez 2006). Beyond institutional factors, the makeup of Chilean political coalitions is strongly oriented by an ideological polarization on the left-right *continuum*. From the country's re-democratization in the early 1990s until the legislature analysed here (2002-2006), the *Concertación* centre-left coalition formed the Chilean government, while the *Alianza por Chile* rightwing coalition played the role of the opposition in the National Congress.

For its part, Argentina has a bicameral presidentialist system and adopts federalism as its political model. This structure seems to directly influence parties' behaviour, not just on domestic policy matters, but also in terms of foreign policy. Although this aspect is not dealt with here, it is worth pointing out that the provinces have taken on more prominence and capacity of influence since the 1994 constitutional reform, and the parties seem to reproduce this structure through their national, provincial and local leaderships. While *Partido Justicialista* (PJ) and *Unión Cívica Radical* (UCR) have historically become consolidated as

the majority parties, the fragmentation of the Argentinian party-political system is coming into sharper *focus*. One of the explanations is the fact that Argentina holds legislative elections with closed lists, thus obliging voters to choose parties. Intra-party divergences have led to the formation of new parties, rather than coalitions as is the case in Chile.

There are many discussions going on about party discipline in Argentina that do not fit in this article. Some authors state that the institutional rules of the electoral process, in conjunction with legislative organization, lead to a high level of party discipline (Jones 2002). Others, like Mustapic (2000), argue that high levels of party discipline are not to be found in Argentina. The mismatch in interpretations, these authors allege, is related to measurement problems.

The main *thesis* espoused here is that the distribution of Chilean and Argentinian deputies' preferences regarding foreign policy is extremely similar when compared with the same distribution for domestic policy. Ideology of the political party appears as a relevant explanatory factor of deputies' votes on domestic and foreign policy matters. Though this argument is more evident for the Chilean case, it is possible to argue for the similarity in the pattern of structuring of deputies' votes in the two countries on the domestic and international *arenas*. In other words, the factors that determine legislators' votes in the domestic ambit seem to be relevant also in the case of foreign policy.

In section 2, we review the literature pertaining to the theme, stressing two diametrically opposed views on the participation of national congresses in foreign policy. In section 3, we delineate the methodology used to infer legislators' preferences by means of roll call votes, notably the WNOMINATE program. In section 4, we describe the results of this study, chiefly the maps of deputies' ideal points in foreign policy terms, as well as the correlation between the ideological classifications of Chilean and Argentinian parties in the domestic and international *arenas*. Lastly, in section 5 we present the conclusions.

Political Parties, the Legislative and Foreign Policy

In general, it is possible to identify two opposed views as to the role of the national congresses in foreign policy formulation: the first argues for the preponderance of the Executive in the face of a Congress that is little or not at all assertive on foreign policy questions. The second position sees Congress as active in foreign policy as in the domestic ambit.

One of the central arguments of the first perspective is that the president will always obtain greater space for action in international affairs than in domestic matters. In US literature, this postulate became known as the "two presidents *thesis*". In other words, there is an imperial-like president in the conduct of US foreign policy, and another one, strongly constrained by a powerful Congress, for domestic matters (Lindsay and Ripley 1992).

According to the *thesis* of the preponderance of the Executive in international themes, ideology and political parties influence in determinant fashion only those policies circumscribed to the domestic ambit (Edwards 1989; Bond and Fleisher 1990;¹ Ragsdale 1995). Constant congressional support for the president's foreign policy has been termed "bipartisanship", characterized by the joint action of Congress and the Executive in pursuit of common goals, even if a conflict of interest were to emerge. Hence, bipartisanship essentially has two elements: unity on external matters, i.e., political support by the majority of both US political parties, and practices and procedures intended to achieve the desired unity (McCormick and Wittkopf 1990).

The possession of formal powers in the conduct of foreign policy that are denied him/her with respect to domestic affairs is one of the main explanations coined by this literature to justify the preponderance of the president (Lindsay, 1994). Other explanations often provided include the difficulty in obtaining re-election by parliamentarians active in the foreign policy field and the greater technical and operational capacity of the Executive and its agencies to conduct the complex foreign relations of the United States (Kegley and Wittkopf 1995).

Still within this perspective but now focusing on the Latin American literature, Lima and Santos (2001) produced a study of the Brazilian case whose central argument is the abdication of authority by Congress to the Executive in the foreign policy decision-making process. Through a one-dimensional spatial model, the authors argue that the position of the president as the policy initiator, and of Congress as the *ex post facto* ratifier, generate an *equilibrium* whereby the median legislator is obliged to accept the policies negotiated by the Executive at international *forums* due to the calculation of the political cost of rejecting them. They claim this was the case of the trade liberalization policy pursued by Brazil in the early 1990s. In general, in spite of the lack of empirical studies in the field, the specialized Latin American literature tends to evaluate congresses' participation in international questions as weak (Stuhldreher 2003).

The main reasons for Latin American congresses' low level of assertiveness in foreign policy-making pointed out by the literature are the major concentration of power in the presidency, the lack of institutional articulation and instruments of expertise, and low electoral returns (Lima and Santos 2001; Santos 2006; Oliveira 2003; 2005).

In the United States, the extremely negative repercussion of the Vietnam War in the eyes of public opinion was a milestone in the strengthening of the channels of direct participation by Congress in the conduct of foreign policy² (Meernik 1993; Ripley and Lindsay 1993). This is the starting point of much of the literature that counterposes the view of an imperial-like Executive with reference to international themes.

As Warburg (1989) argues, institutional reforms in the US Congress during the 1970s (post-Vietnam War) transformed Congress' institutional environment, less prone

as it was to protect the president's foreign policy priorities from congressional opposition. Hence, institutional changes in Congress also make up the set of explanations offered by the literature for the end of bipartisanship in US foreign policy. Prins and Marshall (2001) argue that foreign policy issues exert great influence on the level of Congress' support of the Executive. So depending on the issue in question (high politics or low politics, for example), there is significant variation in congressional support for the president. Lastly, Fleisher et al. (2000) demonstrate that the structural conditions of international politics also influence the level of *consensus* between the Legislative and the Executive.³

Pursuing this line of argument on the assertiveness of the Legislative in the conduct of foreign policy, Lisa Martin (2000) develops a *thesis* whose central point is legislators' capacity to influence foreign policy results even when there is a situation of delegation of powers by the Legislative to the Executive. The author argues that in an anarchic international environment, the institutionalization of legislative participation in international cooperation enhances the credibility of the commitments made by States, making international cooperation deeper and more stable. This factor, it is claimed, attributes great importance to legislative activity on the issue,⁴ since an attempt by the Executive to reduce the Legislative's capacity to influence international negotiations would lead to a loss of credibility in the face of the other negotiating party. By ignoring legislators' preferences in the process of negotiation of an agreement, the Executive becomes incapable of offering guarantees of its implementation. For this reason, Martin (2000) rejects the *thesis* of the Legislative's abdication of formal and informal powers in the conduct of foreign policy.

Moreover, according to Martin (2000), lawmakers' position on public policies in general, including foreign policy, is crucial to their re-election, thus diminishing the chance of abdication. Therefore, legislators' disinterest in the issue is a hypothesis the author discards. In order to understand the role of the Legislative in determining foreign policy, it would be necessary to look beyond the actions carried out by it (for example, the non-approval of an agreement signed by the Executive), privileging an analysis of the relationship between lawmakers' preferences and actual foreign policy results (Neves 2003).

When it was ascertained in the early 1990s that Congress had become more active, this produced a significant impact on the expert literature. Several empirical studies have established the influence of party affiliation, ideology and special economic interests over congressional decisions on foreign policy issues in general, with the predominance of those whose *focus* is trade policy in particular⁵ (Fordham 1998; Conley 1999; Baldwin and Magee 2000; Bardwell 2000; Fordham and McKeown 2003; Xie 2004; Delaet and Scott 2006). Thus, contrary to the first view presented at the start of this section, the ideology of congressmen and women, constituency, party influence and organized economic interests become important explanatory variables of the results of US foreign and trade policy.

McCormick, Wittkopf and Danna (1997), for instance, show that partisanship exerted great influence over roll call votes on foreign policy matters in the US Congress during the Bush administration and Clinton's first term. Wittkopf and McCormick (1998) observe a much lower level of support for the presidential foreign policy during the post-Cold War period, citing as the main motive congresspersons' distinct ideological preferences. As for trade policy, Baldwin and Magee (2000) also find the strong influence of legislators' ideology on the votes for the approval of North American Free Trade Agreement (NAFTA) and General Agreement on Tariffs and Trade (GATT), and the rejection of Fast Track authority in 1998. Constituency is another influential variable in legislators' decisions on foreign policy questions according to US literature. In the face of events that gain repercussion in the media, it is argued that public opinion exerts major influence on the formation of legislators' preferences (Lindsay 1994).

From the point of view of comparative politics — going beyond the case of the United States — one finds an interesting strand of academic production whose empirical investigation positively correlates party ideology and legislators' foreign policy preference, making up what we term second perspective (see Thérien and Noel 2000; Marks et al. 2006). For example, Milner and Judkins (2004) examine the positioning of political parties on trade policy questions in 25 developed countries (most of which members of the Organization for Economic Cooperation and Development (OECD) between 1945 and 1998. The central argument of this study is the existence of a strong impact of political parties' positions, in a one-dimensional left-right ideological scale, on the positions taken by politicians and legislators on matters of trade policy. Moreover, in the sample used in this study, parties of the left tended to favour free trade, while those of the right tended to oppose it (Milner and Judkins 2004).

With reference to the influence of Latin American Legislative branches and political parties, although incipient, the academic production on the theme contains case studies that stress the influence of national congresses on foreign policy formulation. However, there is a near absence of comparative studies on this subject. As an exception, we may cite the work of Randall Parish (2004). In it, the author produces a model with several systemic, institutional and economic variables to test their significance in the formulation of the foreign cooperation policy of various Latin American countries. Among them, the party system variable stands out. Party systems with strong political parties characterized by high levels of party discipline and electoral stability represent national-level constituencies, like Executives.⁶ This leads the Legislative to work with the Executive on foreign cooperation policy. The opposite happens in fragmented and undisciplined party systems, where lawmakers have few incentives to support national over parochial interests in the electoral equation (Parish 2004).

As for the case studies mentioned above, the following are worthy of note: Neves (2003); Mena (2004); Alexandre (2006); Feliú, Galdino and Oliveira (2007); and Leão (2008). Analysing Executive-Legislative relations in the formulation of Brazilian foreign policy, Neves (2003) finds the strong predominance of the Executive, stressing, though, that this predominance is not the preserve of foreign policy, but common to much public policy-making in general. In the case of Brazil, there prevails the delegation rather than abdication of authority by the Legislative to the Executive in foreign policy-making. Also in Brazil, when analysing the institutional mechanisms of legislative influence in foreign policy, Alexandre (2006) argues that despite clear delegation, there is no abdication on the part of Brazilian parliamentarians on the issue. On the contrary, the use of mechanisms such as provisos, amendments and interpretive clauses of international treaties reveals an attempt at exerting control, even if *ex-post facto*, over the Executive on foreign policy matters.

According to Mena (2004), the process of trade liberalization that occurred in Mexico during the 1980s was accompanied by a significant increase in the participation of Congress in foreign policy, chiefly from the ratification of NAFTA in 1994 onwards. It is worth highlighting the fact that this enhanced participation was not accompanied by an increase in its constitutional prerogatives with respect to foreign policy, but rather by the use of pre-existing — and previously under-used — constitutional mechanisms (Mena 2004).

Lastly, Leão (2008) has investigated the influence of the Chilean Legislative on the formulation of foreign trade policy during the 1990s. The author argues that the Chilean Legislative, even though restricted to *ex-post facto* action, has the capacity to influence the trade policy decision-making process, since the Executive incorporates the preferences of the institution's median legislator into its decision-making on the theme. Additionally, Feliú, Galdino and Oliveira (2007), after quantitative analysis of roll call votes relating to free trade treaties in the Chilean Chamber of Deputies since the country's re-democratization, conclude that the location of a deputy's political party in the left-right ideological *spectrum* is an excellent predictor of his/her votes regarding trade policy. Furthermore, it was found that deputies located more to the left of the *spectrum* tended to vote in favour of free trade (Feliú, Galdino and Oliveira 2007).

An analysis of the empirical studies alluded to above points to the predominance of three central hypotheses in explaining congresspersons' votes: 1) the influence of the ideology of the congressperson's political party; 2) the influence of the congressperson's constituency; 3) the influence of special economic interests linked to the congressperson. In this article we intend to test the first hypothesis with reference to the chambers of deputies of Argentina and Chile for purposes of foreign policy. Therefore, the question to be answered is: Is there a correlation between the position on the political-ideological *spectrum* of the parties to which Argentinian and Chilean deputies belong, and their respective

votes on foreign policy issues? We thus aim to compare the distributions of preferences of Argentinian and Chilean deputies on foreign policy matters. In the next section, we discuss the methodology employed to answer the question put, as well as the sample of the study.

Methodology

Spatial models are important tools, used more and more often in analyses of roll call votes in Legislative branches. Intuitively, in these models the ideal point for each legislator is represented by a point in the Euclidean space, and each vote is represented by two points, one for yes and one for no. In each vote, the legislator votes as *per* the result closest to his/her point, at least probabilistically speaking. Taken together, this set of points forms a spatial map that summarizes the roll call votes (Poole 2005).

The empirical operationalization of the spatial theory of the vote depends on the statistical techniques employed. There are various statistical techniques developed in the literature to estimate the ideal point on the basis of roll call voting records (Heckman and Snyder 1997; Jackman 2001). The seminal work in question is the procedure developed by Keith Poole and Howard Rosenthal (Kalandrakis 2006), Nominal Three-Step Estimation (NOMINATE), whose aim is to estimate legislators' ideal point based on a certain sample of policies.

