

Presidents, Parliaments, and Policy

Stephen Haggard and Mathew D. McCubbins

University of California, San Diego

July 1999

Acknowledgements

This project was sponsored by the World Bank, and we graciously acknowledge their support. We further thank Paul Drake, Gary Jacobson, Rod Kiewiet, Brian Loveman, Skip Lupia, Roger Noll, Sam Popkin, and Barry Weingast for their participation in this project. We also thank Scott Basinger, Greg Bovitz, Andrea Campbell, Chris Den Hartog, Jamie Druckman, Michael Ensley, and Jennifer Kuhn for their editorial and research assistance.

Contributors

<i>Lisa Baldez</i>	Washington University, St Louis
<i>John M. Carey</i>	Washington University, St Louis
<i>Gary W. Cox</i>	University of California, San Diego
<i>Tun-jen Cheng</i>	William and Mary University
<i>Stephan Haggard</i>	University of California, San Diego
<i>William B. Heller</i>	University of Nebraska
<i>Mark P. Jones</i>	Michigan State
<i>Gregory W. Noble</i>	University of California, Berkeley
<i>Mathew D. McCubbins</i>	University of California, San Diego
<i>Philip Keefer</i>	World Bank
<i>Mary Shirley</i>	World Bank
<i>Matthew S. Shugart</i>	University of California, San Diego

Table of Contents

	List of Tables and Figures	i
1	Introduction: Political Institutions and the Determinants of Public Policy <i>Stephan Haggard and Mathew D. McCubbins</i>	1
<i>Part I Theory</i>		
2	The Institutional Determinants of Economic Policy Outcomes <i>Gary W. Cox and Mathew D. McCubbins</i>	27
3	Institutions and Public Policy in Presidential Systems <i>Matthew S. Shugart and Stephan Haggard</i>	90
<i>Part II Budgetary Policy Cases</i>		
4	Budget Procedure and Fiscal Restraint in Post-Transition Chile <i>Lisa Baldez and John M. Carey</i>	135
5	Political Institutions and Public Policy in Argentina: An Overview of the Formation and Execution of the National Budget <i>Mark P. Jones</i>	201

6	Democracy and Deficits in Taiwan: The Politics of Fiscal Policy 1986-1996	252
---	---	-----

Tun-jen Cheng and Stephan Haggard

Part II Regulatory Policy Cases

7	Political Institutions and Economic Development: The Case of Electric	317
---	---	-----

Utility Regulation in Argentina and Chile

William B. Heller and Mathew D. McCubbins

8	Power Politics: Elections and Electricity Regulation in Taiwan	359
---	--	-----

Stephan Haggard and Gregory W. Noble

9	Privatization in Transition Economies: Politics as Usual?	398
---	---	-----

Philip Keefer and Mary Shirley

10	Conclusion: Policymaking in Presidential Systems	442
----	--	-----

Stephan Haggard, Mathew D. McCubbins and Matthew S. Shugart

	References	451
--	------------	-----

Chapter One

Introduction

Political Institutions and the Determinants of Public Policy

Stephan Haggard and Mathew D. McCubbins

Introduction

This volume is devoted to exploring the effects of political institutions on public policy. A generation of work has shown that institutions affect various political outcomes. For example, numerous scholars have shown that electoral systems shape the behavior of parties, candidates, and voters.¹ Other scholars have demonstrated that different constitutional structures, such as presidential or parliamentary systems, affect regime stability, accountability, responsiveness, and democratic durability.² Less is known about *how* and *when* institutions affect *policy* outcomes.³

For nearly three hundred years, constitution-writers and institutional designers have been cognizant that their choice of institutional structure affects political behavior. They have recognized that there is no single ideal form of democratic government, and that each choice involves tradeoffs. For example, if law making authority is unified in a single place, whether it be in the legislature or the executive, then the likelihood that a single faction with a narrow purpose will seize control of government is greatly increased. At the extreme, tyranny results. If, by contrast, law making is so thoroughly separated that numerous competing factions each must consent to changes in law and policy, then

government may be incapable of sustaining the public order.⁴ The extreme form of this condition, decision by unanimity, can lead to paralysis and chaos. Every democracy, whether parliamentary or presidential, federal or unitary, treads this space between tyranny and anarchy.

To avoid the extremes of tyranny and anarchy, institutional designers must allocate power among office holders and structure the incentives of these officeholders accordingly. To decrease the likelihood of tyranny, many democracies rely on a system of checks and balances to separate powers, so that the ability to change public policy is shared among many competing areas of government. Legislative power may be separated from executive power, and both are separated from judicial power. The focus of most research on democratic institutions has been on the creation, function, and effects of these institutional checks.⁵

According to one of America's early institutional engineers, James Madison, for a separation of powers to create effective checks and balances, each branch of government "should have a will of its own," and needs to be given "the necessary constitutional and personal means to resist encroachments."⁶ In other words, beyond the separation of powers, there must also be a separation of *purpose*--so that different parts of the government are motivated to seek different goals. Failing this, the system of checks established by the separation of powers can be effectively disabled.

In general terms, a separation of powers can be thought of as the extent to which different components of government have the ability to exert influence through the exercise of a veto on the formation of public policy (for a more precise definition, see Cox and McCubbins's chapter in this volume). A separation of powers is the defining

feature of presidential systems, but as Tsebelis (1995) points out, it can be found in parliamentary systems as well in the form of bicameral legislatures (Tsebelis and Money 1997), federal structures, or party systems that generate coalition governments (Laver and Shepsle 1996).

A separation of purpose, however, is orthogonal to a separation of powers; it can occur with or without a separation of powers. For instance, when a society has diverse interests, and its political institutions provide distinct channels for the representation of those interests, then a separation of purpose and power are both present. A unitary parliamentary regime, for example, lacks a formal separation of powers, but can also give rise to a separation of purpose in the form of a coalition government in which the goals of the different coalition members differ or through dominant parties that are internally divided, as in Japan.⁷

This discussion suggests the two-by-two typology of institutional regimes presented in Table 1-1. The diversity of country examples in the table illustrates an important point: democratic institutions differ substantially with respect to separation of purpose and power, with many different institutional arrangements lie in between the extremes of between tyranny and anarchy.

//Table 1-1 here//

The central theme of this book is that these different institutional arrangements *also have systematic effects on policy making*. Although the relative merits and consequences of presidential and parliamentary systems have received substantial attention,⁸ we argue that this distinction between macro institutions is inadequate; explaining political outcomes often requires greater focus on the details of institutional

structure. How exactly is the separation of purpose established? What rules create a separation of purpose? How well does the separation of purpose match the separation of powers? In what ways do these institutions affect policy making?

To get a handle on these questions, our case studies look primarily at the right column in Table 1-1, examining the effects of variations among presidential regimes. While much of our theory is abstract enough to be applied to any political system, our emphasis on presidential systems means that many interesting questions about a separation of purpose in unified regimes remain outside the scope of this book.⁹ At the same time, three advantages are derived from focusing on presidential systems. First, we can control for basic constitutional arrangements--i.e., presidentialism and parliamentarism--in order to better isolate the effects of other institutions, such as bicameralism and electoral rules. Second, we can discuss how variations in important dimensions *within* presidential regimes affect gridlock, stalemate, responsiveness, stability, and accountability. Moreover, by doing fewer but more in-depth case studies, we may more closely analyze policy making and political outcomes than would be possible if we were to do more, shallower case studies.

The Separation of Powers and the Separation of Purpose

“For this reason, that convention which passed the ordinance of government, laid its foundation on this basis, that the legislative, executive, and judiciary departments should be separate and distinct, so that no person should exercise the powers of more than one of them at a time”

– James Madison, *Federalist 48*.

“In order to lay a due foundation for that separate and distinct exercise of the different powers of government, which to a certain extent is admitted on all hands to be essential to the preservation of liberty, it is evident that each department should have a will of its own; and consequently should be so constituted that the members of each should have as little agency as possible in the appointment of the members of the others... Were the executive magistrate, or the judges, not independent of the legislature in this particular, their independence in every other would be merely nominal.

But the great security against a gradual concentration of the several powers in the same department, consists in giving to those who administer each department the necessary constitutional means and personal motives to resist encroachments of the others.”

– James Madison, *Federalist 51*.

There are nearly as many ways to separate power and purpose as there are democracies. The first part of this volume asks, what are the implications of each choice? To begin, we can measure the degree of separation of power in terms of the potential number of “veto players” in a political system.¹⁰ In a pure dictatorship, a single individual holds the only veto, whereas in a system of unanimous rule, every person possesses a veto. The likelihood that a single individual or faction can control all of the vetoes in a system is expected to decrease, or at least not increase, with an expansion in the number of veto players. Alternatively, expanding the number of veto players is expected to

increase, or at least not decrease, the number of different interests involved in political decision making. Therefore, this choice over the number of veto players is a crucial constitutional decision.

The number of veto players is only half of the story, however, because it ignores the effect of a separation of purpose. If power is separated, but purpose is unified, then the effective number of vetoes may be near one, as each separate institution is working toward a common goal, with jointly determined payoffs. By contrast, if each veto player's payoffs are independent from the others (e.g., their electoral fates are independent of one another), then the effective number of vetoes may be near the maximum number of vetoes.