This method of analysis of roll call votes, because it is metric,⁷ permits the estimation of multidimensional positions for legislators and policies (Leoni, 2000). One must also remember that votes are subject to error. In other words, considering the hundreds of votes that a legislator casts over the course of a parliamentary term, it is not impossible for some to be inexplicable bearing in mind the legislator's pattern of behaviour. For example, on a vote about abortion, a liberal legislator might be against because his/her daughter happens to be considering having one, and at that specific moment he/she does not want to encourage the procedure. Each and every legislator has his/her error function, so to speak. Obviously, these "errors" are not mistakes and have an explanation, but they are not explicable by the usual utility function. Hence, the NOMINATE procedure employs a probabilistic model that makes it feasible to use error patterns to recover the coordinates of political results, assuming that some errors are more probable than others, independent and equally distributed among legislators and policies (Rosenthal and Voeten 2004).⁸ Thus, NOMINATE includes a signal-to-noise *ratio* that measures how strong the spatial component is in relation to the factors that caused the errors (Leoni 2000, 24-5).

In short, NOMINATE should be able to estimate the following parameters: i) the coordinates of legislators' ideal points for a given political dimension; ii) the coordinates of the "Yeses" and "Nos" for a given political dimension; iii) the typical size of the errors.

To this end, we can say in a simplified manner that it is necessary to estimate, given the votes observed, which values for the parameters maximize the likelihood of producing the *data* observed. In other words, a method of estimation by *maximum* verisimilitude must be employed,⁹ which in essence is what NOMINATE does.

Since the number of parameters to be estimated is very large, instead of simply estimating by *maximum* verisimilitude, one begins from a given initial location of the parameters. Then one carries out the steps that improve the estimates, until achieving the *maximum* probability that the parameters reached by the end of this interactive process generate the votes observed.

In practice, the NOMINATE procedure manages to solve the problem of how to determine, based just on the records of legislators' "Yes" and "No" votes, what is the ideal point with accuracy, i.e., with a spatial measurement for each legislator. This technique of estimation determines how many relevant dimensions — patterns — exist, or to be more precise, what the explanatory capacity of each dimension is. In other words, we can compare the success of the model in capturing legislators' behaviour with one dimension with the success of the model with two dimensions, three dimensions etc. This is a relevant aspect of the model, for it allows one to evaluate its ability to fit in with the *data* and how many variables (dimensions) are relevant to explain the votes observed.

It must be noted, however, that statistical technique by itself is not able to supply substantive meaning to the dimensions found. More specifically, the NOMINATE procedure requires the analyst to inform as a reference point one legislator considered extreme in some relevant dimension. Usually, following the prescription of theory, one informs the position of the extreme legislator for whom there is most *consensus* as to their ideological position, i.e., within the left-right *spectrum*.

Hence, the first dimension estimated by the methodology takes as its basis the existence of this legislator and, therefore, has the substantive meaning referenced by this information supplied by the analyst, and that must be confirmed by means of the analysis of the resulting spatial disposition or of other statistical techniques (Leoni 2000, 6). For this reason, the substantive interpretation of the first dimension is usually ideology, while other dimensions that turn out to be relevant will demand interpretive analyses by the analyst (conservative v. liberal, nationalist v. internationalist, from the north v. from the south, government v. opposition etc). From the graphic point of view, NOMINATE produces a spatial map containing the estimated ideal point of each legislator and allows for the visualization of whether intuitive voting patterns exist or not.

On account of the interpretive component of the substantive meaning of the dimensions obtained, we have opted in this article to combine a qualitative approach with the method presented. More specifically, we will analyse the eight most polarized roll call votes (four

for each country) in the sample. The analysis was made based on the stenographical notes of the plenary discussion on the day the matter in question was voted on. It is thus possible to identify deputies' motivations for voting one way or another from their speeches. With such information to hand, it is possible to substantively interpret the political cleavages in the Chamber of Deputies on foreign policy issues.

The sample

The dependent variable of the research is composed of the roll call votes of Argentinian and Chilean deputies on foreign policy matters. According to our hypothesis, the main independent variable is the political parties' positioning on the left-right political-ideological *spectrum*. Analysing the predictive capacity of this variable (party ideology), as well as the number of additional explanatory dimensions of parliamentarians' vote, is precisely the objective of the research.

With respect to the dependent variable, all the roll call votes on foreign policy themes by Argentinian and Chilean deputies during the 2002-2006 legislature in the Chilean case, and the 2002-2007 legislature in the Argentinian case,¹⁰ were included, totalling 267 votes.¹¹ The votes where the minority side did not surpass 2% were excluded,¹² as well as deputies who did not take part in at least 10 votes (*cut-off criterion*). Tables 1 and 2 show the respective values for each country.

Table 1 Total numbers of roll-call votes and deputies included in the analysis, Chile (2002-2006)

Legislature	Deputies	Deputies included	Roll-call votes	Roll-call votes included
2002-2006	120	118	157	36

Source: Produced by the authors.

Table 2 Total numbers of roll-call votes and deputies included in the analysis, Argentina (2002-2007)

Legislatures	Deputies	Deputies included	Roll-call votes	Roll-call votes included
2002-2007	618	356	110	31

Source: Produced by the authors.

Foreign policy related votes were classed as those that referred to international treaties and agreements signed with foreign countries and international organizations, trade policy, direct actions on international matters, measures referent to the functioning of the Ministry of Foreign Affairs (MRE), diplomatic representations and national defence issues.

“Direct actions on international matters” means legislative initiatives originating in the Chamber of Deputies whose theme is foreign policy. In this classification there are also requests made to the Executive, involving the same theme. With regard to trade policy, the following were included: free trade treaties; tariff and non-tariff barriers; bilateral agreements on investment protection; and agreements referent to double taxation. Tables 3 and 4 display the abovementioned *data per* legislature of each country.

Table 3 Themes of foreign policy votes – Chilean Chamber of Deputies (2002-2006)

Themes	Number of votes	% of total
International cooperation agreements and treaties	64	41
Direct actions	35	22.4
Trade policy	34	21.6
Measures referent to the MRE	15	9.5
National defence	9	5.5
Total	157	100%

Source: Produced by the authors based on data from the website of the Chamber of Deputies of Chile (www.camara.cl).

Table 4 Themes of foreign policy votes – Argentinian Chamber of Deputies (2002-2007)

Themes	Number of votes	% do total
International cooperation agreements and treaties	69	62.7
National defence	18	16.3
Trade policy	18	16.3
Direct actions	4	3.6
Measures referent to the MRE	1	1
Total	110	100%

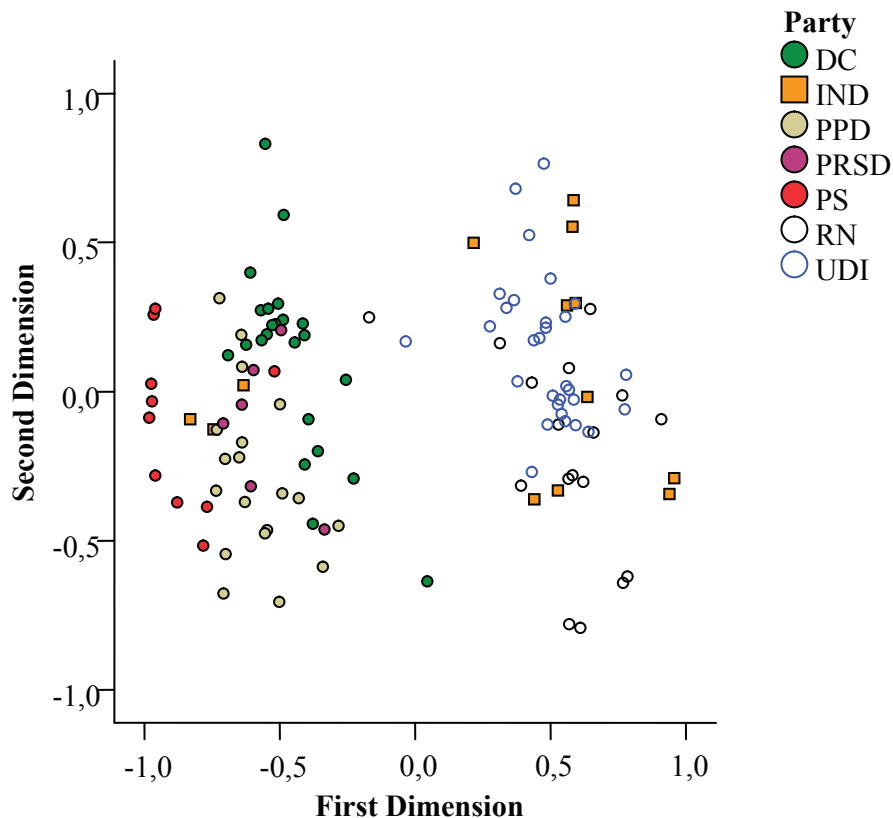
Source: Produced by the authors based on data from the website of the Chamber of Deputies of Argentina (www.diputados.gov.ar).

Results

The number of dimensions needed to represent legislators’ ideal points generally is small, given that legislators often decide their votes based on basic dimensions (Poole 2005). In the US Congress, for instance, the liberal/conservative ideological dimension is capable of forecasting the near totality of congresspersons’ votes; it is the major structuring factor of roll call votes (Poole 2005). Analogously, in the Brazilian Chamber of Deputies the left/centre/right ideological dimension¹³ is also capable of forecasting the vast majority of federal deputies’ votes (Leoni 2000).

Likewise, as may be observed on Map 1, the ideological dimension (first dimension) is capable of forecasting the votes of Chilean deputies on foreign policy issues during the legislature analysed here. Legislators from parties of the left are disposed on the left half of the *spectrum* (-1 to 0) of the first dimension, while legislators from parties of the right are disposed on the opposite half (0 to 1). This polarized distribution makes more evident the remark on the ideological constraint on Chilean deputies' votes on foreign policy questions.

Map 1 Ideal points, Chilean deputies, 2002-2006



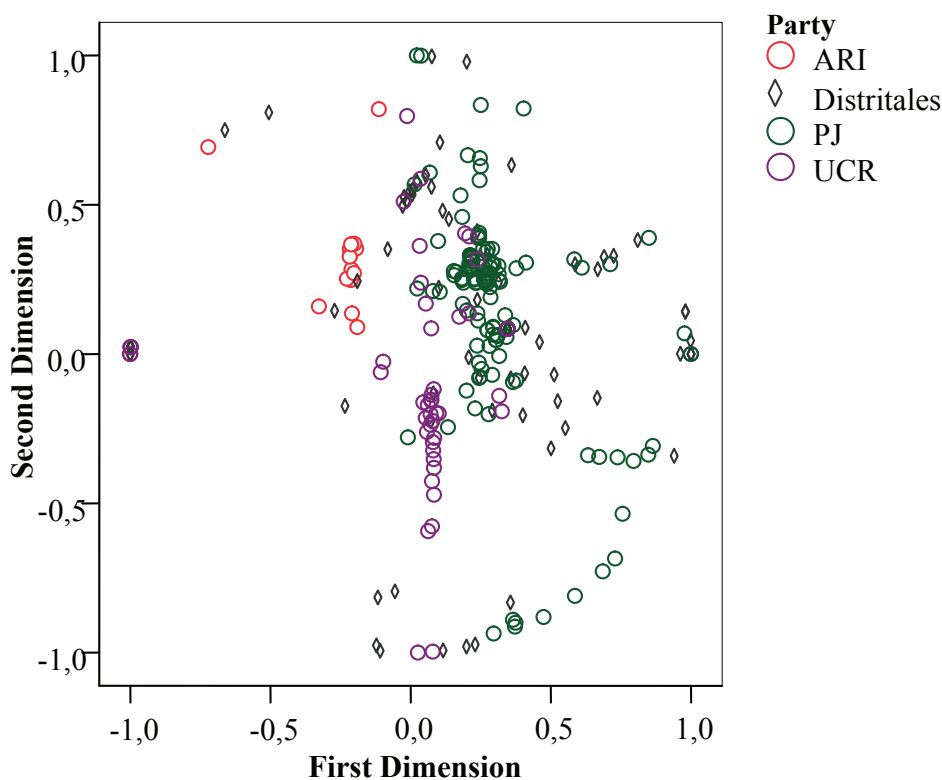
As for Argentina, as may be observed on Map 2, there is a low level of ideological/ party polarization on foreign policy issues during the period studied. One observes a major concentration of points (deputies) at the centre of the ideological *spectrum* (first dimension), indicating a convergence of preferences by Argentinian political parties with respect to foreign policy.

The comparison between maps 1 and 2 quite visibly reveals the fundamental difference between the preferences of Argentinian and Chilean political parties as to the foreign policy of their respective countries: the level of polarization. The low incidence of Chilean legislators (Map 1) at the centre of the political-ideological *spectrum* corroborates the

finding of party-political polarization in their decisions relating to foreign policy. In this sense, it is possible to note the historical realignment of the *Partido Demócrata Cristiano* (DC) from the centre to the left of the ideological *spectrum*, coinciding with the argument of Alemán and Saiegh (2007). This realignment was essential in attributing internal cohesion to Chile's governing coalition, both in domestic and in foreign policy, thus forming a bipolar map of legislators' ideal points, which rests on the *axis* made up of the governing coalition (*Concertación*) and the opposition alliance (*Alianza por Chile*).

Map 2 Ideal points, Argentinian deputies, 2002-2007

Map 2 Ideal points, Argentinian deputies, 2002-2007



In the Argentinian case, the three main political parties in the Chamber of Deputies, when compared with their Chilean peers, display a distance of little significance in the ideological dimension. This means that the respective deputies' preferences are very similar and not very conflictive with respect to Argentinian foreign policy. Not even the parties in opposition to the president, *Afirmación para una República Igualitaria* (ARI) and *Unión Cívica Radical* (UCR) display relevant distance from the governing party, *Partido Justicialista* (PJ).