In Chapter Two, Cox and McCubbins outline a general framework for understanding the separation of powers, of which presidentialism is an important variant, and the separation of purposes. They argue that the separations of power and purpose work together to establish two key tradeoffs with respect to policy outcomes. The first tradeoff is between a political system's *decisiveness* (i.e., its ability to make policy decisions) and its *resoluteness* (i.e., its ability to commit to established policy decisions). They contend that a polity's ability to change or to commit to policy depends heavily on what they call the *effective number of vetoes* in political decision making. Cox and McCubbins use this term to represent two salient aspects of the political process: the number of political actors that possess a veto over policy change, and the conflict of interest between those actors. In a polity in which the effective number of vetoes is large, changing policy will be difficult, but committing to policy will be relatively easier. The reverse will also be true. The fact that this tradeoff is determined jointly by the

separations of power and purpose has been largely overlooked in the modern literature. However, the tradeoff between decisiveness and resoluteness is apparent from the definitions: a more decisive polity, possessing a greater ability to make or implement policy changes in the short run at least, must necessarily be less resolute, and thus less likely to be able to maintain the new status quo. By contrast, a more resolute polity must necessarily be less able to implement or even decide on policy changes, and hence must be considered less decisive. As Cox and McCubbins argue, each extreme along these dimensions has undesirable consequences. At one end, a polity that lacks decisiveness and is prone to gridlock will prove incapable of addressing pressing policy problems when they arise. At the other extreme, a polity that is irresolute will be threatened by policy instability.¹¹

Cox and McCubbins further contend that a second tradeoff is implied by the separations of power and purpose, over the *public-* and *private-regardedness* of the policy produced. In other words, the extent to which the policies produced by a given system resemble public goods, improve allocative efficiency, and promote the general welfare versus funneling private benefits to individuals, factions, or regions, in the form of projects, subsidies, and tax loopholes depends at least in part on the country's choice of basic political institutions.¹² Cox and McCubbins argue that the greater the number of effective vetoes, the more private regarding will be the policies enacted; the reverse is also true. This outcome is a consequence of bargaining among veto players, where each veto player will be able to demand, and receive, side payments in the form of narrowly-targeted policies. Thus, when the effective number of vetoes is great, even broad public

policy will be packaged as a set of individual projects, or it will be packaged with narrowly targeted programs, tax relief, and so forth.

In Chapter Three, Shugart and Haggard extend this general theoretical exploration with their discussion of institutional variation among presidential systems.¹³ Shugart and Haggard look at the relationship between key features of the structure of presidential democracies and the tradeoff between decisiveness and resoluteness. They divide the key presidential institutions first according to whether they affect the president's *reactive* (e.g., veto) versus *proactive* (e.g., decree authority) powers, and second according to how they influence the separation of purpose between the legislative and executive departments.

Shugart and Haggard then argue that the more reactive powers a president possesses, the more resolute (i.e., less decisive) will be the policy making process; while the more proactive powers a president has, the more decisive (i.e., less resolute) will be the process. Although it is impossible to determine the sum effect of increasing both reactive and proactive powers, it is clear that the *absence* of both implies that the legislature is essentially unchecked, in which case the system will be less resolute. In addition, they observe that in presidential systems where the connection between voters and executive formation does not run through legislators, legislators themselves are likely to be less decisive (even when the presidency is proactive, and hence decisive). Legislators in presidential systems are less dependent on their party's national reputation than in parliamentary systems, in which the connection between voters and government runs through legislators.¹⁴

Comparative Case Studies of the Separations of Power and Purpose in Presidential Systems

In the second part of the book the contributors test a number of the hypotheses presented in the first part by Cox and McCubbins and Shugart and Haggard, concerning the relationship between institutional choices and policy outcomes. Specifically, the authors examine how institutional variations affect policy outputs in four countries: Argentina, Chile, Taiwan, and Poland. Argentina, Chile and Taiwan are presidential systems; Poland is a premier-presidential system in which the president holds a veto. These case studies were chosen to allow the authors to compare them to one another while controlling for one crucial constitutional factor—the institutional separation of powers. These comparisons are particularly fruitful because there exists ample variation on other institutional dimensions, including the range of presidential powers and the electoral and party systems.¹⁵ The choice of these countries also allows us to exploit temporal variations between authoritarian and newly democratic rule within each country. Thus, to some extent, the empirical studies follow Lijphart's (1971) most similar systems design enabling the authors to focus on specific institutional variations rather than resorting to broad claims about general country differences.¹⁶ The goal of these studies is to test whether the evidence refutes or supports the hypotheses presented in the theoretical section.

Despite the dominance of the case study approach in comparative politics, the utility of case studies for testing theories is by no means universally accepted. Because case studies do not generate sufficient amounts of data, they suffer from a fundamental “degrees of freedom” problem (Campbell 1975). Since such models often have more

independent variables than observations, scholars such as King et al. (1994: 44) conclude that “as currently practiced, [case studies] often do not meet the standards for valid inference.” This does not mean, however, that carefully designed and implemented case studies cannot be used to test theories. Indeed, medical researchers often study individual cases to investigate the efficacy of a new treatment. Evolutionary biologists test modern theories of evolution by examining a single, representative case. Moreover, case studies can be used, as we do in this volume, to develop and refine theory.

The problem, then, is not that case studies are antithetical to the scientific method. The problem is rather that case studies have not traditionally been used to test more general theories. In order to use a case study as a valid test, it is crucial first to state the theory’s predictions in a manner that permits evaluation. Predictions often take one of two forms: they give us *sufficient* relationships between variables, in the form of “if A then B;” or they give us *necessary* relationships between variables of the form “B only when A.” We must consider, however, that predictions from a theory may only be true within some context (i.e., only when other conditions are met). When this is the case, we must be careful to state and measure these conditional variables. Steps must also be taken to guarantee that the case being studied is a close analogy to the theory being evaluated. Thus, a case study serves as a critical test of a theory only when we have reliable measures for important variables, when specified contextual conditions are met, and when the case is a close analogy to our theory.

Our Variables

In using case studies as critical tests, we must be careful when we define and operationalize the variables of interest. This includes the independent institutional variables as well as the dependent policy variables. Indeed, to perform effective comparisons of institutional effects, we must move from the abstract institutional categories in the theoretical chapters to specific institutional arrangements. To do this, it is necessary to disaggregate both broad institutional characteristics and the key policy issues we believe institutional analysis can explain.

Dependent Variables

The case studies address three major policy issues: budgeting, privatization, and electricity regulation. Fiscal policy is clearly central to the conduct of national economic policy and has played a central role in recent efforts to achieve macroeconomic stability in developing countries. Privatization of state-owned enterprises is an important means for promoting economic growth and efficiency. Electricity regulation was chosen because it exemplifies the difficult nature of adopting market-oriented policies. It is increasingly recognized that privatization and marketization promise efficiency gains and higher growth, but only if accompanied by a credible and stable regulatory environment, both of which have their roots in the constitutional and political order.

In this volume, we address several questions about reform in each of these three policy areas. First, we ask why some governments implement reforms quickly and decisively, while other governments are marked by delay and indecision. Second, we ask why policy making is sometimes characterized by responsiveness to the median voter and to overall social welfare, while at other times it is characterized by responsiveness to

narrow interests?¹⁷ Finally, we ask what explains variation in the stability of policy once it is enacted (i.e., the resoluteness of policy)? Furthermore, once a government passes legislation, do agents and markets believe that it will persist, or do institutions send signals that policy is easily reversible?

As we will see, there are interesting tradeoffs among these dimensions of policy. Systems that are decisive need to develop other mechanisms for signaling that policy is stable, since the ability to change policy easily also implies that policy can be reversed. Conversely, systems where the policy status quo is hard to change are resolute, but they may prove dangerously indecisive, especially in the face of shocks or crises.

Independent variables

In the empirical chapters, we divide the key institutional variables into four categories, each of which has some effect on both the separation of powers and the separation of purpose. Under each category heading below, we list the important questions that must be asked about each institutional arrangement in order to understand its incentive effects in the presidential systems we examine:

1) *The powers of the president.*

- i) What specific powers does the president have over policy making? Does the president possess reactive powers, such as the authority to veto or delay legislation? Does the president possess a package or line-item veto?
- ii) What specific proactive powers does the president possess? In what areas does the president have the authority to take unilateral action – action that does not require legislative approval and is not subject to legislative control? Can the president issue decrees? Does the president require prior legislative direction, leave, or permission to

do so? What is the president's authority over setting the budget? Does the president's budget become the reversionary outcome in the case of legislative impasse?

iii) With respect to a separation of purpose *within* the executive, how much decision making is delegated to cabinet ministers? Are there independent agencies or consultative bodies other than the cabinet on which the president depends?

2) *Legislative Institutions.*

i) Is the legislature unicameral or bicameral? If the legislature is bicameral, are the chambers coequal? Does one or do both chambers possess vetoes over policy proposals? What share of legislators are required to exercise this veto? Does one or do both have agenda power?

ii) With respect to a separation of purpose within the legislature, if the legislature is bicameral, do the chambers have congruent or non-congruent constituencies?

3) *Federalism.*

i) Does the national government determine the leadership of lower units of government, or is this leadership locally selected?

ii) Do lower units of government have taxing and spending authority independent of the national government, or do they require explicit permission? Are state or local authorities able to check or resist policy initiatives from the national government?

If so, by what means and to what extent can they resist?

4) *Electoral Rules and the Separation of Purpose.*

i) How are legislators elected and reelected? Is the legislative electoral system organized around proportional representation or plurality rule? Is there intra-party

preference voting? How many representatives are elected per district? How many electoral districts exist? How are they defined?

ii) Where does the authority and responsibility for nominations lie? May legislators seek reelection? Do electoral rules govern political parties? How easy is it for a candidate to be included on the ballot?

iii) How often do elections occur? Do they occur simultaneously for the separate branches?

iv) Are the president's terms of office fixed? Can the president be re-nominated and/or re-elected?

For some of these questions, the linkages with policy have been well developed in the literature and are surveyed in the chapters that follow. In these instances, our contribution is to place the accepted hypotheses within a unifying framework. This will allow us to address questions regarding when these institutional features are important and in what ways they are important. In some instances, we find, however, that the policy consequences of many institutions, and their interactions, have not been adequately theorized. We identify various institutional arrangements that occur frequently in developing countries and rarely in developed countries—such as combining fragmented party systems with presidents who possess strong reactive and proactive powers—and indicate some of their systematic effects on policy.

One important finding is that divided government need not lead to stalemate, gridlock, and indecisiveness. Rather, only when cross-institutional or cross-party coalition formation is difficult or costly will indecisiveness be the result of separated powers. When conditions favor coalition formation, even divided governments can act decisively.

The consequence of the separation of powers and of divided government is then only to increase the distributive content of the policy produced. This will be shown to be the case for Argentina and Poland, and for the political system currently emerging in Taiwan.

The ability of separated institutions and the parties that control them to forge coalitions is, in part, a consequence of the institutions that affect the separation of purpose. The broader and more centrist the parties produced by the electoral system, the easier it will be for these parties to forge coalitions with other broad and centrist parties.

Unified government, by contrast, can be decisive but need not be. A unified government will act decisively only when its members prefer a policy change to the reversionary outcome. A new unified government may be more likely to attempt to change policy upon assuming office, but thereafter will be content to retain the reversionary policy that it created. As long as this party retains a veto over policy change, policy will be resolute.

The Country Cases

The first three case studies evaluate the effects of the separation of powers and purpose on budgetary policy making. In Chapter Four, Baldez and Carey argue that many of the procedures defined in the Chilean Constitution of 1980 limit the discretion of elected officials and, to date, have marginalized the role of Congress. Consequently, legislative procedures serve to minimize the effective separation of powers regarding spending policy. One important example is the definition of reversionary spending levels, which are implemented when the Congress and president fail to pass a new budget. In this system, the president has tremendous proactive power, as his original proposal becomes

law if the Congress and president fail to agree. This proactive presidential power clearly advantages the president in budgetary negotiations. In addition, the rules establishing the composition of the Senate (e.g., the block of *designados*, or appointed senators) have allowed Pinochet's party to retain a veto over policy changes proposed by the president and the lower house. The end product is budgetary resoluteness, with little in the way of policy innovation or change.

Baldez and Carey hypothesize that Chilean budget deficits should be small relative to other countries with alternative budgetary procedures, even after the transition to democracy. This is because it will be difficult to forge cross-institutional coalitions to create new spending programs. They also hypothesize that the share of the budget devoted to the military should decline with the transition to civilian rule, despite the fact that senators appointed by the outgoing military regime still hold a military party's veto in the Senate. Since the military no longer sets the agenda, it can only protect the reversionary level of spending with its veto. They test these hypotheses with data from 1985-1996, find strong support for their hypotheses, and conclude that rules of procedure appear to have substantial effects on policy making. They argue that the institutional legacy of Chile's authoritarian past will continue to generate fiscal restraint in the short run, but there are already signs that this tendency may not persist if the appointees of the military lose their veto in the Senate.

In Chapter Five, Jones analyzes the budget process in Argentina. He argues that the separation of powers under the Constitution, combined with the separation of purpose existing in Argentine society and enhanced by its electoral system, fostered chaos, conflict, and indecisiveness under divided government. Only under conditions of unified

government was budgetary policy resolute. Jones identifies three critical institutions that contributed to this outcome: the president's procedural power; the separation of power among the two legislative chambers and the president; and the electoral laws that lead to strong party loyalty and, in this case, to separation of purpose.

The current budget making procedure allows the president to amend the budget proposal unilaterally before it proceeds to the legislature as well as to veto certain legislative actions. In addition, the reversionary outcome in this system is defined as the previous year's budget. Jones finds that the consequences of divided government depend upon the ability of the president to forge coalitions with the majority parties or coalition members in the legislature. When coalition bargaining is difficult, budgets will be stable and incremental, as the reversionary outcome will be maintained. By contrast, when the president is forced into cross-party deals with Congress, the result is "explosive" budget policy with larger deficits and a great amount of particularistic policy—i.e., "pork." Under unified government, Jones expects to observe more stability and thus less variance in spending levels and deficits.

Jones tests these hypotheses using data from between 1983 and 1989, when President Alfonsín lacked a working majority in one or both houses of the legislature, and data from the period following 1991, when President Menem's party controlled both legislative chambers. Jones finds that the empirical tests strongly support his hypotheses, providing evidence for the assertions about the importance of the coincident separation of power and purpose. He suggests that in the event that divided government reappears, then the instability, gridlock, and fiscal crises of the 1980s may return as well.

Cheng and Haggard, in Chapter Six, argue that the introduction of electoral competition in the 1992 Taiwanese election also introduced a separation of purpose into a system of separated powers. This in turn forced the executive to accommodate the electoral interests of locally-elected legislators in the Kuomintang (KMT) party. Given these developments, they expect the composition of spending to shift in favor of particularistic projects and away from national projects, such as military spending. The evidence largely confirms their expectations. Changes in fiscal policy have also been accompanied by a clear reassertion of legislative prerogatives in the budget *process* and by institutional reorganizations within the legislature, both of which have been responses to emerging collective action problems within the KMT. As electoral reforms increase competition, the separation of purpose within the Taiwanese government will increase. Consequently the existing separation of powers may lead to scenarios familiar in other presidential systems, including budget deficits and increased distributive content of policy.

Chapters Seven and Eight assess the effects of regulatory procedure on policy outcomes. Heller and McCubbins perform a comparative analysis of electricity regulation in Argentina and Chile, focusing on how national political institutions affect resoluteness in regulatory policy. They argue that the risk of investment depends on judgments about the resoluteness of regulatory processes and policy as well as on regime stability. In Argentina, where privatization developed erratically, regime instability has been an urgent concern. However, recent constitutional reforms have provided a somewhat firmer foundation for regime stability. The electrical power industries in Argentina have held most of the agenda power with respect to tariffs and prices, such that procedural power

operates as a partial substitute for regime stability and offers a degree of resoluteness. By contrast, in Chile privatization developed steadily and without much threat of regime instability. The regulatory procedure established a profitable reversion for investors and a predictable process in which the regulators could control the agenda.

Haggard and Noble examine the evolution of electricity regulation in Taiwan. They show that Taiwan avoided the problems of extreme expropriation risk and distorted pricing due to America's influence through its aid mission (an effective veto). Little changed until the KMT began to liberalize the political system in recent years. Legislators began to face new electoral incentives, which placed them at odds with other branches of the Taiwanese government. The party has attempted to respond by reconfiguring its political support base and has begun to engage in distributive policy making, specifically by responding to so-called "NIMBY" social movements against the expansion of nuclear power. Thus, while the transition to democracy has potentially improved efficiency by reducing the influence of cronies in regulatory policy making and by empowering the private sector, the candidate-centered single non-transferable vote (SNTV) electoral system and the distributive tendencies it engenders operate as a countervailing force against improved efficiency. Further, coalition formation is becoming increasingly expensive as emerging electoral competition has forged a separation of purpose among KMT legislators. This too should cause Taiwanese policy to become increasingly distributive. The long run response to the recent changes remains to be seen, but decisions concerning pricing, allocation, and particularly privatization, are already yielding to distributive pressures within the KMT.

In Chapter Nine, Keefer and Shirley study the reform of state-owned enterprises (SOEs) in Poland, a premier-presidential system. Their analysis illustrates the potential for separation of purpose to occur even when the president and the major government coalition partner share the same goal—in this case, privatization. SOE reform in Poland was handicapped by a decentralized system of control over the state-owned enterprises that were to be privatized, such that the enterprises themselves held vetoes over policy proposals. Their analysis compares the reform process in Poland to the reform process in neighboring Czechoslovakia—a parliamentary system similar to Poland in many non-institutional respects, but which followed a markedly different route to privatization. Because both nations achieved independence from Soviet control at approximately the same time, and because both countries sought to privatize their SOEs, the cases of Poland and the Czech Republic present a natural experiment in the effects of institutional variations. The goal of Keefer and Shirley's chapter is to explain how two nations in apparently similar situations could take such different avenues to liberalization and still end up with relatively similar results. The answer they suggest is that a unity of purpose that favored privatization existed in Czechoslovakia, but was absent in Poland.¹⁸ Thus, while the Czechs pursued privatization with zeal, Poland was mired in indecisiveness. Interestingly, Poland's indecisiveness was resolved through a logroll that parceled out private goods at a public cost, in this case taking the form of subsidies to agriculture, an enterprise that had suffered under the existing policy. In Poland, then, decentralization and coalition politics, and not the separation of power or purpose between the president and legislature, appear to have been the key factors in the policy making process. Thus the chapter by Keefer and Shirley expands the focus beyond the usual suspects, and also

demonstrates how to incorporate information about the reversionary policy profitably, in order to discover how additional factors affect policy outcomes.