In order to develop the argument initiated above more appropriately, we present Tables 5 and 6, as well as Graphs 1 and 2, which set out the location of Argentinian and Chilean parties on the ideological *spectrum* when it comes to foreign policy.

Table 5 Ideological values per Chilean party (2002-2006)

Party	N deputies	Mean	Median	Standard deviation	IQR
PS	10	-0.87	-0.87	0.14	0.45
PPD	19	-0.58	-0.64	0.13	0.50
DC	23	-0.45	-0.49	0.15	0.30
IND	13	0.29	0.56	0.61	0.65
UDI	30	0.48	0.49	0.15	0.45
RN	17	0.56	0.58	0.24	0.35

Source: Produced by the authors.

Table 6 Ideological values per Argentinian party (2002-2007)

Party	N deputies	Mean	Median	Standard deviation	IQR
PJ	191	0.31	0.28	0.16	0.40
UCR	50	0.00	0.07	0.35	0.20
ARI	20	-0.39	-0.21	0.33	0.90
Distritales	91	0.17	0.29	0.50	1.30

Source: Produced by the authors.

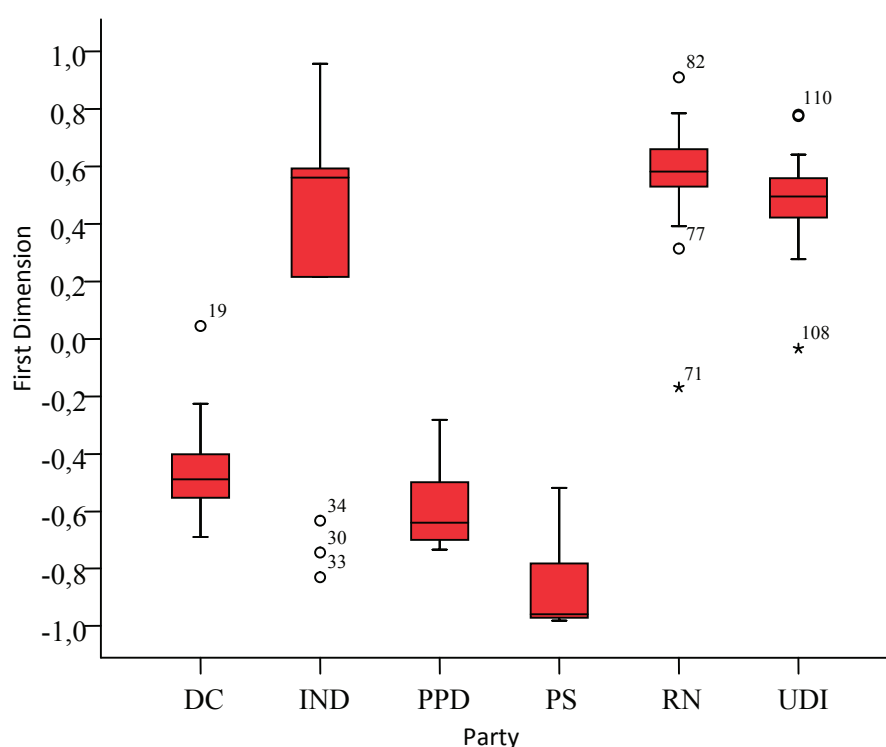
Tables 5 and 6 demonstrate some measures whose aim is to determine, based on estimated values for each deputy in the first dimension, the location of the main Chilean and Argentinian political parties in the political-ideological *spectrum*, as well as their level of internal cohesion. This first column of values (N Deputies) shows how many deputies make up each party's sample. It is worth remembering that owing to Nominat's cut-off *criterion* (see section 2), the number of deputies analysed in the tables above does not always coincide with the number of deputies in the legislature. Next, we present the mean,¹⁴ median¹⁵ and standard deviation¹⁶ of deputies' ideological values for each of the main Chilean and Argentinian political parties.

The next column identifies the interquartile range (IQR), a measure obtained from the difference between the upper and lower quartiles of the dispersion of the *data*. The upper quartile represents the values where 25% of the observations located more to the right of the party-political *spectrum* are found (closer to 1). The lower quartile represents the ideological location of the 25% of deputies more to the left of the party-political *spectrum*

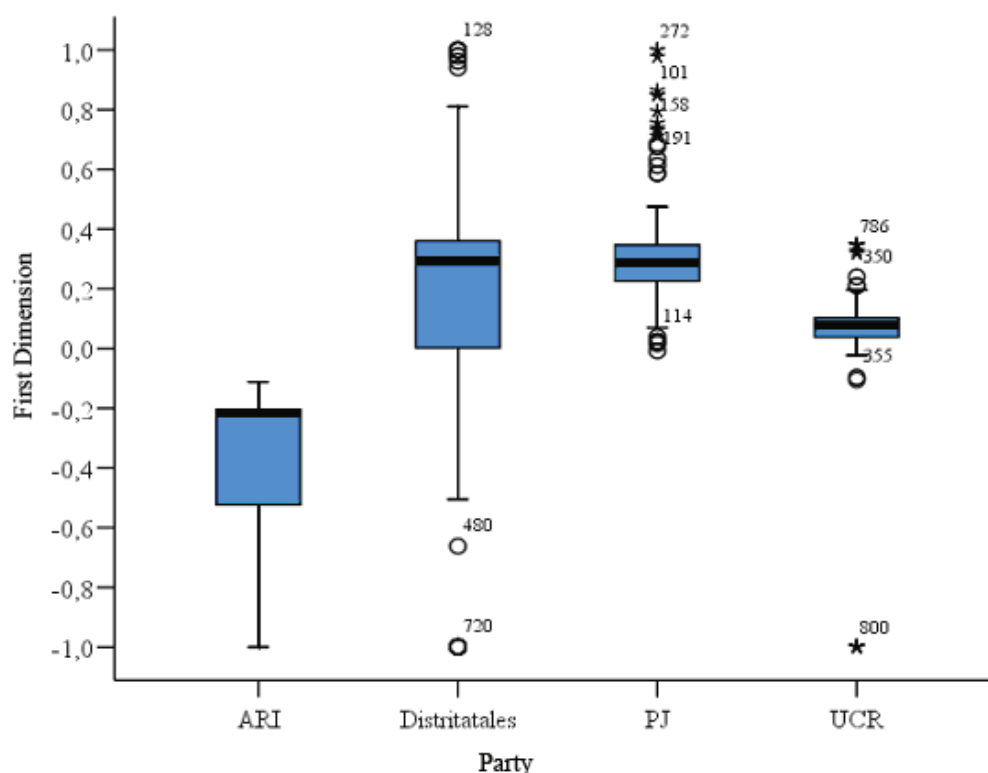
(closer to -1). As in the case of standard deviation, one can use the interquartile range as a measure of the level of political parties' ideological cohesion. The higher the IQR level is, the less cohesive the party, and *vice-versa*.

The values exhibited on the tables above can be graphically represented by boxplots, undertaken for the two countries analysed here (Graphs 1 and 2). This graphic representation makes it easier to interpret the values on the tables, as well as offering more information regarding the dispersion evaluated. In the boxplots, each "box" (red in the case of Chile and blue in the case of Argentina) represents 50% of the observations, in this case of the ideal points, aggregated by party, for the Chilean and Argentinian deputies in the ideological dimension (first dimension). The horizontal line inside the boxes represents the median of the observations. Additionally, the boxplot informs the sample's outliers, i.e., those values that deviate a lot from the sample's median, located more to the extremity than most other observations. In the Graphs 1 and 2, these are represented by points outside the interquartile range. The number that accompanies the points identifies the deputy in the database developed by this research.

Graph 1 Distribution of parties, Chile, first dimension (2002-2006)



Graph 2 Distribution of parties, Argentina, first dimension (2002-2007)



With the *data* presented, we begin describing the ideological positioning of Chilean and Argentinian political parties on foreign policy issues. Table 5 and Graph 1 show the *Partido Socialista* (PS) more to the left in the ideological *spectrum*, followed by the *Partido por la Democracia* (PPD) and the *Demócrata Cristiano* (DC). All three main parties that make up the *Concertación* governing coalition occupy the left of the *spectrum*, revealing a high level of ideological cohesion on international matters within the coalition. On the other side of the *spectrum*, one finds the parties *Unión Demócrata Independiente* (UDI) and *Renovación Nacional* (RN), which make up the *Alianza por Chile* opposition coalition. As happens with *Concertación*, the parties of *Alianza por Chile* also display a high level of ideological cohesion. Each of the coalitions takes up an extremity of the *spectrum*, thus demonstrating the polarization of party preferences in Chilean foreign policy.

Still on the subject of Table 5 and Graph 1, adopting the mean is more adequate when the distribution of the *data* is symmetrical, while the use of the median is more accurate in asymmetrical distributions. In the case of the Chilean parties, there is a small or inexistent difference between the mean and the median of their ideological positioning, leading to the conclusion that the distribution of Chilean deputies is symmetrical. This means that there

is a low incidence of outliers, or that these values are not significantly altering the mean. The latter option seems more adequate, inasmuch as Graph 1 indicates the presence of outliers in these parties' distribution. Lastly, we observe that the Chilean party with the highest level of ideological cohesion is the DC, as measured by the IQR.

As for independent Chilean deputies, the first relevant observation is their tendency to occupy the right of the ideological *spectrum*. For example, in the 2002-2006 legislature, represented by Graph 1, we can see that the values considered outliers are situated on the left of the ideological *spectrum*. Moreover, one finds that the median position of the values is very close to the upper quartile, indicating that half the observations tend to be situated on the right. Hence, in the case of the independents, one notices a greater difference between the mean and the median of the ideological values (always in comparison with the others), revealing an asymmetrical distribution, displaced to the right.

Lastly, we observe on Table 5 and Graph 1 the low level of ideological cohesion among independent deputies. This is an expected and significant result, inasmuch as independent deputies are not members of political parties and therefore lack the accompanying ideological constraints. This item of information bolsters the remark made here about the strong influence of party ideology on the votes of Chilean deputies on foreign policy issues.

In the distribution of Argentinian political parties, represented by Table 6 and Graph 2, we find on the left of the ideological *spectrum* the *Afirmación para una República Igualitaria* (ARI), while the *Unión Cívica Radical* (UCR) takes up the centre ground and the PJ (*Partido Justicialista*), the right of the *spectrum*. Unlike what happens in the Chilean case, the distance between the opposition political parties (ARI and UCR) and the governing party (PJ) is not significantly large. In general, the parties' ideological medians are relatively close when compared with the Chilean case, indicating a tendency of convergence of the preferences of Argentinian political parties on foreign policy issues.

In keeping with what happens in the Chilean case, in general Argentinian parties exhibit high levels of internal ideological cohesion. This is borne out by the low standard deviations and IQRs on Table 6. Graph 2 reveals that the UCR and the PJ display high levels of ideological cohesion, as demonstrated by their low standard deviations and IQRs. This fact notwithstanding, these same parties have the most outlier deputies, who tend to be situated to the right of the *spectrum*. The ARI, though displaying a certain level of ideological cohesion among its deputies, in comparative terms has the lowest level of ideological cohesion of all the political parties in the sample, including both Chilean and Argentinian parties.

In counterposition with the Chilean case, in Argentina the centre of the ideological *spectrum* is taken up by an important political party, the UCR. In addition, the distance from the centre of the other two major Argentinian parties (ARI and PJ) is smaller than

that exhibited for foreign policy issues by the Chilean parties. The ARI, the Argentinian party more to the left of the *spectrum*, keeps a distance of 0.39 from the centre, while the DC, the party of Chile's *Concertación* coalition closest to the centre has a distance of 0.45 from the centre. On the other side of the *spectrum*, while the PJ is located 0.31 from the centre, UDI, the party of the right-wing coalition *Alianza por Chile* closest to the centre is situated 0.48 away from the centre.

With respect to the set of Argentinian parties with less electoral strength, termed *distritales*, one finds what is expected: low ideological cohesion. This is because this category encompasses a considerable number of parties, of which many only have a regional (provincial) reach. The median of their positioning is displaced to the right, very close to the ruling party's median (0.29 for the *distritales* and 0.28 for the PJ).

Foreign policy *versus* domestic policy

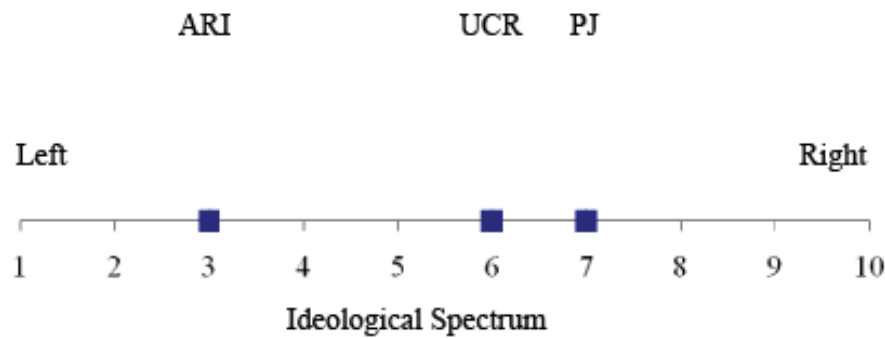
One of the theses present in the Latin American literature maintains that the president will obtain more space for action on the international *arena* when compared with the domestic *arena*, i.e., the legislators' preferences would be manifested and relevant only in the domestic *arena*. In this section we make a comparison between the preferences of the parties, estimated for questions of foreign policy and domestic policy. To this end, we use the ideological classification of Chilean and Argentinian political parties produced by a survey conducted by *Proyecto Élite Latinoamericanas* (PELA) (2002), of the University of Salamanca.

In the case of the Argentinian political parties, the ideological classification was extracted from *data* produced by the PELA survey conducted between 2003 and 2007. Basically, we use the question in the survey that asks deputies to classify the main Argentinian political parties in an ideological scale from 1 (left) to 10 (right). The mean of the values chosen by the legislators of a given party represents that same party's position on the ideological *spectrum*.¹⁷ The means and medians obtained situate the ARI more to the left of the *spectrum*, displaying the values of 3.4 and 3 respectively. Located at the centre of the ideological *spectrum* is the UCR, with 5.79 and 6. Slightly to the right, one finds the governing party (PJ), with values of 6.5 and 7. The grouping of parties termed *distritales* was not considered in the analysis, for they are not included in the sample of the survey utilized here.

For the case of the Chilean parties, we use *data* from the PELA survey presented by Manuel Alcántara Saéz (2003) in an article titled *La ideología de los partidos políticos chilenos, 1994-2002: Rasgos constantes y peculiaridades*. The specificity of this measurement in comparison with that for Argentinian political parties is the incorporation of a larger number of questions to lawmakers and not just the ideological classification formulated by deputies about parties. Thus, the values estimated also include questions

referent to democracy, the role of the armed forces and of the State in the promotion of social well-being. The ideological scale is the same as the one used for Argentinian parties, where 1 is left and 10 is right.

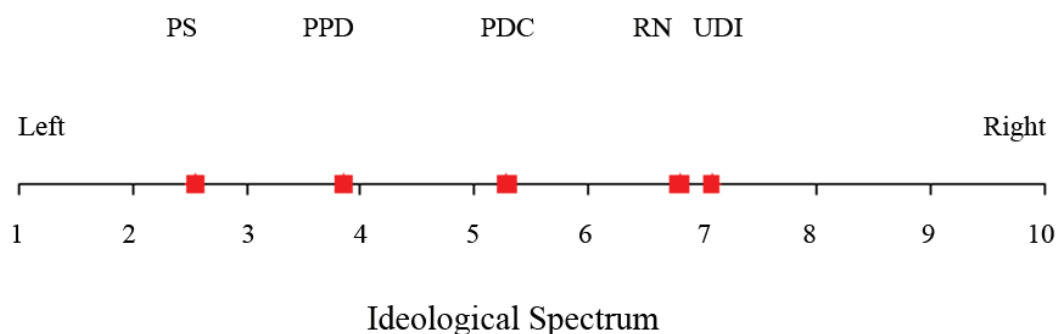
Graph 3 Median ideological classification of Argentinian parties (2003-2007)



Source: Produced by the authors based on data from PELA survey (2003-2007).

Graph 4 shows that the parties that make up the *Concertación* governing coalition occupy the left and centre of the ideological *spectrum*, where the party that is more to the left is the PS (2.56), followed by the PPD (3.85) and the PDC (5.28), more to the centre. The parties of the opposition coalition *Alianza por Chile*, for their part, take up the right of the spectrum: the RN has 6.8 and the UDI, 7.08.

Graph 4 Ideological classification of Chilean parties via survey (2002)

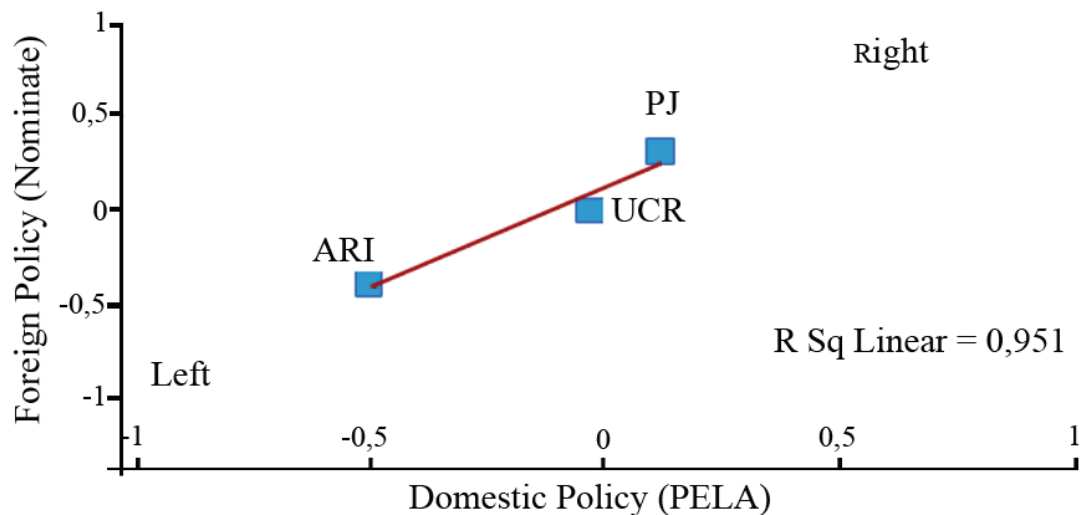


Source: Produced by the authors based on data from PELA presented by Saéz (2003).

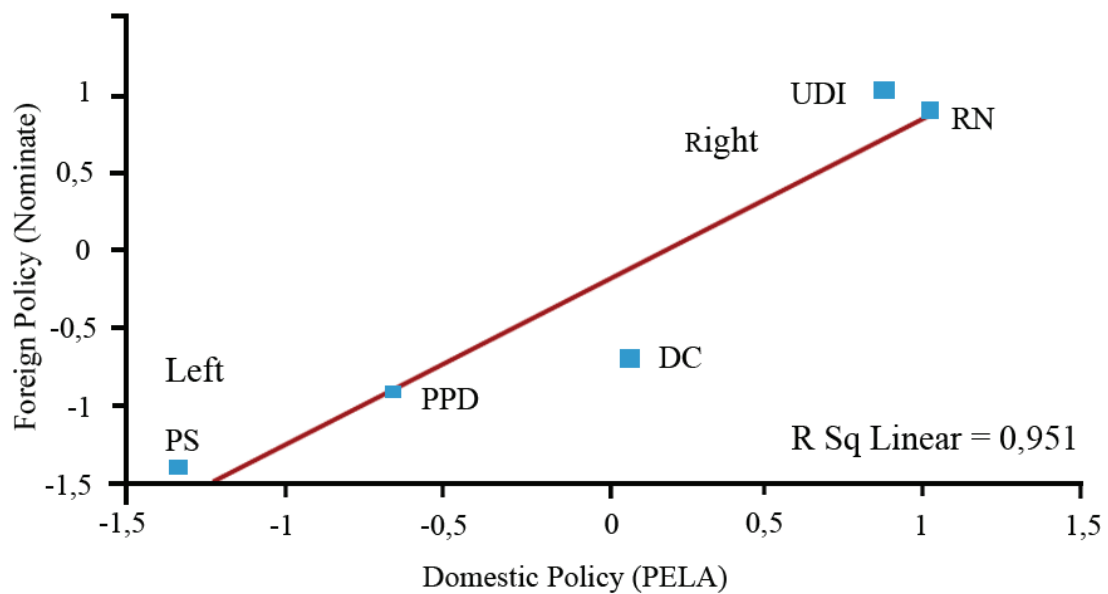
Based on the values mentioned above, we are able to compare the distribution of Argentinian and Chilean political parties' preferences in the domestic and foreign *arenas*, empirically assessing the consistency of the “two presidents *thesis*”. Graphs 5 and 6 represent

the comparison between the positioning of Argentinian and Chilean parties on domestic and foreign policy matters, respectively.

Graph 5 Correlation between ideological classifications of the main parties for foreign and domestic policy in Argentina (2002-2007)



Graph 6 Correlation between estimated ideological classifications of the main parties for foreign and domestic policy in Chile (2002-2006)



Graphs 5 and 6 reveal an initial, evident aspect: the high correlation between the domestic and international *arenas* as far as Argentinian and Chilean parties are concerned, the figures being 0.95 and 0.90, respectively. Argentinian and Chilean parties basically maintain the same position on the ideological *spectrum* with reference to foreign and domestic policy, with their ordering on the same *spectrum* remaining constant.

The ordering of Chilean political parties on the ideological *spectrum* estimated *via* Nominate for foreign policy coincides with that produced *via* the survey for domestic policy. While the PS, PPD and DC follow the same dispersion, there is a slight change with respect to the UDI and RN. The UDI is the party most to the right of the *spectrum* as estimated by Nominate, while the RN takes up this position with regard to the domestic *arena*. Even then, the fact that both are situated on the right half of the *spectrum* coincides.

As far as Argentinian parties are concerned, the ARI is estimated to lie on the left of the ideological *spectrum* in the foreign and domestic dimensions, while the UCR's position is estimated in the centre of the *spectrum*, also for both dimensions. The PJ, in turn, occupies the centre-right of the *spectrum* in the foreign and domestic dimensions.

Beyond the similarity mentioned above, there is another similarity between the ideological classifications of Argentinian and Chilean political parties in the domestic and international dimensions: the low level of polarization in the Argentinian case and the high level of polarization in the Chilean case. As Mustapic (2000) argues, effective Argentinian political parties have a small ideological distance between each other, i.e., from a general public policy perspective, one observes a low ideological polarization between the main Argentinian parties, and the same occurs with reference to foreign policy (as previously argued).

As for the Chilean case, Carey (2002) created an index to measure the level of unity among Chile's political parties and coalitions by analysing 215 roll call votes in the Chamber of Deputies over two years, 1997 and 1998. The results of the index indicate major proximity among parties that belong to the same coalition. On the other hand, between coalitions there is a high level of polarization, indicating positions that diverge from those of the median voter (Carey 2002). There is significant coincidence between our findings as to foreign policy (analysed in isolation) and those of the authors just mentioned. Alemán and Saiegh (2007) also analysed roll call votes to ascertain political parties' positioning during the 1997-2000 period. The authors estimated Chilean deputies' ideal points, revealing results similar to those found both by Carey (2002) and by ourselves, presented here with reference to foreign policy; in other words, great intra-coalition cohesion and a clear bipolar situation between the two political coalitions.

In order to illustrate the level of ideological polarization, as previously argued, one may consider the difference between the distances of the more extreme parties in the two

dimensions. In the Argentinian case, the difference between the ARI and the PJ in the domestic ambit is 0.62, and in the foreign ambit, 0.70. In the case of Chile, this difference rises to 1 and 1.43, respectively.

In sum, both in the Argentinian case and in the Chilean, it is possible to argue that there is a strong similarity between the political parties' ideological classifications in the domestic and foreign dimensions, suggesting that the factors structuring their preferences in the domestic dimension are the same that structure their preferences in the foreign domestic, with party ideology standing out.

Conclusion

This article has sought to analyse the distributions of Argentinian and Chilean legislators' preferences in foreign policy themes, each in two legislatures starting in 2002. The fundamental motivation of the research was understanding to what extent the argument that foreign policy — being less crucial to legislators' interests than domestic matters — would be prone to negligence and abdicative postures on congresspersons' part. The comparison was undertaken on two main dimensions. The first related precisely to the distribution of party-political preference on foreign policy matters, especially along the left-right ideological *spectrum*, the most relevant differentiating factor of legislators' positioning. The second dimension related to the linearity between the party-political ideological classifications when confronting the countries' foreign and domestic policies.

With respect to the first aspect, we have found a clear distinction between the Argentinian and Chilean dynamics. The former has a distribution of preferences with very little polarization, with legislators tending to concentrate their preference in the centre of the political *spectrum* when it comes to foreign policy matters. Furthermore, the Argentinian Legislative records a larger number of discrepant preferences. Therefore, Argentina combines preferences that converge to the centre with marginally discrepant positioning.

Chile, on the other hand, has a clearly polarized distribution of preferences. Such polarization coincides in grouping together in opposite sides of the *spectrum* the opposition-right and the governing-left. In the Chilean case, there exist high levels both of party discipline and of coalitional discipline as far as foreign policy issues are concerned. Also differently from Argentina, Chile features a low index of discrepant behaviours. Put differently, when examining Chilean legislators' distribution of preferences one detects few outliers. If Argentina and Chile differ substantially with regard to the pattern of legislators' distribution of preferences on foreign policy matters, the same cannot be said of the correlation between preferences on domestic and foreign policies. In both countries there is a high correlation between parties' positioning with respect to domestic and foreign policies.

In other words, when we use foreign policy issues to classify the countries' positioning, the results in both cases differ little from what occurs when the classification is arrived at by means of domestic questions.

Therefore, the conclusion is that the two countries' party-political structuring is not distinctive, when comparing the foreign and domestic ambits. On the contrary: the positioning on foreign policy matters does nothing more than reflect the structuring of preferences in the domestic ambit. In Argentina, positions on matters of foreign policy are centralized, as are positions on matters of domestic policy. By the same token, in Chile, legislators' positions regarding foreign affairs are polarized, as are their positions on domestic matters.

Clearly, the two cases do not permit any definitive inferences that can be taken at face value in an effort to theorize on the specificity (or lack thereof) of South American or Latin American countries' foreign policies. Only a more exhaustive comparative study — one that, beyond legislators' preferences, takes into account other factors that come together in the formation of political parties' orientation — can make a more consistent contribution to theorization efforts. Nevertheless, it is hoped that this article's findings provide some *momentum* in this direction.

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Notes

- 1 It is worth highlighting the fact that the findings of Bond and Fleisher (1990) indicate that only Republican presidents possess significant congressional support in the fields of foreign policy and national defence.
- 2 It is necessary to stress that some scholars point to a relevant participation by the US Congress and political parties already from the start of the Cold War; see McCormick and Wittkopf (1990) and Fordham (1998), for example.
- 3 About thematic and media influence in the formulation of the president's foreign policy agenda in the US political system, see Wood and Peake (1998).
- 4 Oliveira (2003) points out three other advantages of the Legislative's foreign policy action: decision-making decentralization diminishes the possibility of mistaken policies being formulated; the increase in institutional constraints, *via* the Legislative, can act as bargaining instrument on the international plane; and the production of information on the Legislative's part.