Conclusion

For too long, debate has focused on the question of whether institutions matter. In order to progress beyond this question, it is necessary to shift our focus from sweeping, general questions about institutions (such as presidentialism vs. parliamentarism), and to develop more fine-grained comparisons. It is important to delineate expectations more carefully and modestly. The chapters in this volume follow this strategy, by emphasizing the influence of various institutional arrangements that fall under the heading of “presidentialism.”

In addition, a great deal of the literature on institutions focuses on dependent variables such as representativeness, efficiency, and governmental stability. All of these are important variables; ultimately, however, we are interested in them because of what they imply about the behavior of governments. One of the significant contributions of the works contained herein is their focus on institutions’ impact on tangible government behavior--i.e., policy outputs.

This volume suggests as many new and interesting research questions as it answers. Indeed, we believe a focus on the interactions between separation of power, separation of purpose, and institutional detail, is a remarkably flexible and versatile analytic tool. It is general enough to apply across regime types, geographic regions, and substantive questions. Consequently, we hope this book stimulates the further development of this style of analysis.

Table 1-1

Combinations of Separation of Purpose and Power

	<u>Power</u>		
	<u>Unified</u>		<u>Separated</u>
<u>Unified</u>	United Kingdom		Mexico Taiwan
<u>Purpose</u>		Japan Czech Republic	Unites States Argentina Poland Chile
<u>Separated</u>			

Endnotes

¹ See Duverger 1954; Sartori 1968; Rae 1971; Riker 1982; Grofman and Lijphart 1986; Cain et al. 1987; Taagepera and Shugart 1989; Lijphart 1994; Sartori 1994; Ordeshook and Shvetsova 1994; McCubbins and Rosenbluth 1995; Cox 1997; Cox and Amorim-Neto 1997; and Cox and Shugart 1996.

² See Lijphart 1992; Shugart and Carey 1992; Linz 1994; Linz and Valenzuela 1994; and Shugart and Mainwaring 1997.

³ There is some evidence that political institutions affect policy choice; see, for example, Cowhey and McCubbins 1995; Haggard and Kaufman 1995; Huber 1992; Kiewiet and McCubbins 1991; Laver and Shepsle 1996; Laver and Schofield 1990; Levy and Spiller 1996; Lupia and McCubbins 1998; North 1990; Root 1994; Shepsle 1979; Shugart and Carey 1992; Strom et al. 1994; Tsebelis 1995; and Tsebelis and Money 1997. It has been argued, for example, that single member district and single nontransferable vote electoral systems create incentives that lead legislators to demand particularistic policies – policies that provide private benefits to a district or constituency (Cain, Ferejohn and Fiorina 1987; Fiorina and Noll 1979; Weingast, Shepsle, and Johnsen 1981). It has also been argued that bicameralism leads to greater budget deficits; and that separation of powers may produce gridlock and stalemate (Alesina and Tabellini 1990; Alt and Lowry 1994; McCubbins 1991; McCubbins and Rosenbluth 1995; Tsebelis 1995; Heller 1997; Tsebelis and Money 1997). While this evidence is often compelling, there are as many institutional hypotheses as there are observations. Further, there are numerous

counterexamples where institutions seem not to affect policy (Johnson 1982; Putnam 1993).

⁴ By tyranny we mean, “The accumulation of all power, legislative executive, and judiciary, in the same hands, whether of one, a few, or many, and whether hereditary, self appointed, or elective...” (Madison, *Federalist* 47). By faction we mean, “... a number of citizens, whether amounting to a majority or a minority of the whole, who are united and actuated by some common impulse of passion, or of interest, adverse to the rights of other citizens, or to the permanent and aggregate interests of the community” (Madison, *Federalist* 10).

⁵ Ibid., footnote 3. The recent, theoretical work that has most focused on the separation of powers is Tsebelis (1995). His focus is on how the number of veto gates in a political system, and the conflict of interest among the persons occupying those veto gates, affect the legislative productivity. He shows in a cooperative game theoretic framework that an increase in either the number of veto gates or the diversity of veto players will reduce the likelihood of new laws passing. Thus his analysis emphasizes predominantly the checks in a system. Tsebelis’s work on bicameralism, and especially on the navette system (see Tsebelis and Money 1997), looks at the balances between branches to a much greater extent, and therefore complements his work on vetoes and law production.

⁶ Madison, *Federalist* 51.

⁷ For a discussion of the effects of coalition government on policy, see Huber (1998). In addition to coalition governments, minority governments can also be construed as

examples of separation of purpose, to the extent that they must appease opposition parties in order to prevent the government from falling. See Strom (1990).

⁸ See, for example, Lijphart 1992; Shugart and Carey 1992; and Linz 1994.

⁹ See Laver and Shepsle (1996) for more on unified regimes.

¹⁰ A veto player is a person, group, or faction who, through their control of an office, post, or branch of government, can reject any proposed changes to existing policy.

¹¹ See, e.g., North 1981, 1990; World Bank 1995; and Levy and Spiller 1996.

¹² While usually regarded as corruption or inefficient side-payments by economists, Cox and McCubbins argue that the use of public policy for private gain, known in the literature as distributive policy, or colloquially as “pork,” need not have negative consequences for a polity. Since an increase in transactions costs goes hand-in-hand with an increase in the effective number of veto players, it may in fact be the case that pork is the most efficient political currency with which to pay these transactions costs. Pork may then be the currency with which the “market” for policy change is completed.

Furthermore, what may appear to be pork to some may be a collective good for some other faction that is simply indivisible. For example, if a port or a canal is needed to improve allocative efficiency, then the fact that it is built in one legislative district or province and not another does not imply that there is no social welfare gain; it only implies that some members of society gain disproportionately. But despite the inequality, the net improvement can be expected to be positive.

¹³ Despite widespread academic enthusiasm for parliamentarism, many newly developing countries have opted for presidential rule. See, e.g., Shugart and Carey 1992; and Mainwaring and Shugart 1997.

¹⁴ This feature applies only to pure presidential systems, and not to either parliamentary or premier-presidential systems, in which the connection between voters and government formation indeed does run through legislators.

¹⁵ In Poland, the president has significant reactive (veto) power, but minimal proactive powers; in contrast, the presidents of Argentina, Chile, and Taiwan have strong reactive and proactive powers.

¹⁶ See Przeworski and Teune 1970.

¹⁷ Examples of these interests are geographic constituencies, interest groups, and influential political supporters.

¹⁸ Note that, in Table 1-1, the Czech Republic is listed as a “separation of purpose” country, because it is governed by coalition governments. The claim made here, and in Chapter Nine, is that the Czech government enjoyed unity of purpose *with respect to the issue of privatization*. This distinction underscores the possibility that the degree to which purpose is unified may vary across issues, or over time.

Chapter Two

The Institutional Determinants of Economic Policy Outcomes

Gary W. Cox and Mathew D. McCubbins

1. INTRODUCTION

Why do some democracies choose economic policies that promote economic growth, while others seem incapable of prospering? Why are some polities able to provide the public goods that are necessary for economic growth, while others turn the machinery of government toward providing private goods? Why are some countries able to make long term credible policy commitments, while others cannot?¹

In what follows, we present a theory that argues that the diversity of economic policies is rooted in the diversity of democratic institutions in each country. Each polity, according to the divisions and necessities of its society chooses a set of democratic institutions to resolve its basic political problems. These institutions define a sequence of principal-agent relationships (Madison, Dahl 1967), commonly numbering at least three. First, the sovereign people delegate decision-making power (usually via a written constitution) to a national legislature and executive. The primary tools that the people retain in order to ensure appropriate behavior on the part of their representatives are two: the power to replace them at election time; and the power to set the constitutional rules of the political game.

A second delegation of power occurs when the details of the internal organization of the legislature and executive are settled. This process entails the creation of

ministerial positions, of committees, and of agenda control mechanisms. Here too constitutional regulations of the relationship between the legislature and the executive (is the legislature dissoluble? can cabinet ministers sit in the legislature?) come into play.

Third, the legislature and the executive delegate to various bureaus and agencies to execute the laws. In this delegation, administrative procedures and law set the terms of the delegation (Kiewiet and McCubbins 1991; McCubbins et al. 1987, 1989).²

To regulate these delegations, institutional arrangements are often employed to assure that delegation does not become abdication.³ One key device is to separate power among a number of agents, and to separate the purposes of those agents, such that no single authority can control the outcome of delegation at any single stage. That is, by setting up ambition to counter ambition, the principals attempt to prevent their agents from taking advantage of their delegated authority. However, such arrangements are imperfect, as they entail certain tradeoffs. Our paper studies these tradeoffs and the consequences, direct and indirect, of institutionally separating power and purpose. The structure of these constitutional principal-agent relationships affects the form of public policy.⁴

The separations of power and purpose together establish two key tradeoffs with respect to democratic outcomes. The first is between a political system's *decisiveness* and its *resoluteness*. The tradeoff that any country makes on this dimension -- between having the ability to change policy and having the ability to commit to policy -- depends heavily on the effective number of vetoes in the political system. Polities that choose to locate at either extreme will be ungovernable. At one end, a polity that lacks decisiveness will encounter gridlock and stalemate. At the other end, a polity that lacks resoluteness will

be threatened by a lack of stability.⁵ The second tradeoff implied by the separations of power and purpose in a political system is between the *private-* and *public-regardedness* of policy produced.