- 5 For a view that minimizes the impact of lawmakers' constituency and ideology on US trade policy issues, see Biglaiser, Jackson and Peake (2004). The authors maintain that depending on the political party of the President, the variables constituency and ideology can lose importance, fundamentally among Republican representatives.
- 6 Here the authors implicitly refer to the theory that the Executive, by virtue of being accountable to the electorate at the national level, privileges policies that benefit the general well-being. In the US literature, this gets translated into a defence of trade liberalism. On the other hand, legislators benefit localized interests (notably protectionist interests) owing to the fact that they are responsive to a local electorate (Milner and Rosendorff 1997).
- 7 A metric space is one where legislators' spatial position can be measured quantitatively (and not just qualitatively).
- 8 Despite the fact that other estimation models differ as to the choice of the distribution of errors (logistical, uniform or normal), all of them assume that the errors are independent and identically distributed (Rosenthal and Voeten 2004). According to Rosenthal and Voeten (2004), in legislatures where there is strong party discipline and great variability in the level of party loyalty among political parties, in parametric models of estimation, such as Nominat, there can be violation in the assumption of independent and equal distribution of errors.
- 9 For a normally distributed sample database (an assumption of Nominat), the technique of *maximum* verisimilitude identifies the values of the parameters of the mathematical model that display greater verisimilitude in relation to the *data*. In other words, it is a technique that selects the values of the parameters of the sample that best "fit into" the population that the sample represents. When one assumes that the data of the sample are uniformly distributed, the estimation of *maximum* verisimilitude coincides with the estimation of the likeliest values, i.e., those values of the parameters of *data* whose probability of occurrence is the largest possible, get selected (Aldrich 1997).
- 10 The Argentinian case displays a peculiarity in relation to the Chilean. In Argentina, half the seats in the Chamber of Deputies are renewed every two years. Furthermore, some parliamentary terms are for two years, while others are for four. The total number of seats is 256, but in the present sample this number jumps to 618, for it includes all the deputies who voted in the plenary during the 2002-2007 period.
- 11 Votes during the 2002-2006 legislature in Chile were obtained from the website of the Chilean Chamber of Deputies (www.camara.cl). Votes during the 2002-2007 legislatures in Argentina were obtained from the website of the Argentinian Chamber of Deputies (www.diputados.gov.ar).
- 12 It is important to stress that NOMINATE only considers "Yes" and "No" votes, including abstentions as "Did not vote".
- 13 The meaning of left, centre and right certainly depends on the historical and cultural context; it is only necessary for a large part of the actors to share this meaning (Leoni 2000).
- 14 The mean is obtained from the addition of the values, divided by the number of values observed. This measure summarizes the set of *data* in terms of a central position or typical value; it is very appropriate in situating the party in the ideological dimension.
- 15 The median evaluates the centre of a set of values, dividing the distribution of the data in half,

i.e., leaving the 50% lower values on one side and the 50% higher values on the other.

- 16 Standard deviation supplies information about the variance or heterogeneity of the values analysed. In this case, the standard deviation acts as an excellent measure of the level of deputies' ideological cohesion or homogeneity within the same party on matters of foreign policy.
- 17 It is worth stressing the fact that other measures, like the median and the mode, were also taken, with extremely similar outcomes.

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Political and Institutional Determinants of the Executive's Legislative Success in Latin America

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Introduction

Our objective is to report the results of an ongoing comparative research project that aims to investigate the institutional and political determinants of government performance in Latin America. Our dependent variable is the legislative success of the executive. Studies on government performance in parliamentary countries usually focus on the stability of the government measured by its duration. The literature on presidential performance, in turn, has turned its attention to the fate of bills sponsored by the government.

These different approaches perhaps derive from opposite views concerning the way parliamentarism and presidentialism function, particularly when a majority government does not emerge from an election. In parliamentary systems, the executive's legislative success presumably stems from the formation of the government itself. When the executive

fails, the government falls. In presidential systems, on the contrary, given the president's fixed term, legislative success depends on various dimensions of the process that follows the inauguration of the president, including the formation of coalition governments.

The legislative success of the executive in presidential systems varies greatly, as shown by the sample of countries covered here. The yearly average of presidential bills enacted ranges from zero, as in Colombia, to 98.8%, as in Mexico. On the other hand, Latin American presidential countries also vary greatly as to their institutional framework and to the political conditions under which governments rule. Therefore, they make up an exceptional array of cases to compare.

This research note is divided into three sections. In the next section, we trace an overall picture of presidential governments in the region from 1979 to 2006. In the third section, we describe the variables, present the hypotheses and discuss the results of a multivariate analysis of the executive's legislative success.

Latin American Presidential Government

Despite some attempts to single out a Latin American model of presidentialism, the political and institutional diversity in government organization among the continent's countries recommends caution in generalizing. This is transparent in our sample of twelve countries for the period 1979-2006. The sample includes all South American countries except Peru and the Guyanas, two countries in Central America (Costa Rica and Panama) and Mexico. Considering the period covered, we work with 200 year-country observations. The details are laid out in Table 1, which distinguishes between three sets of countries according to the type of government they experienced during the period analysed: one-party, coalition or both.

It is worth noting that we do not consider only the first coalition formed at the beginning of a president's term, but all coalition reshuffles by the same president. The duration of governments therefore does not necessarily coincide with the president's term. In order to identify the beginning and end of the coalitions, we employed the same criteria to define the making and breaking of governments in parliamentary systems, namely: "1) any changes in the set of parties holding cabinet membership; 2) any change in the identity of the prime minister [or the president]; and 3) any general election, whether mandated by the end of the constitutional inter-election period, or precipitated by a premature dissolution of parliament" (Müller and Strom 2000, 12). These criteria are sufficiently general to be applicable to the formation of and changes in governments in the presidential system, with slight modifications that do not affect comparability with parliamentary countries.

Table 1 Types and characteristics of government in Latin America – 1979-2006

COUNTRY	PERIOD	NO. OF YEARS	NO. OF PRESID.	NO. OF GOVT/ COA	AVERAGE DURATION (MONTHS)	% YEARS MAJORITY GOVT.	NO. OF EFFECTIVE PARTIES
ONE PARTY GOVERNMENTS							
Costa Rica	1986-2001	16	4	4	48	50	2,3
Mexico	1989-2002	14	3	3	56	86	2,5
Sub-total		30	7	7	51	68	2,5
COALITION GOVERNMENTS							
Bolivia	1995-2000	6	2	3	24	100	4,5
Brazil	1989-2006	18	5	14	15	72	6,4
Chile	1990-2006	17	4	7	29	58	5,1
Colombia	1992-2008	17	4	7	29	65	4,4
Ecuador	1979-2002	24	8	14	21	10	5,1
Panama	1990-2002	13	3	7	22	75	3,8
Sub-total		95	26	52	22	63	4,9
BOTH TYPES OF GOVERNMENTS							
Argentina	1984-2006	23	5	13	21	48	3,0
Paraguay	1993-2002	10	3	3	40	50	2,4
Uruguay	1985-2006	22	5	5	53	91	3,1
Venezuela	1979-1998	20	5	6	40	30	2,8
Sub-total		75	18	27	34	55	2,8
Total	1979-2006	200	51	86	28	67	3,8

The first aspect of Table 1 worth stressing is the high incidence of coalition governments: in six of the twelve countries, only coalition governments were formed, while in another four coalition governments existed for at least some of the time. In three of these countries, Argentina, Uruguay and Paraguay, the formation of coalitions was a direct consequence of the transformation of their party systems. This means that 67% of the presidents who did not obtain a majority formed coalitions, i.e., they sought to increase their parliamentary support bases. These results allow us to question the widely held thesis that “minority presidents do not have incentives to form coalitions”.

This remark leads us to another thesis, also widely held, which is also the inspiration for proposals to reduce the number of parties: “multiparty systems make the formation of majority governments difficult”. It has been demonstrated that, at least theoretically, this relationship is not a necessary one. It does not sustain itself empirically either. One example from our sample is Costa Rica, where one-party governments obtained parliamentary majorities for 50% of the period analysed, whilst having minority governments, though with a share of the seats above 40%, during the other half of the time. On the other hand,

five of the six multiparty countries formed majority governments most of the time. The only exception is Ecuador, which had minority governments for 90% of the period.

The thesis claiming that multiparty systems will face difficulties is accompanied by the following corollary: “the higher the level of party fragmentation, the more difficult the formation of majority governments”, which is also hard to sustain in light of the data shown on Table 2. Brazil, with the highest level of party fragmentation in the region, had majority governments 72% of the time in its first 18 years of democracy, while Venezuela, with an advisable number of effective parties, 2.8, only formed majorities for 30% of the period considered here. As we will see below, the fragmentation thesis equally fails when submitted to a multivariate analysis.

Determinants of the Executive’s Legislative Success

In this section, we conduct a multivariate analysis to examine the impact of political and institutional variables on the executive’s legislative success. We draw on a linear regression model, using the ordinary least squares (OLS) procedure.

The dependent variable

Our dependent variable is the rate of bills sent by the executive that were enacted. Table 2 provides the main information regarding this variable for each country.

As one can see, there is ample variation in the yearly success of the executive. Many countries display rates above 90%, but in Colombia the executive did not have any bills approved in 1995, 1998 and 2002. It is worth noting, on the other hand, that the countries with the highest and most stable averages, Mexico and Brazil, organize their government differently. Moreover, four countries with coalition governments display higher success rates than the Costa Rican one-party government.

The independent variables

Our analysis includes only political and institutional variables. We believe it is plausible to maintain constant contextual factors that may put pressure on governments’ legislative agenda, such as economic and fiscal problems, social inequality, poverty, inflation and the international environment.

The independent variables can be grouped into three sets. The first relates to the powers of the president: political powers referring to the president’s support among the parties and institutional powers comprising constitutional legislative prerogatives. The second set of variables includes the characteristics of the government and/or its coalition. The third focuses on the characteristics of the party system, and is an attempt to capture the

bargaining environment in which the negotiations between the executive and the legislature take place (Laver and Schofield 1990).

Table 2 Executive's legislative success – Latin America – 1979-2006

COUNTRIES	% AVERAGE BILLS PASSED	NO. OF YEARS	% MINIMUM	% MAXIMUM	STANDARD DEVIATION
ONE-PARTY GOVERNMENTS					
Costa Rica	49.3%	16	11.6	94.5	24.5
Mexico	94.2%	14	81.8	98.8	6.8
Sub-total	70.2%	30	11.6	98.8	29.1
COALITION GOVERNMENTS					
Bolivia	69.8%	6	48.4	86.7	14.5
Brazil	84.9%	18	70.3	92.8	5.7
Chile	72.6%	17	16.7	91.1	19.0
Colombia	42.5%	17	0.0	84.9	27.3
Ecuador	41.8%	24	10.7	65.2	16.1
Panama	74.5%	13	55.0	92.3	10.4
Sub-total	61.8%	95	0.0	92.8	24.5
BOTH TYPES OF GOVERNMENT					
Argentina	59.3%	23	12.8	80.2	12.7
Paraguay	74.5%	10	60.3	90.9	10.6
Uruguay	49.4%	22	28.0	68.0	13.5
Venezuela	63.5%	20	37.8	89.5	20.1
Sub-total	59.5%	75	12.7	90.9	16.8
Total period	62.2%	200	0.0	98.8	22.9

President's institutional powers

The president's institutional powers include agenda-setting powers and veto powers. The first one is an index composed of 16 different prerogatives constitutionally conferred to the president to set the legislative agenda. Although different statuses may grant legislative powers to the president, we considered only constitutionally-assured prerogatives, mainly because the constitutional status is by itself an indication of the importance attributed to the provision, making their comparison more reliable.

Agenda-setting powers

In order to measure the agenda powers of the president, we created an index comprising sixteen constitutional prerogatives grouped into five dimensions: 1. Constitutional and delegated decree authority, 2. Budget powers, 3. Exclusive legislative initiative, 4. Urgency request for bill consideration and, 5. Right to introduce constitutional amendments.

In each one of these dimensions, the characteristics of each constitutional prerogative was converted into a dummy variable with the score 1 referring to its presence in the country's constitution. The following prerogatives were thus considered:

- Constitutional Decree Authority (CDA)
- CDA is immediately effective as policy
- CDA is valid indefinitely (does not require legislative action)
- CDA is not restricted to substantive policy area
- Delegated Decree Authority (DDA)
- DDA is immediately effective as policy
- DDA is valid indefinitely (does not require legislative action)
- Executive has exclusive initiative regarding new expenditures in the budget law
- Restrictions on the legislature's ability to amend the budget in specific policy areas
- Restrictions on the legislature's ability to increase expenditure in the budget
- Adoption of the executive budget proposal if the legislature does not approve the budget on the regular schedule
- Executive's exclusive initiative on administrative matters
- Executive's exclusive initiative on fiscal matters
- Executive's exclusive initiative on other matters
- Executive's right to request urgency on bills
- Executive's right to introduce constitutional amendments

These sixteen prerogatives were summed up so as to compose the agenda power index. No weight was assigned because, when necessary as in the case of decrees, their different characteristics were counted separately, as one can see above. Cronbach's α test of consistency and reliability of the agenda power index was carried out, obtaining 0.77. We also performed a factor analysis which showed that the index is practically one-dimensional, only two of the sixteen prerogatives listed above represented a second dimension.

Veto powers

Only the partial veto or item veto was taken into account, since in all constitutions considered the presidents had total veto prerogatives. The strength of the "partial veto" was measured according to an index which took into account the varying conditions for its approval: 0 = no veto; 1 = Plurality or no quorum specification; 2 = Majority chamber quorum; 3 = Majority of chamber members; 4 = 3/5 chamber quorum; 5 = 3/5 of chamber members; 6 = 2/3 of chamber quorum; 7 = 2/3 of chamber members; 8 = No override.

President's political powers

- Honeymoon period: first year of a president's term

- President's party share of seats in the lower house
- Centrality of president's party – absolute difference between the president's party and the centre of the ideological position of the parties
- Membership of the biggest party in the government coalition

Characteristics of the government/executive coalition

- Type of government (coalition or one-party)
- Number (absolute) of parties in the government/coalition
- Legislative status (majority/minority) of the government/coalition
- Share of seats – % of seats held by coalition parties
- Percentage of partisan ministers: percentage of ministers who participate in the government as representatives or with the authorization of their parties
- “Cabinet coalescence”: proportionality between parties' share of ministries and their share of seats in the lower house – Amorim Neto's (2002) formula:

$$Gabinet = 1 - 1/2 \sum_{i=1}^n (|Si - Mi|)$$

- Ideological dispersion of coalition parties – absolute difference between the most extreme parties

Characteristics of the party system

- Number of parliamentary parties in the lower house (NPP)
- Effective number of parties (ENP) – Laakso and Taagepera's (1979) formula:

$$N = 1 / \sum (\text{Proportion of seats } per \text{ party})^2$$

- Party fragmentation – Rae's (1967) formula:

$$F = 1 - \sum (\text{Proportion of seats } per \text{ party})^2$$

- The average values for these variables are shown on Table 3.

Hypotheses

We expect that the executive will tend to be more successful in approving its legislative agenda during the “honeymoon” period. This expectation is based on an intuition: in a system where the president is elected, often by a majority, it is natural to expect a cooperative

Table 3 Political and institutional powers of the president, coalitions and presidential success in Latin America – 1979–2006

COUNTRIES	%				%		NO. OF		IDEOL.		CENTRALITY		%	
	% SEATS PRES.	SEATS GOV.	AGENDA POWER	NO. OF PARLIAM. PARTIES	PARTISAN MINISTERS	PARTIES GOV. COAL.	COALESCENCE INDEX	DISPERSION GOV. COAL.	OF THE PRES.'S PARTY	VETO POWER INDEX	PARTY SYSTEM	EXECUTIVE BILLS ENACTED		
ONE-PARTY GOVTS.														
Costa Rica	49.6	49.6	0	5.3	97.3	1.0	0.75							
	0.0	0.84	7	0.56	49									
Mexico	54.0	54.0	0	5.0	92.6	1.0	0.75	0.0	1.0	6	0.59	94		
COALITION GOVTS.														
Bolivia	32.3	64.5	2	7.5	70.2	3.6	0.72	2.2	1.37	6	0.77	70		
Brazil	14.8	59.9	10.7	16.7	60.1	4.6	0.51	1.2	0.43	3	0.82	85		
Chile	24.9	56.5	7.6	7.6	90.2	4.4	0.77	1.5	0.78	6	0.80	72		
Colombia	29.8	65.5	9.3	14.7	71.9	2.4	0.70	1.2	0.67	3	0.69	42		
Ecuador	15.0	30.9	5.3	11.6	64.7	2.5	0.53	0.5	1.39	7	0.79	42		
Panama	26.1	45.9	5	9.9	82.9	2.9	0.74	0.8	0.60	7	0.73	38		
BOTH TYPES OF GOVT.														
Argentina	43.4	48.8	3.6	19.6	95.4	1.5	0.74	0.2	0.51	6	0.65	59		
Paraguay	51.8	69.4	3	3	95.5	1.8	0.80	0.4	0.81	2	0.57	64		
Uruguay	37.9	63.3	8	4	98.0	2.1	0.76	0.6	0.72	3	0.67	74		
Venezuela	37.5	44.7	5	8.3	65.9	1.3	0.71	0.1	1.06	6	0.59	49		
Average	33.7	52.6	5.4	10	81	2.4	0.69	0.6	0.81	5.2	0.69	62.2		
Number of cases	200	200	200	200	200	200	200	169	185	200	200	200		

congress immediately following the election. Several studies on Latin America and elsewhere have confirmed this outcome (Alemán and Navia 2009; Saez and Montero 2007; Altman 2008), regardless of the political and institutional context.

The literature is also consensual regarding the effects of other political variables. Our forecasts concerning the variables related to the president's political power follow conventional wisdom. The importance of the size of the president's party to his/her success cannot be denied. When the presidential party is not large, one expects the participation of the largest party in the governing coalition to have a positive effect on the government's legislative success. Lastly, as suggested by the median voter theory, the president's party's proximity to the centre of the ideological spectrum tends to imply higher approval rates of his/her legislative agenda. In all of these cases, we make the assumption — a necessary one in comparative studies dealing with a large number of cases — that the party acts as a unitary actor, even though intra-party politics is an important factor in the functioning of governments, particularly multiparty governments, as Laver and Schofield (1990) point out.

However, there is theoretical and empirical disagreement when it comes to the effects of the institutional factors. Theoretically, the power to propose does influence outcomes (Baron and Ferejohn 1989). In the legislative decision-making process, as Cox (2002) claims, the two dimensions of agenda-setting powers, i.e., the power to put bills on or to keep bills off the legislative agenda and the power to protect legislative proposals, shape legislative outcomes. The literature on Latin America, in contrast, tends to associate the president's agenda-setting powers to lack of political support or conflict with the legislature. For instance, Shugart and Carey (1992, 165) assert that presidentialism is more prone to conflict and instability when presidents are institutionally powerful. On the other hand, for Cox and Morgenstern (2002, 450-1), politically weak presidents resort more frequently to their constitutional powers and tend to push the limits of such unilateral actions in "constitutionally provocative ways". An opposite view is put forth by Huber in his study of the Fifth Republic in France. A general conclusion from his studies is that agenda-setting powers can be considered instruments to manage the government's majority, particularly in coalition governments, rather than an expression of "vertical conflict" between the executive and the legislature (Huber 1996; 1998). Along this reasoning, and relying on previous studies on Brazil, we expect to find a positive effect of agenda powers on the executive's legislative success (Figueiredo and Limongi 2000; 2007).

We also expect a positive relationship regarding the strength of the partial veto, i.e., the harder it is for the legislature to override the president's vetoes, the more the latter will succeed in having his/her bills passed.

We also expect a positive effect with respect to the following features of the government or governing coalitions: majority status, high percentage of seats in the legislature and low ideological dispersion of the parties that make up the coalition. Conversely, we expect the number of parties in the coalition to have a negative effect. All of this assuming the party is a unitary actor and, as do classical coalition theories, taking into account the transaction costs and the role of conflicts of interest in the formation of coalitions (Axelrod 1970; De Swaan 1974). Recent studies have innovated by stressing the importance of two features of government coalitions in presidential systems. First, the cabinet's level of partisanship, i.e., to what extent ministers are chosen according to and as representatives of their parties and; second, the level of proportionality between the representation of a party in the cabinet and the number of seats it holds in the legislative or cabinet "coalescence index" (Amorim Neto 2002; 2006). Given the president's institutional prerogative of choosing his/her ministers, these indexes can be taken as an indicator of the level of cohesion between the executive and the legislative branches in presidential coalitions. The parties' agreement to participate in the cabinet and the distribution of cabinet positions according to the parties' legislative strength would result in disciplined support to the government legislative agenda. One can then expect that the higher the percentage of partisan ministers and the higher the proportionality between the representation of a party in the cabinet and the number of seats it holds in the legislature, the greater the executive's success

The third set of variables aims to capture the effect of the institutional context in which bargaining between the branches of government takes place, employing the characteristics of the party system as the main indicators. The argument that presidentialism and the multiparty system are a difficult combination is broadly accepted (Mainwaring 1993 Mainwaring and Shugart 1997; Jones 1995). But empirical results challenge this argument (Chasquetti 2001; Deheza 1998). The conception that the larger the number of parties, the higher the costs of governing can also be theoretically questioned. The number of parties in itself does not determine the cost of bargaining between the branches of government. This depends on the positioning of parties in the ideological spectrum. If the number of parties is large but the ideological difference between them is small, mere addition may not make a difference. On the other hand, if the parties are small in number yet ideologically polarized, it may be harder to garner majority support. Unfortunately, it has not been possible to fully obtain the required information in order to identify the ideological positioning of parties. Therefore we have used the absolute number of parties with parliamentary representation and have adopted different measures of party fragmentation/concentration: the number of effective parties and party factionalism. Our expectation is that party fragmentation by itself has no effect on the success of the government. Table 4 summarizes the hypotheses:

Table 4 Expected effects of independent variables

Independent Variables	Dependent Variable
President's political and institutional powers	
Honeymoon period	+
President's party share of seats	+
Centrality of president's party	+
<i>Agenda</i> power	+
<i>Veto</i> power	+
Characteristics of the government	
One-party government	+
Majority status government	+
Share of seats – Lower house	+
Number of parties in the government/coalition	-
Largest party in the coalition	+
Percentage of partisan ministers	+
Proportionality between parties' share of ministries and seats in the lower house	+
Ideological dispersion of coalition parties	-
Characteristics of the party system	
Number of parliamentary parties	No
Party fragmentation	No

Analysis and results

It is not surprising that some of the variables within and among the three sets of institutional and political factors singled out here are highly correlated. For this reason, the regression models presented below excludes some of them. Obviously, since both are measures of concentration, party fragmentation and effective number of parties are correlated, and both are also strongly correlated with the president's share of seats in the lower house. We decided to keep the party fragmentation variable only. Coalition, as one would expect, is correlated to the number of parties in the coalition. In this case, we kept the number of parties in the coalition because it provides more information than the dummy for coalition. For the same reason we excluded the dummy for majority government, since we have another variable with information for the share of the coalition seats. Finally, the ideological distance among the coalition parties was excluded due to its high correlation with the number of parties in the coalition.

Table 5 Determinants of legislative success of the Executive (OLS)

President's political and institutional powers	Model 1	Model 2	Model 3
Constant	63.152***	52.393*	96.788***
Honeymoon period	.045	.067	-
Centrality of president's party	.010	.074	-
Largest party in the coalition	.041	.222***	.214***
Agenda power	-.417***	-.117	-.289***
Parcial Veto	-.223	.333	-
Characteristics of the government			
Share of seats – Lower house	-.191	-.234**	-.270***
Number of parties in the government/coalition	.389***	.057	-
Percentage of partisan ministers	-.119	.030	-
Proportionality between parties' share of ministries and seats in the lower house	.253**	.038	-
Characteristic of the party system			
Number of parliamentary parties	.043	.029	-
Party fragmentation	.020	.092	-
Countries			
Argentina	-	-.534***	-.330***
Bolivia	-	-.211***	-
Brazil	-	.113	.277***
Chile	-	-.214	-
Colombia	-	-.406*	-.292***
Costa Rica	-	-.622***	-.499***
Ecuador	-	-.756***	-.515***
Panama	-	-.241*	-
Paraguay	-	.028	-
Uruguay	-	-.332	-.238***
Venezuela	-	-.170	-
R²	.125	.568	.528
F	2.237**	9.686***	21.976***
N	184	184	184

Statistical significance: ***1%; **5%; *10%.

After the collinearity tests, we ran the Model 1 regression, the results of which are displayed on Table 5. The two institutional variables related to the powers of the president – the president's agenda and veto powers – are significant at different levels. Nevertheless, contrary to our hypothesis, their effect on presidential legislative success is negative. These results differ from the positive effect found in the most systematic comparative study to date of presidential success in Latin America (Alcântara and Montero 2008). It is worth

noting, though, that the latter differs from our research in two aspects. First, in addition to constitutional provisions, it also took into account agenda powers included in congressional internal regulations. Second, presidential success was not considered on a yearly basis as it is here, but rather on the average of presidents' terms.

On the other hand, the negative effect of agenda powers seems to confirm the argument that they reflect a more conflictive relationship between the executive and the legislative branches. In fact, however, the mere existence of these powers does not mean they are used, as attested by the cases of Chile (Siavelis 2000) and Uruguay, where they are rarely employed. Moreover, differences in constitutional provisions directly affect the amount of bills entering in the calculation of the rates of success. Taking Brazil and Argentina as examples, we see that in the latter, constitutional decrees do not require congressional approval to become permanent. They are not counted as laws but as decrees. In Brazil, on the contrary, the issuing of decrees (*medidas provisórias*) requires congressional approval, and they are enacted as ordinary laws and added to the total number of laws enacted. Therefore, in Brazil presidential rates of success comprise bills initiated as constitutional decrees, while in Argentine it does not. Future analyses must take these differences into account.

The two other significant variables in Model 1 are related to the characteristics of the government. The number of parties in the government has a positive effect, contrary to the thesis of transaction costs. It is plausible to think that the costs involved in the negotiation of many parties in the coalition could be overcome by an increase in the share of seats in the legislature. This however is not the case here, since the share of seats is not significant and the sign of this variable is negative.

It is important to observe, though, that as expected, even if at a lower level of significance, the proportionality between parties' share of ministries and seats in the lower house has a positive effect on success. This reinforces, even if not very strongly, studies on the role of cabinet's characteristics on government performance (Amorim Neto 2006).

Model 2, in the second column of the Table 5, is the result of a regression taking into account unobserved, fixed effects. As we can see when we include fixed effects for the countries, the model becomes more robust and the results change considerably. Unobservable variables negatively affect the success rates of Argentina, Bolivia, Costa Rica and Ecuador, and at a lower level Panama, with Mexico as the reference-country.

The most significant variable in this model turns out to be the presence of the largest party in the government/coalition. This result supports our hypothesis and is important because it challenges the "difficult combination" hypothesis, i.e. that multipartism and presidentialism are incompatible. The irrelevance of the number of parliamentary parties and party fragmentation in both models further reinforce this result. In other words, the degree

of fragmentation of the party system and the number of parties obtaining parliamentary seats matter little, unless the largest party is in the government (regardless of whether or not it is also the president's party). Probably this has to do with the ideological position of the parties, as we have argued before. This claim, however, still needs to be substantiated by more reliable information on party ideology.

Another change regarding the previous model is that the share of seats becomes significant, if at a lower level, but maintains the negative sign. This result seems to be contradictory to the importance of having the largest party in the government/coalition. However, it should be noted that share of seats is a continuous variable and that consequently its negative sign may indicate that minimal winning and not super-majority coalitions influence the executive's legislative success. This is a speculation worthy of further exploration.