The structure of this essay is as follows. We begin by discussing in greater detail the two tradeoffs implied by the choice of institutions. We then perform a step-by-step analysis of the sequence of delegations of power from the citizenry to elected officials, looking first at the electoral and constitutional rules of the state and asking which rules seem to promote or hinder two *bêtes noires* of classical democratic theory: state “ungovernability” and the excessive influence of special interest groups. We next turn to the other delegations noted above, first that involving the internal organization of legislatures and executives, then that from legislatures to the bureaucracy. In the final section we derive implications for the case studies contained in part II of the volume.

2. DEMOCRATIC TRADEOFFS

In exploring the consequences of separating power, it is essential to note that there are two distinct elements in any functioning separation-of-powers system. First, there is the legal separation of power itself—provisions that both houses of a bicameral legislature must approve legislation, for example.⁶ Second, there are rules intended to ensure that a single interest does not gain control all the relevant offices or institutions, which would remove the effectiveness of the legal checks. That is, there must also be a separation of purpose.

It may be difficult to define the minimum separation of purpose—between, say, president and assembly—sufficient to ensure that the separation of power in fact provides some insurance against tyranny. But the extreme cases are clear enough. On the one

hand, we have Mexico before the late 1990s, Taiwan before the late 1980s, or the U.S.S.R. as cases in which the unity of purpose provided by a single party was sufficiently great so as to defuse the political importance of parchment divisions of power. On the other hand, we have episodes of “divided government” in the U.S. or “cohabitation” in France as cases in which those controlling different institutions clearly had different political preferences, in other words when the separation of power coincides with a separation of purpose.

Usually the term “divided government” refers just to presidential systems in which no single party controls both the assembly and the presidency. But here we extend the definition: *Government is divided when no single political party controls all separate powers*; otherwise, we shall say that *unified government* exists.⁷ Divided government thus arises not just when the assembly and the presidency are in different partisan hands, but also when the two houses of a bicameral legislature are, or when the presidency and the courts are, and so forth.⁸

Counting the Number of Veto Actors

Although we use the term “divided government” to indicate a simple yes/no dichotomy, a finer-grained distinction can be made by counting the number of separate veto actors. Following Tsebelis (1995), we define a *veto actor* on a given issue dimension as the person, political party, or faction of a political party, that exercises a veto on that issue by itself.

The motivation behind this definition can be described as follows. First, a veto actor must be an actor, not just any collection of office-holders. If a single individual, such as a president, holds a veto over policy change, then that individual is a veto actor.

But to exercise a veto held by a collectivity, such as an assembly or legislative committee, will require collective action. The opportunity and transactions costs of collective action may be considerable, and are rarely overcome without a suitable organizational structure serving to mitigate these expenses (Cox and McCubbins 1993; North 1990; Olson 1965; Williamson 1975).

Operationally, then, while we take all individuals to be actors, groups of individuals are actors only if they have some organizational basis—*de minimis*, recognized membership and leadership—that will facilitate their collective action. Thus, we do not count as veto actors all majority coalitions in a majority-rule legislature, because not all these coalitions have an organizational basis. Nor do we count as veto actors all majority coalitions within a committee that possesses agenda power, because not all those coalitions have an organizational basis.

Our second criterion is that a veto actor must have a veto. Operationally, we look for subunits of the polity—legislative chambers, legislative committees, presidents—to which agenda power has been explicitly delegated. (If a party or faction controls this subunit, we say it has a veto.)

As the purpose of this definition is to make it possible to count the number of veto players in a system unambiguously, let us provide a few examples. In a unicameral parliamentary system such as New Zealand, were a faction-free party to secure a majority of seats in parliament, and were all policy made in cabinet, there would be just one veto player: the majority party. Were a three-party minimal winning coalition to form in such a system, how many veto players would there be? On an issue on which all three parties had very similar views, we might say there was still one veto player. On an issue in

which each party had a distinct view, we would say there were three veto players: any one of the three parties can “veto” a bill, and any party's veto carries weight because they can threaten to bring down the government if overridden. This is not as clear a veto as that exercised by a majority party because it simply refers to a party that has the power to impose a considerable cost (bringing down the government), if its “veto” is not respected, rather than to one that has the votes by itself to defeat a measure. One can object that the party seeking to veto a bill will also be out of government, so that its veto threat lacks credibility. In principle, the best course would be to count as a veto actor only those parties with credible veto threats; in practice, this may be very difficult and a workable second-best solution is to count all pivotal parties in a coalition as possessing a veto.

Consider now a bicameral, presidential system like the U.S., with strong legislative committees. If the Democrats control the Presidency and the House, while the Republicans control the Senate, the number of veto players on defense matters might be four: the Democratic President and House majority; the Republican Senate majority; the Senate Republicans on the Senate Armed Services Committee; the House Democrats on the House Armed Services Committee. How can the Republican contingent on the Senate Armed Services Committee be counted as a faction? To qualify as a faction, they must both have distinctive preferences on defense issues and have an organizational basis for collective action. They do have an organizational basis for collective action: the committee caucus, with the chair of the committee as leader. Whether they do have distinctive preferences is an empirical matter that could be addressed in a similar fashion as Cox and McCubbins (1993).

In what follows, we shall consider the "typical" number of veto actors across all political issues, rather than take an issue-by-issue perspective. In taking this aggregate view, the issue of how to count subunit vetoes becomes more problematic—one would not wish to examine the preferences of all subunits—and so some shorthand rules must be adopted, such as counting as a veto actor any subset of a party that controls a veto, ignoring the issue of whether their preferences are distinctive, or if their preferences are not completely distinct from the remainder of the party, we may opt to count none of them.

In addition to referring to the number of veto actors, we shall also refer to the “effective number of vetoes” to emphasize that the veto points are held by actors with distinct preferences. At a constitutional level, the effective number of vetoes is thus determined by the interaction of two factors: (1) the institutional separation of powers; and (2) the separation of purpose, which depends *both* on the electoral code used to “filter” societal interests into seats in the national assembly (and other offices) *and* on the diversity of preference in society.

What are the policy consequences of increasing or decreasing the number of veto players? In the rest of this section, we consider how the effective number of vetoes affects two central democratic tradeoffs: those between decisiveness and resoluteness, and between public- and private-regarding policy.

Decisiveness v. Resoluteness

Decisiveness is the ability of a state to enact and implement policy change. Resoluteness is the ability of a state to commit to maintaining a given policy. How a state

resolves this tradeoff is greatly influenced by the effective number of vetoes that the system typically generates.

As the effective number of vetoes increases, there is an increase in the transactions costs that must be overcome in order to change policy. As more actors must be taken into account in a policy logroll, it will become increasingly difficult to structure negotiations. As more interests are provided with vetoes, it becomes increasingly difficult to ensure that every party to the negotiations receives sufficient value to accept the deal. Hence changing policy becomes increasingly costly as the number of parties to a negotiation, or as the diversity of their preferences, increases. Costs hinder policy change, thus: *As the effective number of vetoes increases, the polity becomes more resolute, and less decisive.* The reverse is also true.⁹

We may see indecisiveness manifest itself as stalemate or gridlock, with few policy changes and more time-consuming negotiations required to pass legislation. We may see irresoluteness manifest itself as rapid or frequent policy change.

Our argument is similar to that of Buchanan and Tullock (1962), who, in their study of collective action, emphasized the costs that might arise from making a decision. In particular, they recognized the transactions costs that are incurred in negotiating an agreement, which they labeled *internal costs*. As the share of voters whose agreement is required rises, so do the internal costs of reaching a decision. So at one extreme, unanimous rules entail enormous internal costs, while at the other extreme, dictatorships create few internal costs.¹⁰

We can place various voting rules on a continuum, depending on the effective number of vetoes established by the decision rule, and map directly to the internal costs.

For instance, a supermajority rule, requiring either sixty percent or two-thirds of an electorate, would impose greater internal costs than would a simple majority rule. We can thus restate our result: When internal costs are greater, the polity becomes more resolute and less decisive. The reverse is also true.

Public-regardedness versus Private-regardedness of Policy

The second tradeoff implied by the separations of power and purpose in a political system is between the *public-* and *private-regardedness* of policy produced. In other words, how much of the policy making is distributive in intent, and how much aims to provide public goods, improve allocative efficiency, and to promote the general welfare? The greater the number of effective vetoes, the more private regarding will be the policies enacted. This too is a consequence of bargaining among veto players, where each veto player will be able to demand, and receive, side payments in the form of narrowly-targeted policies. Thus, when the effective number of vetoes is great, even broad public policy will be packaged as a set of individual projects, or it will be packaged with narrowly targeted programs, tax relief, and so forth.

3. State Indecisiveness and Irresoluteness

A major theme of this essay is that state “ungovernability”—whether the inability to decide (indecisiveness), the inability to stick to a decision once made (irresoluteness), or the pursuit of inconsistent policies by different “sub-governments” (balkanization)—is typically a joint product of constitutional separations of power and electorally-driven separations of purpose. In this section, we consider the first two sources of ungovernability—indecisiveness and irresoluteness—in greater detail.

3.1 The Problem of Indecisiveness

Several branches of comparative research argue that dividing or separating power—creating veto points in the structure of the state—can lead to state indecisiveness. When divided government occurs, as it has frequently in the U.S. and Latin America of late, a broad syndrome of ill effects is said to arise. These problems include “institutional warfare” of varying intensity, unilateralism (where the executive and the legislature attempt to circumvent each other in implementing policy), various forms of gridlock, greater fiscal pork and rents, and a tendency toward larger budget deficits.

An example of institutional warfare is the sequence of moves and countermoves concerning impoundments taken by President Nixon and the (Democratically-controlled) Congress during the early 1970s. Nixon, in an effort to stall or derail portions of the Great Society programs enacted under his predecessor in office, Lyndon Baines Johnson, began to impound funds for certain programs that had been duly authorized and appropriated. In so doing, he was greatly expanding an executive power of impoundment that previously had been used in a non-controversial fashion. Had he not been challenged, the consequence would have been a substantial shift in power to the executive, something along the lines of a suspensory line item veto. In fact he was challenged. Congress passed the Budget and Impoundment Control Act of 1974. Among other things, this act spelled out the limits on the executive’s power of impoundment, reasserting congressional primacy in budgetary matters (Kiewiet and McCubbins 1991; Schick 1980).

Unilateralism can be illustrated by the pursuit of separate foreign policies regarding Nicaragua by the Reagan Administration and the Wright Speakership. The

Administration, knowing that it could not secure the assent of Congress for its hard-line policy, pursued this policy anyway via covert action (the financial aspects of which came to light in the Irangate scandal). The Speakership, knowing that it could not secure the assent of the Administration for its conciliatory policy, pursued this policy anyway via shuttle diplomacy centering on the office of the Speaker. Such episodes have been rare in U.S. politics but unilateralism by Latin American Presidents is a more frequent occurrence. Collor, in Brazil, to take a recent example, attempted to rule by decree, entirely ignoring the statutory process and the legislature. Menem, in Argentina, has done this with greater success, as he was not impeached when he did so.

Gridlock is perhaps the most frequently diagnosed problem of divided government in presidential systems (cf. Linz 1990; Shugart and Carey 1992, p. 33; Mainwaring and Shugart 1997; Cox and Kernell 1991). If neither side can pursue policy unilaterally, and neither will acquiesce in the policies of the other, then the result is stalemate. In some ways this is a natural consequence of the bargaining situation in which the parties find themselves. If two separate parties or coalitions each control one branch of government, and each has a veto, then they must come to some agreement for any new policy to be enacted via the ordinary constitutional process. But delay is one of the primary bargaining techniques in such situations: by refusing to agree a party shows willingness to incur the costs of delay (which, in the case of budgetary politics, may include closure of portions of the government). Thus public wrangling and interminable delay are natural features of the politics of bargaining under divided government.

Finally, McCubbins (1991a; 1991b; see also, Alesina and Carliner 1991, Alesina and Rosenthal 1995, Alt and Lowry 1994, Fiorina 1992; Jacobson 1990; Kiewiet and

McCubbins 1991) shows how the constitutional separation of powers in the United States can lead to dramatic increases in spending when one of the branches (i.e., the president, the Senate, or the House) is controlled by a different party from the other two. As each branch holds a veto over the others, successful legislation must accommodate each branch's policy preferences. So long as each branch prefers engaging in a logroll to get the spending *it* wants to acting as a blocker to ensure that the other branches don't get the spending *they* want, this provides a convincing explanation for the explosion of U.S. government deficits in recent years.¹¹ If, by contrast, at least one of the veto players prefers to deny policy to the others, then the result will be a veto and, hence, no new policy at all.

3.2 The Problem of Irresoluteness

By contrast to indecisive polities, an irresolute state is one that finds it easy to make policy; in fact, it is *too* easy. Irresoluteness means that a country cannot sustain a policy once it has been decided. Irresoluteness may come about due to shifting coalitions in a multiparty system, or due to lack of cohesion in a majority party, but in either case there is a clear relationship with the absence of checks and balances. That is, irresoluteness arises when there are fewer effective vetoes.

One consequence of irresoluteness is the lack of *credible commitment* (Root 1994; World Bank 1995; Levy and Spiller 1996). This can mean a variety of things, from a country failing to uphold its promises to international investors or the IMF,¹² to never carrying out a policy compromise. In the following section, we connect the tradeoff between indecisiveness and irresoluteness with the institutional choices that a country

makes, paying particular attention to the institutions that govern the legislative and electoral processes.

4. Separating Power and Purpose

If the tradeoff between indecisiveness and irresoluteness depends on the effective number of vetoes, the next question concerns how this number is determined. As indicated above, the effective number of vetoes increases when a polity has both many institutional veto points and political actors with diverse interests controlling those veto points. In this section, we consider the separation of power (multiplication of veto points) and purpose (increasing the diversity of preference of actors controlling veto points) further.

4.1 Separating Power

How exactly is the separation of powers achieved in reality? The best-known techniques of separating power are presidentialism (separating the executive from the legislature), bicameralism (creating more than one house of the legislature) and federalism (by which separate spheres of action are created for national and subnational governments). In each case, a common observation in the literature is that separating power increases the difficulty of action. A long literature in the U.S., dating back to the work of Ford (1898), views the separation of executive and legislative power in the U.S. federal government as inimical to “energetic” or “effective” governance. Although less often blamed for inaction, as Tsebelis (1995) has argued, bicameralism also can make policy changes more difficult (see also Tsebelis and Money 1997). And the veto power

of state governors in Brazil (Mainwaring 1991) or of senators in the U.S. (Harris 1993) shows one way in which federalism too is seen as making policy change more difficult.

In the rest of this section, we discuss two lesser known species of separating power—judicial review, and regimes of exception—in a bit more detail. The main point is again that effective separations of power have often been identified as preventing departures from the status quo.

The judiciary may constitute another veto gate in the governmental process, if it is both independent and endowed with the power to judge the constitutionality of proposed or enacted legislation. In some countries, such as France, the judiciary's role is to interpret the constitution and reject legislative acts contrary to that interpretation (i.e., to declare acts null and void).¹³ In other countries, while the judiciary cannot reject legislative acts outright, it can choose the amount of "force" employed in enforcing them. This ability gives the judiciary in countries such as Germany and Canada something akin to a power of judicial review (i.e., they can *de facto* nullify acts of the legislature, if not *de jure*). Further, in every country the judiciary is required to interpret statutes. This involves not only interpreting what the legislature wrote in a particular act, but also interpreting the act in light of the entire legal system, including other legislative enactments. Legislatures rarely provide enough detail in their enactments to deprive the judiciary of all interpretative discretion. Often too it is difficult to reconcile one statute with another, and the conflict between new and old statutes leaves the courts further discretion. The judiciary's interpretative discretion gives it a limited check on legislative authority. Courts in many countries also have a check on administrative and executive actions. Often there exist special courts to hear appeals to administrative and executive

decisions. In few countries, however, are the courts independent of the elected branches of government, and in very few countries do the courts have the means to enforce their decisions. For courts to be independent of the legislature and the executive, it must be difficult for the legislature and the executive to remove or sanction judges (e.g., judges have a fixed term of office, or life tenure, and the legislature must pass a bill of impeachment to remove a judge). While few countries have opted for an independent judiciary, such as in the United States, judges in many countries are partially insulated from political tampering.

If judges can veto policy, then any legislative project must clear one more hurdle before it becomes law. In principle, the existence of this additional hurdle might translate into gridlock--an inability to pass and sustain legislation. In practice, few states have a judiciary that is simultaneously independent and endowed with a strong power of judicial review of legislation, so that the importance of judicial review is less as a means to prevent legislation than as a means to continue the policy battle by other means after legislation is enacted.

Finally, the military constitutes an important veto gate in many countries, often defining the boundaries of acceptable policy change. The military and its supporters may have policy preferences on some issues, and may be willing to ensure its demands are met through force of arms. The military may also be given a constitutional role to protect the state against certain unwanted policy changes, and may, on its own accord, or at the behest of the national government, intervene to set policy right (Loveman 1993, 1998). Indeed, as Loveman argues, most of the military interventions in Latin America have been the result of constitutional actions by the military, or the government, under a

regime of exception. As he shows, most constitutions contain provisions whereby, during times of war or crisis, the policy-making process defined by the constitution may be set aside. In each case the military uses its power to reject policy changes that it deems harmful.

The general point of this section is quite simply that the more powers are divided, the more likely is state resoluteness, and the less likely is state decisiveness. We recap this point in Table 2-1 below. We have illustrated this general point by five examples, concerning the separation of executive and legislative powers (presidentialism), the separation of legislative powers (bicameralism), the separation of governmental levels (federalism), the separation of legislative enactment and interpretation (judicial review), and regimes of exception. Madison argued that separating powers may be a risk-avoidance strategy, since it at very least keeps the government from harming the public, or acting tyrannically, by keeping it from doing much of anything. But stalemate could also be damaging if it keeps the state from effectively meeting its challenges.