Finally, after testing a series of models, we arrived at the model with the best fit to the data (Model 3). The results found in Model 2 regarding the presence of the largest party in the government/coalition and the coalition's share of seats do not change, except for a slight increase of the level of significance of the latter. Nevertheless, the president's agenda power is significant and negative, as in Model 1, and its values increase. Unobserved variables negatively affect the presidents' success in Argentina, Costa Rica and Ecuador, as in Model 2, but also in Uruguay and Colombia. Brazil is the only country where the unobservable effects are positive.

We have seen that the absolute number of parliamentary parties and the level of party fragmentation do not seem to play the role usually attributed to them in terms of government performance. It is highly likely that this result could be explained by the distribution of party preferences, as noted above. In other words, countries with higher levels of fragmentation are not the most polarized; therefore, the existing fragmentation is not reflected in the government's legislative success. The positive effect of the number of parties in the coalition may also be a consequence of parties' low ideological polarization level, which would diminish transaction costs and get translated, on the contrary, into support. Such support would not require the largest possible number of seats, simply a number sufficient to approve the executive's bills.

The results regarding the role of the institutional powers are inconclusive. If they do not back up our expectation of a positive effect they do not rule it out either. In sum, more work to investigate the conditions under which they may have a positive or a negative effect on governments' legislative success is still necessary. Not only do we need to increase the amount and improve the quality of the information used, we must also employ other statistical tools and analytical strategies or perhaps even adopt other research designs.

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Notes

- 1 See Calvo (2007), Alemán and Calvo (2008; 2010), Saiegh (2008). Altman (2008) and Amorim Neto (2006) focus on the duration or stability of coalitions.
- 2 We have been unable to obtain sufficient information on Peru.
- 3 Data was drawn from the following sources: Keesing's Record of World Events; Observatório Eleitoral Latinoamericano; Centro de Estudos Latinoamericanos da Universidade de Georgetown; Rulers; Latin American Weekly Report; Elections Results Archive; International IDEA; Banco de Datos - Facultad de Ciencias Sociales de la UdelAR - Universidad de La Republica; Datos de Opinión, Elites Parlamentarias Latinoamericanas, Universidad de Salamanca; the national Congresses of Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, Paraguay, Uruguay and Venezuela; Coppedge and Michael (1995), *The Dynamic Diversity of Latin American Party Systems*. Various colleagues helped us with data and feedback. We are particularly grateful to André Mejía Acosta, David Altman, Kenneth Benoit, José Antonio Cheibub, Simone Diniz, Mercedes Montero, Octavio Amorim Neto, Monica Pachón, Anibal Perez-Liñán, Sebastian Saiegh, Luciana Santana, Sergio Toro, Nina Wiesehomeier.
- 4 This percentage is higher than that found by Cheibub, Przeworski and Saiegh (2004). However, these authors only consider the first coalition formed, while here we consider every coalition change.
- 5 The matrix of the arguments is provided by Linz (1994). For an examination of the arguments and additional detailed references, see Cheibub (2007, 49).
- 6 See arguments and demonstrations for a much larger sample, which includes parliamentarist countries, in Cheibub, Przeworski and Saiegh (2004, 575-6).
- 7 This index is adapted from Altman (2008).
- 8 This is the name given to this index by Amorim Neto (2002, 53), who introduced it in the analysis of Latin American presidentialism.
- 9 Aleman and Tsbelis (2002) also raised this hypothesis, but did not test it.
- 10 The information about Uruguay was provided by Daniel Chasquetti.
- 11 In fact the president's party percentage of seats is not relevant for the president's legislative success.

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The Influence of International Factors in the Process of Democratization

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Democracy has been one of the most studied themes in the field of comparative political science. This is owed not just to questions of value but also to countries' growing adherence over time to this type of regime. Studies in this area have sought to answer two main questions: what are the conditions under which democracy emerges and what are the conditions under which democracy survives. The debates have been permeated by different interpretations and currents, most of which use only domestic variables for their explanations.

One of the main theories about the process of democratization attributes the emergence and consolidation of democratic regimes to the existence of favourable socioeconomic conditions (Lipset 1967). Modernization theory, whose precursor is the study by Lipset, takes the view that economic development brings about a gradual build-up of social changes that prepare society for democratization, so that it is more likely that democracies emerge in economically developed countries. However, empirical studies (Przeworski and Limongi 1997; Przeworski et al. 2003) have revealed that there is no relation between the level of economic development and the emergence of democracies. The emergence of democracy is a random event, *deus ex machina*, but, once established for reasons other than structural factors, it is more likely to survive in a developed country.

Since the 1990s, we have witnessed the development of a literature that has questioned the consensus according to which democracy results only from domestic factors, without any influence from international forces. By analysing four recent empirical studies — Brinks and Coppedge (2006), "Diffusion Is No Illusion: Neighbor Emulation in the Third Wave of Democracy"; Gleditsch and Ward (2006), "Diffusion and the International Context of

Democratization”; Mainwaring and Pérez-Liñan (2009), “International Factors and Regime Change in Latin America, 1945-2005” and Wejner (2005), “Diffusion, Development, and Democracy, 1800-1999” — I intend to discuss how this literature has contributed to the insertion of international factors into the theoretical debate on democratization. All of these authors espouse the idea that there exist mechanisms of diffusion or contagion through which the democratic regime gets propagated, for democracies’ grouping in time and space suggests the occurrence of diffusion or of cross-border dependencies that influence the development and persistence of political institutions. In a book on the state of the art in democratization theory, Munck (2007) states that this field of analysis has provided considerable evidence of the influence of international factors on processes of democratic transition and consolidation.

The empirical analyses of diffusion literature are conducted by means of models that take into account not just diffusion variables, such as the proportion of democratic countries in the region and the occurrence of transitions in neighbouring countries, but also control variables representing the main competitor-theories, such as Gross Domestic Product (GDP) *per capita*, GDP growth, literacy rate, colonial heritage, system of government and internal and external conflicts. As well as corroborating the thesis that socioeconomic factors are not related to the process of democratic transition, the results also reveal that international factors do influence the emergence of democracies. Hence, diffusion theory helps fill in an explanatory gap, by demonstrating that democratic transitions are not completely random and that, yes, there is a pattern to the emergence of democracies on a regional ambit.

With respect to conditions for democracy’s survival, Przeworski et al. state in *What makes democracies endure?*, published in 1996, that economic factors are not the only ones that contribute to the durability of democracy, and that international factors — the proportion of other democracies in the region and in the world — are probably more important to the regime’s survival than the country’s level of development. In the empirical study conducted later (Przeworski et al. 2003), the variable “international political climate”, constructed as the proportion of democracies in the world, revealed an impact on the stability of democracies, but not on democratic transition. Unfortunately, these authors did not add a regional political climate variable, for diffusion literature demonstrates that international processes that favour democratization operate more strongly at the regional rather than world level. The model proposed by Wejner (2005), for example, points out that structural indicators lose their forecasting power when analysed in conjunction with regional diffusion factors.¹

Gleditsch and Ward (2006) analyse the influence of the diffusion mechanism from 1951 to 1998, by means of the proportion of neighbouring democratic states within a 500 km radius, the proportion of democracies in the world and the occurrence of transitions

in neighbouring countries.² The possibility of transition from an autocratic to a democratic regime remains low, 0.015, when a small number of neighbouring countries are democratic and there are no transitions in the vicinity. When the proportion of neighbouring democratic states rises above half, the likelihood of transition increases, and sometimes even exceeds 0.10, when 75% of the neighbouring states are democratic. The percentage of observations correctly classified by the model is around 98.1%.

Upon testing the role of diffusion as a determinant of the magnitude and direction of changes in regime during the period from 1972 to 1996, Brinks and Coppedge (2006) found evidence that countries change their regime so as to approach the average level of democracy or non-democracy found among their contiguous neighbours. Furthermore, they confirmed that countries tend to follow the direction along which most the world's countries are going. Countries belonging to the US sphere of influence tended to become more democratic in the period examined, but it must be stressed that this indicator did not reach conventional significance levels.

One of the most interesting features of the study by Brinks and Coppedge (2006) is that countries' political regime is not treated in dichotomic fashion — democracies or non-democracies — as in most other studies. By using the notion of degrees of democracy based on the Freedom House classification, the model manages to capture even small alterations towards an increase in democratization. The hypothesis, confirmed by the authors, is that the greater the difference in degree of democracy between contiguous states, the greater the diffusion effect. The average impact of the neighbourhood on the degree of democracy of a certain country is substantial: when the average difference between the target state and its neighbours is of 1 point, one expects an annual change of 0.25 in the Freedom House scale, or a 1 point difference every 4 years. Contrary to what one's intuition might suggest, the neighbouring country's capacity to influence is not conditioned by its size in terms of GDP, territory or population.

Unlike the studies by Przeworski and Limongi (1997) and Przeworski et al. (2003), the analysis by Brinks and Coppedge (2006) indicated that greater wealth is associated with a move towards democratization, but the discrepancy may be related to the different treatment given to the dependent variable — dichotomic in Przeworski et al. and continuous in Brinks and Coppedge.

Diffusion theory also sheds some light on the process of democratization in Latin America. Przeworski et al. (2003) state that several Latin American countries experienced democratic periods despite unfavourable economic conditions, under which other countries tended towards dictatorships. Mainwaring and Pérez-Liñán (2009) show that the likelihood of an authoritarian regime transitioning to democracy grew from 1.5% in the 1945-1977 period to 4.9% in the 1978-2005 period, while the probability of transition to semi-democracy

rose from 2.9% to 6.1%. The risk of semi-democracies becoming authoritarian fell from 17.5% to 2.3%, and the likelihood of a democracy becoming an authoritarian regime went from 3.9% to zero. According to the structuralist thesis, democracy is stable in countries with a *per capita* income above US\$ 6,000 and vice-versa. How, then, to explain the survival of democracy in countries like Paraguay, with a *per capita* income of US\$ 2,180, or Peru (US\$ 3,990), Bolivia (US\$ 1,460) and Colombia (US\$ 4,660)?³

Mainwaring and Pérez-Liñán (2005) take the view that certain regions, such as Latin America, possess specific political dynamics and processes, with distinct patterns of causality in comparison with systemic patterns. One of the specificities of this region is related to the causal impact of the level of development on democracy: the level of development has a weak impact in this region, and the relation between development and democracy is an N-shaped curve, whereas the global pattern is curvilinear. Inferences based on world samples would lead to a false understanding of the factors responsible for democratization in this region. Regional factors possess a considerable impact on the political regimes of Latin America. For each additional point in the region's democracy level on the Polity scale, a typical Latin American country increases its level of democratization by 0.71.

In a later study, Mainwaring and Pérez-Liñán (2009) argue that the process of democratization in Latin America during the 1945-2005 period can be better explained by the regional context (proportion of democracies and occurrence of transition), the commitment of the political elite to the regime and by radicalization in the political process (in the form of violent rioting or guerrilla campaigns), rather than by theories that emphasise structural conditions like economic modernization, class and dependence on natural resources. Competitive regimes (democracies and semi-democracies)⁴ are less likely to break down when other countries in the region are democratic, in the absence of radicalism and when the elites are committed to free elections. The influence of the United States is measured by the general orientation of each US administration with respect to democracy;⁵ as in the study by Brinks and Coppedge (2006), this variable did not attain statistical significance.

According to Mainwaring and Pérez-Liñán (2009), the regional variable plays a key role in explaining the major transformation that took place from 1977: zero likelihood of breakdown of competitive regime. The regional context changed from an average of 29% of democracies in the 1945-1977 period to 62% in the 1978-2005 period, contributing both to an increase in the probability of transition and to a reduction in the risk of breakdown of competitive regimes. Against the odds, Latin American competitive regimes have survived despite weak economic and social results. The period since 1978 has shown that elected governments can last under adverse economic and social conditions if the international political climate is favourable.

In spite of somewhat enhancing one's knowledge of conditions favourable to the establishment and survival of democracies, diffusion theory is unable to forecast the probable order of the advance or the contour of the regional grouping's borders. More importantly, the theory does not explain where and why the first democracy in the region emerges. As pointed out by Gleditsch and Ward (2006), the likelihood of an autocracy becoming a democracy is very slight, under 0.015. Would the emergence at least of the first democracy not be random, a *deus ex machina*, as Przeworski and Limongi (1997) state? The article by Brinks and Coppedge (2006) is the only one to stress that international forces alone are not enough to bring about regime changes, for the country must be in some way ready to respond to them. Furthermore, the authors agree with transition literature, which underlines the need for a trigger — state breakdown (Skocpol 1973), economic crisis (Przeworski et al. 1996), rapid economic growth (Huntington, 1968), divisions within the authoritarian elite (O'Donnell and Schmitter 1986), removal or death of the head of the executive (Londregan and Poole 1996)⁶ — that breaks the inertia of the existing regime and subsequently brings about the adoption of a new structure.

Whilst diminishing the importance of socioeconomic factors to explain democratic transition and consolidation, diffusion theory at the same time reaffirms, though not very clearly, the relevance of domestic political actors, since they are the ones that absorb and process the alterations in the regional environment. If on the one hand one might consider this reaffirmation of the relevance of domestic political forces an important point in this literature, for one of the criticisms made of the structuralist thesis is the absence of actors, on the other, it is also a weak point, since the channels of transmission through which democratic principles are communicated/spread across the countries of a given region are not well specified.

For Gleditsch and Ward (2006), external actors and events can influence the relative power of relevant groups in the struggle for political institutions, as well as their perceptions and strategies. States and transnational actors can promote democratization by means of actions that strengthen domestic actors that want democratic reform and weaken the power of authoritarian regimes, but the authors' hypothesis that democratic states tend to support opposition movements and government reforms that result in regimes similar to their own does not square, for instance, with the US policy of supporting autocratic regimes during the Cold War. The difficulty involved in the transition can also result from fears regarding the functioning of democracy. Reluctant leaders may become more willing to initiate difficult reforms if other countries' experience suggests that the costs and consequences of reforms are not that substantial.