[Table 2-1 about here.]

4.2 Separating Purpose

Our goal in this section is to address the manner by which political actors with diverse preferences come to control separate vetoes within the legislative process. Our central variable is the party system, which we believe is shaped by a number of institutional factors, particularly the electoral system. Electoral systems as understood here are sets of rules--usually statutorily specified, but sometimes stemming from constitutional provisions or administrative decrees--that govern four broad aspects of elections: the structure of electoral districts, entry, voting, and the conversion of votes

into seats. An electoral district is a geographically-defined area within which votes are counted and seats allocated. A given electoral district can be characterized in terms of the rules that govern entry (who can get on the ballot?), voting (how are voters allowed to mark the ballot?), and the conversion of votes into seats within it. The last step--the conversion of marked ballots into an allocation of seats among the competing parties and candidates--is a purely mathematical one: given any set of marked ballots, a set of rules conventionally known as the *electoral formula* specifies a unique allocation of seats. We will also use the term “district electoral system” to refer to the rules governing election within a particular district. The national electoral system can then be thought of as composed of a set of (variously interrelated) district electoral systems.¹⁴

The general point here is that more individual politicians who control their own electoral fates, more factions, and more parties mean more independent participants in the legislative bargaining process that produces public policy, thus making it harder to initiate and sustain collective action in pursuit of public goods. We shall illustrate this tendency by considering some points raised in the literatures on governmental stability in parliamentary systems, divided government in presidential systems, and the nexus between personal votes, weak parties, and a polity’s inability to provide public goods (cf. Haggard and Webb 1993, p. 150).

Personal votes, weak parties, and collective action

The extent to which individual politicians cultivate a personal vote is an important characteristic of a political system, one whose consequences and correlates reach far beyond the electoral arena. Various scholars have argued that systems in which personal votes are large will promote, among other things, legislative rules that decentralize

decision-making power to committees and away from party or government leaders (Cain, Ferejohn and Fiorina 1987, pp. 224-28; Cox 1987b; Katz and Sala 1996; Thies 1994; Mayhew 1974; McCubbins and Rosenbluth 1995), lower levels of party cohesion on legislative votes (Cain, Ferejohn and Fiorina 1987, pp. 12-15; Cox 1987b; Mainwaring 1991, p. 29; Rose 1983, p. 39; Cooper, Brady and Hurley 1977), pluralist rather than corporatist patterns of interest group bargaining (Cain, Ferejohn and Fiorina 1987, pp. 18-21),¹⁵ structural corruption (Reed 1994), and--naturally deriving from the foregoing tendencies--governmental paralysis, especially as regards the provision of collective goods (Fiorina 1980; Burnham 1982; Mainwaring 1991; Reed 1994; Cox and McCubbins 1993; Schick 1980). In a nutshell, large personal votes are linked to weak parties and weak parties mean that important collective goods go un- or under-supplied.

The key assumption driving these results are that (1) individual legislators seek reelection (Mayhew 1974); and (2) in some electoral systems, cultivating a personal vote is an optimal reelection strategy (Fenno 1978; Cox and Rosenbluth 1993; Weingast, Shepsle and Johnsen 1981; McCubbins and Rosenbluth 1995; Carey and Shugart 1995). When both assumptions obtain, it follows that legislators will seek to create a personal vote. There is a large literature on what they might do to this end, and widespread agreement that the chief means are two: (1) providing private or local public goods and services to constituents; and (2) providing particularistic services and favors to special interest groups, in return for campaign contributions.¹⁶

We shall consider the exchange between legislators and interest groups at greater length later. As regards the wooing of constituents, the reason for the dominance of targetable benefits in personal vote strategies is straightforward. Individual legislators

cannot credibly claim much credit for changes in national public policy (Mayhew 1974; Fiorina and Noll 1979; Arnold 1990), but they can and do credibly claim credit for public works projects located in their district, for patronage appointments, and for other particularistic benefits they helped to deliver. Thus, when an electoral system creates incentives for legislators to cultivate a personal vote, legislators typically develop a “homestyle” (Fenno 1978)--a strategy for presenting themselves to their constituents--that features bringing “pork barrel” projects back to the district (Ferejohn 1974), providing ombudsman-like services to constituents (Fiorina 1977), and so forth (Wilson 1987).¹⁷

Pursuit of the means with which to create a personal vote--that is, pursuit of a supply of goods from the public sector and rents for constituents and special interests— affects the choice of legislative structure. To claim credit for goods and rents supplied by the public sector, it helps to be entrenched in a powerful committee that exercises differential control over a particular issue area--hence the legislative decentralization associated with personal vote systems (Cain, Ferejohn and Fiorina 1987). If individual legislators and committees are powerful, then interest groups need only be large enough to influence these actors, hence the pluralist interest group structure associated with personal vote systems. Putting these features together, one gets parties that cannot control legislative decision-making, cannot command the loyalty of their own members, and cannot avoid being torn apart by the competing and unaggregated demands of their own allied interest groups. The ultimate consequence in terms of policy is the aforementioned governmental paralysis.

Electoral structures thus influence the extent to which individual politicians can create their own electoral power bases. For example, closed-list systems militate against the pursuit of purely personal electoral reputations. In contrast, systems which give voters a single vote, which they must or can cast for an individual candidate (such as the U.S., U.K., Japan, Brazil, or Chile) make the pursuit of a personal vote--that is, a base of electoral support that derives from the candidate's own personal qualities and activities, rather than those of his or her party--potentially profitable. A mapping out of the incentives that different electoral systems present in this regard--whether to rely on broader party reputations or to craft distinctive individual reputations--has been attempted by Carey and Shugart (1995) and Myerson (1994).

Electoral structure and the number of parties

If characteristics of the party system—especially the number of parties and factions and the degree of politicians' independence—affect the level of state indecisiveness in important ways, then the next question concerns how party systems come to be fractionated (or not) to begin with. Electoral systems can be classified in many different ways. For the purpose of predicting the number of political parties that will be viable in a given system--an intellectual task broadly similar to that faced in the industrial organization literature of predicting the number of firms that will be viable in a given industry--a key consideration concerns economies of scale. If one thinks of a political party as a firm engaged in the production of legislative seats, then economies of scale exist whenever two groups can garner more seats as an electoral alliance than they can as separate parties. If substantial economies of scale do exist, then groups interested in winning as many seats as possible will face a strong incentive to form electoral

alliances (which, like the SDP/Liberal Alliance in the U.K., or the CSU-CDU in Germany, may become permanent). Viewing the matter in this way, the pertinent questions are: How many more actual votes will be got (per unit of “support” in the electorate) in alliance than separately? How many more seats will be got (per vote) in alliance than separately? We shall deal with the latter question first, as anticipations of votes-to-seats translations condition the translation of “support” into votes.

Most electoral systems give large parties a more-than-proportional share of seats (i.e., seat shares that exceed their vote shares), while giving small parties a less-than-proportional share. The larger this big-party bias, the greater is the incentive to form electoral alliances. This incentive can be partly characterized, in terms of structural primitives of the electoral system, by examining the minimum viable size of a party under a given system.¹⁸

Political scientists use the term *threshold of exclusion* to refer to the largest vote share that a party can win in a given electoral district and still not be guaranteed a seat. In the U.S. system, for example, a party can win exactly half of the votes cast in a given district and not be guaranteed a seat (it might tie with another party that also wins half the seats and thus face a coin flip to see who wins the seat); but if a party wins any more than half the votes cast, then it is guaranteed to win. Thus, the threshold of exclusion in the U.S. system is 50%. The threshold of exclusion has been calculated for a wide range of electoral systems (see, e.g., Lijphart and Gibberd 1977, and Laakso 1987) and its properties are well understood. This threshold is often taken as a rough estimate of the minimum viable size of a party, and taking its reciprocal accordingly gives a rough upper bound on the number of viable parties in a given district.¹⁹

Because many electoral systems are composed of districts of varying characteristics (not all are like the U.S. or Chile, in which every district returns the same number of members under the same rules), the upper bounds on the number of viable parties may differ from district to district. Deriving a single upper bound at the national level for complex systems is a difficult problem that the literature has not solved satisfactorily.²⁰ But for many systems a reasonable aggregate upper bound can be computed simply by taking the median upper bound across districts.

Voters who are instrumentally rational--that is, concerned solely with using their votes as instruments to affect the final seat allocation resulting from the election--will anticipate any big-party biases inherent in the translation of votes into seats. To the extent that their anticipations are accurate, they will not waste their votes on parties that are hopelessly out of the running, even if they prefer these parties to those that are in the running. Instead, instrumentally rational voters will vote for the most palatable of the parties that are on the margin between winning and losing, attempting to cast outcome-relevant votes. But the more voters who fear wasting their votes and so cast them strategically, the larger the potential gains to small parties or groups from combining their electoral resources, including their activists, attractive candidates, financial supporters, and so on. Strategic voting incentives thus act to put an upper bound on the number of viable parties in a system.²¹

A series of works have found that two key structural features drive the level of strategic voting in a given electoral system. The first is the “principle of seat allocation,” which summarizes some characteristics of the mathematical function that maps vote shares into seat shares. On the one hand, some systems award all the seats at stake to the

party or candidate winning the most votes. These we shall refer to as employing a winner-take-all principle of seat allocation. In these systems there are substantial incentives for aspirants to office to coalesce. Parties have an incentive to coalesce because the largest coalition or party takes all. If, however, the parties do not get their act together--and present the voters with too many parties chasing too few votes--the voters have an incentive to continue the process of coalition via strategic voting. Although almost all winner-take-all systems employ single-seat districts, it is possible to use district magnitudes larger than one. In São Tomé and Príncipe, for example, parties present lists in multimember districts, with the list garnering the largest vote share winning all the seats at stake. Increasing the district magnitude, while holding constant the winner-take-all principle, merely increases the incentives to coalesce.