Brinks and Coppedge (2006) believe that countries seek to imitate their neighbours' regime because they are rewarded when their regimes are similar. The reward may be of

different natures: peace, mutual security, trade, investments, easy communication etc. Whatever the motive or justification for emulation, what matters is that there exist influential actors, domestic and/or international, that advocate regime convergence.

For their part, Mainwaring and Pérez-Liñán (2005; 2009), state that the dissemination of norms and ideas affects the way actors perceive their political interests and, consequently, their political behaviour and preferences. Changes to convergent regimes may also be stimulated by international actors (countries and regional organizations), by external incentives (sanctions or rewards), by diplomatic support or foreign assistance to certain coalitions.

The point is that the channels of transmission are not directly investigated, and all the hypotheses presented above are justified by the same item of evidence: an increase in the likelihood of transition or survival of democracy, in line with an increase in the proportion of democracies in the region or the occurrence of transitions.

Despite the abovementioned aspects, the literature on diffusion seems to be developing at a promising pace and overcoming earlier criticisms. In 2002, Pevehouse (2002) stated that this new literature had not yet been able to develop systematic cross-national empirical studies. Whitehead (2002) criticized diffusion literature for its excessive parsimony: not considering actors or intentions; not investigating channels of transmission; difficulty in attributing primacy to domestic or international factors responsible for the democratic process; and absence of any distinction between types of or stages in democracies. Furthermore, Whitehead considered that it was not possible to explain the influence of international factors purely through neutral transmission mechanisms that would induce contiguous countries to replicate the political institutions of their neighbours, affecting attitudes, expectations and interpretations of the public, regardless of external agents' intentions. Interpretations that excluded the role of external actors, their motivations and instruments of action would tend to produce a distorted image of the international dimensions of democratization: the policy of a third power, mainly of the great powers, would be better at explaining not just the propagation of democracy, but also its speed, direction, limits and transmission mechanisms.

The articles analysed in this review not only conducted systematic studies, but also employed sophisticated statistical models, with the adoption of a series of control variables representing competing theories. The influence of internal and external actors has been the object of theoretical attention, and the study by Mainwaring and Pérez-Liñán (2009) has put forward contributions to the empirical aspect, by measuring, albeit indirectly, the commitment of the political elite to the regime. Even the question of the distinction between types of or stages in democracies was dealt with by Brinks and Coppedge (2006), who used a continuous scale of degrees of democracy based on the Freedom House's classification. Moreover, both Mainwaring and Pérez-Liñán's (2009) and Brinks and Coppedge's (2006)

model tested the influence of the world's great powers, the United States and the Soviet Union, over the democratization process. Contrary to what Whitehead states, these variables did not display statistical significance.

There still exist important questions that have not been satisfactorily answered by diffusion theory. However, the overcoming of some of the initial criticisms demonstrates an evolution in the debate and a certain maturing of this literature. The impact that the establishment of a democratic regime in Iraq will have on its neighbours must be closely watched, and will serve as a test for diffusion theory. Beyond this, evidence that favourable external environments really do influence the process of emergence and survival of democracies ought to serve as inspiration for future theoretical developments.

Notes

- 1 The diffusion indicators used were the proportion of democracies in the region, participation in regional political and economic organizations/associations, colonial past and access to the media (newspapers, radio and television) by the population.
- 2 The control variables are the occurrence of external conflicts, GDP per capita, GDP growth per capita and the occurrence of external economic shocks (measured by means of the volatility of the terms of trade over a five-year period).
- 3 Data from the World Bank referent to 2008 – Key Development Data & Statistics, www.worldbank.org.
- 4 A country is considered democratic if it meets four requisites: the president and the legislative are elected in free and fair elections, the electoral franchise is inclusive, civil liberties are respected and the elected government is not coerced by the military. If one of them is clearly absent, the regime is considered authoritarian; if there is only a partial violation, the regime is considered semi-democratic.
- 5 Variable codified by means of extensive documentary procedures with the aim of answering eight questions, among which whether the USA practiced a policy of non-recognition of military coups that toppled competitive regimes. The US policy towards Latin American political regimes was unfavourable to democracy during the 1900-1943 period. In varying degrees, the policy was favourable in the periods 1944-1947, 1961-1963, 1977-1980 and 1985-2007.
- 6 All authors cited in Brinks and Coppedge (2006).

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Institutional Inertia and Bounded Innovation in Healthcare Policy

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(Menicucci, Gonçalves Telma Maria. 2007. *Público e Privado na Política de Assistência à Saúde no Brasil: Atores, Processos e Trajetória*. Rio de Janeiro, Editora FIOCRUZ)

Norberto Bobbio (2005)¹ taught us that the “great dichotomy” between public and private constitutes one of the most important definitions in political and social thought. It is as relevant as peace and war, democracy and autocracy, society and community, state of nature and civil state. By itself, this assertion would justify the major interest elicited by the work of Telma Maria Gonçalves Menicucci among public policy scholars and activists from the health field.²

Público e privado na política de assistência à saúde no Brasil: atores, processos e trajetória is the book version of her Ph.D. thesis, which won an honourable mention from the 2004 Brazilian Scientific Works and University Theses in Social Sciences Prize, promoted by the National Council for Scientific and Technological Development (CNPq) and the National Social Science Postgraduate and Research Association (ANPOCS). However, as noted by Boschi (2007), the prize attests but does not make explicit the grandiosity of the research material brought together in this work.³

Among the many virtues of Menicucci’s work, the excellent presentation in the first chapter of the theoretical framework of her research leads readers to an instigating reflection on the main contributions of the neo-institutionalist approach for the understanding of economic, political and social *phenomena*.

There is broad consensus in contemporary political science as to the importance of institutions. However, explaining how and how much they matter remains the great challenge for those who swim in neo-institutionalist waters. This is task that Menicucci takes on in innovative fashion.

The relational more than the formal characteristics of institutions constitute the author's main object of analysis. In this respect, her approach is situated at the frontier of modern scientific thought, whose *focus* is directed not at the elements taken in isolation but, rather, at their interaction.

The central argument in Menicucci's work is to understand public policies as institutions, i.e., as rules of a game that condition not only actors' behaviour, but also the very dynamic of the decision-making process. Going beyond the famous thesis according to which policies create politics, Menicucci demonstrates that policies create policies.

The fundamental proposition of the research is that the legacies of healthcare policies largely explain their later development. In other words, previous institutional designs condition the public policy-making process.

From the empirical point of view, Menicucci shows that healthcare is made up of two segments in Brazil. The first is the public-state segment, free of charge, egalitarian and with universal access. The second is private, where access is associated with users' privileged labour market insertion or buying power.

The State intervenes directly, by funding and providing services, and regulates the private healthcare network. In this sense, the Brazilian model reveals not only distinct forms of access, funding and provision of medical and hospital services, but also of state action in the health field.

The author's view is that ultimately the government's action expresses the absence of an effective commitment to the constitutional precepts that proclaim the universality of the health system. Equally, the inexistence of political support on the part of the more organized social groups makes clear the absence of a societal *consensus* in favour of healthcare in Brazil acquiring a fully public character.

The research question guiding the work may be put along the following lines: "How have previous healthcare policies conditioned the definition of a certain institutional format for the Brazilian health system?"

The path along which Menicucci travels to answer this question brings together a careful reread of the historical process of constitution during the 1960s of the segmented healthcare model, of the public health reform of the 1980s and of the setting up of the Single Health System (SUS) in the 1990s, in parallel with the regulation of supplementary medical care.

It is based on this historical-institutional reconstitution that the author argues that healthcare policies defined from the 1960s onwards not only conditioned the reforms

of the Brazilian health system, but also structured powerful interests in defence of the *status quo*.

The Brazilian politico-institutional context facilitated the proliferation of private healthcare segments such as group medicine, medical cooperatives, self-managed systems and insurers. As noted by the author, the State privileged the private provision of services with public responsibility and financing, instead of expanding the public network.

The absence of regulation in the sector and government support to the private segment — whether directly by means of financial subsidies or indirectly by means of tax-related mechanisms — were of fundamental importance to the institutionalization and legitimization of the dual character of the Brazilian health system.

On the other hand, the health policy remained linked to and dependent on the so-called “social security complex”, which did not favour the formation of a collective identity among workers. On the contrary: it encouraged the expansion of particularistic demands and the resistance of the more organized sectors to the proposed universalization of the system.

Whilst workers sealed themselves off in corporatist demands, for their part health sector *entrepreneurs* formed coalitions contrary to the expansion of public-state provision and to the regulation of services rendered by the private network. These were successful in promoting a limited pattern of innovation in healthcare policy.

The conflict of interests among the actors forming this institutional scenario made the health arena into a complex, competitive and contradictory space, especially with reference to organizations that sell health insurance plans and medical service providers.

Menicucci demonstrates that notwithstanding the above, at crucial moments of the reform process — as was the case of the debate at the Constituent Assembly and the subsequent discussion on the regulation of supplementary care — interests that were heterogeneous but equally dependent on previous healthcare policies, were successful in defending the current institutional layout.

Like every good scientific work, the research in question does not let itself be swept away by the determinism of causal explanations. The author recognizes that if on the one hand the arguments of trajectory dependence and of the effects of feedback are strong to explain the continuities in healthcare policy, on the other, they are not equally capable of explaining the institutional innovation of the 1980s health reform.

Hence, two factors are brought into the previously proposed analytical model. The first — exogenous in character — refers to the confluence of the movement in favour of public health reform and the country’s democratization process, which allied academic knowledge and social activism. At this point, Menicucci stresses the constitution of an epistemic community capable of influencing the policy-making process by means of the coming together of diffuse interests in favour of politico-institutional change.

The second factor — endogenous in character — refers to the health policy crisis, which forcibly led to the search for funding alternatives for the prevalent model of care. In this case, what stands out is the polarization between two proposals: i) the expansion of the public sector, advocated by the public health movement; ii) the privatization of healthcare, backed by the interests constituted in the private segment.

Another point that Menicucci does not overlook refers to the fragilities of the theses in vogue during the 1990s, particularly the recreation of the “convergence hypothesis”, according to which external factors were the main determinants of the “domestic reforms”.

In the Brazilian case, the author observes that the growth of the private sector — whether in service provision by a private unit or in the existence of private forms of financing, management and access to health services — preceded the market-oriented reform process.

As Menicucci argues, the expansion in private care was not a process that ran in parallel with and independently of public policies. The very instability in resource allocation for the state segment was an expression of the implicit government strategy of making the public network unviable and indirectly strengthening the private sector. Severe politico-institutional restrictions notwithstanding, the seed of health policy reform planted by the public health movement flowered in the late 1980s. According to the author, the proposal had among its references certain basic aims: increase in coverage, articulation of government spheres (municipal, state and federal) and people’s participation.

The public health movement also counted on support from sectors of the state bureaucracy (of the federal and state level) and the “Municipalist Health Movement, constituted by municipal health secretaries and technical officials” (p. 170). The alternative model of care proposed by the articulation of these actors implied deep transformations not only in the health field, but in the organization of the State itself.

In this sense, the creation of SUS represented an important innovation in the Brazilian health system, albeit one limited by the previous politico-institutional configuration, which ended up favouring the consolidation of the double trajectory of healthcare.

The book’s final chapters are devoted to analysing the public health reform defined by the 1988 Constitution and the regulation of the health market in the 1990s. In this section, Menicucci reveals that innovative proposals were filtered by consolidated institutions, ideas and practices, which attenuated the radicality of the reformist agenda.

The activity of the Constituent Assembly covered distinct, sometimes contradictory alternatives that ended up taking shape in the dual configuration of Brazil’s healthcare policy. The ambiguities in the constitutional text reflected an adjustment between innovative alternatives and pre-existing patterns of care.

The regulation of the article of the Constitution, for its part, was delayed by the action of groups within and without the government opposed to the implementation of SUS. The approval of the Organic Health Law occurred two years after the enactment of the Constitution and underwent several alterations that represented a regression in relation to the original bill.

The double trajectory of healthcare in Brazil became consolidated in the late 1990s with the definition of a regulatory policy for the private segment. According to Menicucci, this regulation formalized the system's hybrid character in the normative and institutional ambits. Since then, the independence of the two institutional modes of healthcare has been explicitly affirmed; likewise, the opposition between the guiding principles of each and the segmentation of their users.

In sum, the universalization of care and the constitutional recognition of the public relevance of health have not been accompanied by an effective acquisition of a public character by the service-provision network. On the contrary: public hospitals themselves — notably the hospitals of public universities — have opened their doors to private patients and health plans, thus institutionalizing internally a differentiation in user service.

Lastly, it must be noted that for over five decades the institutional inheritance of the policies analysed by Menicucci has imposed limits to the overcoming of healthcare apartheid in Brazil. In a metaphor of Elster's dilemma, the present generation of Brazilians carries on fighting to rid itself of the constraints imposed by its predecessors (Elster, 1993).⁴

Notes

- 1 Bobbio, Norberto. 2005. *Estado, governo, sociedade: por uma teoria geral da política*. 12th ed. Trans. Marco Aurélio Nogueira. Rio de Janeiro: Paz e Terra.
- 2 See also, Aciole, Giovanni G. 2008. Público e privado na política de assistência à saúde no Brasil: atores, processos e trajetória. *Ciência & Saúde Coletiva* 13 (5): 1687-88 and Nascimento, Elaine F. 2008. Público e privado na política de assistência à saúde no Brasil: atores, processos e trajetória. *Cadernos de Saúde Pública* 24 (11): 2726-27.
- 3 Boschi, Renato R. 2007. Preface to *Público e privado na política de assistência à saúde no Brasil: atores, processos e trajetória*, by Telma M. G. Menicucci, p. 11-13. Rio de Janeiro: Editora FIOCRUZ.
- 4 ELSTER, Jon. 1993. Introduction to *Constitutionalism and Democracy*, edited by Jon Elster and Rune Slagstad, p. 1-17. Cambridge: Cambridge University Press.

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