On the other hand, some systems attempt to approximate an ideal of “proportional representation” in which seat shares equal vote shares. These we shall refer to as employing a proportional principle. Systems that employ a proportional principle of seat allocation also present parties and voters with some incentives to coalesce, but these incentives become progressively weaker as the district magnitude increases. If the district magnitude is one, then--as it turns out--all commonly used PR methods reduce to simple plurality and the incentives to coalesce are the same as those described above. As the district magnitude increases, parties can guarantee themselves a seat with increasingly small percentages of the vote (see above). This makes smaller parties viable as stand-alone entities, means that they do not have to enter into alliances or submerge their identities within larger parties, and reduces the incentives to vote strategically that voters face (cf. Cox 1994).

The second key structural feature that affects the level of strategic voting in a system is the “district magnitude,” by which we mean simply the number of seats that are to be filled in a given electoral district. In the U.S., for example, the district magnitude equals one in all House districts, while in Israel the whole nation serves as the electoral district, from which all 120 members of the *Knesset* are elected.

Adopting the terminology of Sartori (1968), we can say that systems are *strong* when they provide substantial electoral incentives to coalesce, *feeble* when they provide little or no such incentives. Systems with low district magnitudes *or* winner-take-all seat allocation formulas are strong; systems with high district magnitudes *and* proportional seat allocations are feeble. Strong systems put a meaningful upper bound on the number of parties, while feeble systems do not. Work by Duverger (1954), Sartori (1968), Cox (1987a, 1994, 1997), Palfrey (1989), Myerson and Weber (1993) and others provides some quantifications of these caps in idealized conditions (corresponding more or less to the frictionless inclines of physics):

- (1) Winner-take-all seat allocations cap the number of parties at two, regardless of district magnitude (Duverger 1954; Palfrey 1989; Cox 1994, 1997).
- (2) Proportional allocations in districts of magnitude M cap the number of parties at $M+1$ (Cox 1994, 1997; Cox and Shugart 1996).

Electoral structure and party factionalization

Electoral structures can also affect the number of factions that arise in a polity (for present purposes, factions can be defined as organized groups within parties that compete for control of valued resources within those parties, such as nominations, party leadership

posts, and campaign funds). In particular, systems which pit members of the same party against one another in direct electoral competition, tend to promote factionalism.

The specific electoral features that create intra-party electoral competition are various. One example is the use of “open” lists in systems of proportional representation, as is done in Brazil, Chile and Finland, for example. In a “closed” list system, voters are endowed with a single vote which they must cast for a particular party’s list of candidates. Voters thus have no direct ability to affect which of the party’s candidates actually represent them in the legislature--hence those candidates really cannot compete against one another. In an “open” list system, voters are endowed with a single vote which they must cast for an individual candidate.²² Seats are allocated first to parties, based on the sum of the votes of all the candidates of that party. If a party wins x seats, then the top x vote-getting candidates from that party get those seats. Voters thus directly determine which of a party’s candidates will win represent them in the legislature--hence those candidates face substantial incentives to compete against one another. Because candidates from a given party can hardly compete against one another by identifying themselves with the party at large, they face incentives to form factions in an effort to differentiate themselves from their intra-party competitors.

This basic logic--that factions are especially likely to be created in systems that pit members of the same party against one another in electoral competition, because they then seek a basis other than party on which to win elections--can fuel the formation either of large factionalized parties (as in Japan, Italy, Uruguay, or Colombia), of atomized parties (as in Brazil), or of alliances of smaller parties (as in Chile). In all cases, the

electoral system induces a more complex and less unitary structure to the component parties or alliances.

Summary

This section has reviewed the impact of electoral structure on the party system. Two main conceptual dimensions, along which electoral systems can be arrayed, have been identified. The first is the dimension ranging from “strong” to “feeble,” with the former providing strong incentives toward party and vote concentration, the latter feeble incentives. The second dimension orders electoral systems according to whether they induce “candidate-centered” elections and “personal votes,” or “party-centered” elections and “party votes.”

Both of these dimensions reflect a variety of structural features, but the key features that drive each dimension can be described as follows. First, systems that use more proportional methods of seat allocation and have larger district magnitudes are feebler, while systems that allocate seats more on a winner-take-all basis and have low district magnitudes are stronger. Second, systems that allow or promote intra-party competition for votes and seats promote more candidate- or faction-based electoral politics, while systems that disallow or hinder intra-party competition for votes and seats promote more party-oriented elections. Together these two dimensions capture most of the institutional variation that is consequential for political performance. In Table 2-2, we summarize the expected impact of each kind of electoral system on the party system in a two-by-two matrix that interacts the effects of the two dimensions.

[Insert Table 2-2 about here.]

The more feeble is the electoral system, the more parties will tend to populate the electoral system (although this also depends on the number of cleavages in the society). The greater the number of parties, the more likely that policy enactment requires deals that cross party lines. Negotiation costs may be particularly high in such a case, because multi-party policy deals can have electoral consequences that differ across the members of the policy coalition. Thus the more parties that must be involved in a given deal, the more likely is delay and gridlock. Additionally, every time there is a shift in the governing coalition, for example, the deal may be re-negotiated, which would have a destabilizing effect. So feeble electoral systems are expected to encounter more delay, gridlock, and election-induced instability.

Second, the more that individual politicians control their own electoral fates, the more parties, factions, and 'free-lance' politicians there will be. As a consequence, there will be more independent participants in the legislative bargaining process, and the transactions costs involved in policy making will increase substantially. The extent to which individual politicians cultivate a personal vote is an important characteristic of a political system, one whose consequences and correlates reach far beyond the electoral arena. Various scholars have argued that systems in which personal votes are large will promote legislative rules that decentralize decision-making power to committees and away from party or government leaders,²³ lower levels of party cohesion on legislative votes,²⁴ pluralist rather than corporatist patterns of interest group bargaining, structural corruption (Reed 1994), and—deriving from the foregoing tendencies—governmental paralysis, especially as regards the provision of collective goods.²⁵ In a nutshell, large

personal votes are linked to weak parties and weak parties mean that important collective goods go under-supplied or unsupplied altogether.

4.3 Summary

A schematic representation of the topics covered in this section is presented in Figure 2-1, below. State ungovernability arises as a multiplicative product of these two factors. A state with much constitutional separation of power may still be decisive if a single hierarchical party unifies the various separated powers. (Indeed, a standard argument about U.S. parties that one used to hear before the era of divided government is that they have served to make our highly divided system operable by just such a unification of interests across the branches of government; see American Political Science Association 1950; Fiorina 1980.) Similarly, a state faced with a fragmented party system may still be decisive if there is a single important office controlled by a single party (not that this would be desirable). It is only when there are many institutional veto points controlled by diverse interests that the problems of indecisiveness arise in full force.

[Figure 2-1 about here.]

To act decisively, an indecisive system uses private goods as the source of stability for public policy. That is, private goods become the basis of trades between politicians who join together to implement public policy. Because the flow of private goods continues only as long as the enacting coalition endures, the private goods enable politicians to forge a commitment and bond themselves to an agreement. In this case, then, pork should not be seen as inefficient, as it is essential for the implementation of

public policy. Indeed, little public policy would be implemented in the US, Japan, and Brazil without large amounts of private content. This is the subject of our next section.

5. Public- versus Private-Regarding Policy

Having dealt with the issue of state governability at some length, we turn now to investigate another classical complaint about democratic governance: the tendency of some types of systems to produce private-regarding policies. This complaint can be seen as inherent in democratic accountability: if politicians can be held to account at election time, then they will be responsive to whomever controls the resources they need in order to win (re)election. Ideally, this means that they will be responsive to broad popular demands. In practice, however, it may also mean that they will be responsive to narrow and special demands, especially if these are backed up by a willingness to contribute large amounts of money to the relevant campaign funds. Thus the following dilemma: in making politicians responsive at all, does one make them particularly responsive to special interests? If so, the polity will produce, not broadly-gauged policy that addresses the supply of public goods, but rather narrowly-targeted pork and rents that address the shoring up of political support.

We should note that we use the term “pork” in a broader-than-usual sense, one that includes two important subcategories. First, there is what might be called “fiscal pork,” referring to geographically-targetable public expenditures whose incidence and location follow a political rather than an economic logic (even though the expenditures may produce goods that have some of the characteristics of public goods). This category includes classic pork-barrel projects such as dams, levies, and so forth (cf. Ferejohn 1974; Weingast et al. 1981). Often, projects in this category are what one might call “morsels.”

Here one puts any broad national policy goal, such as cleaning the nation's water or building a better bomber to defend the nation's skies, in the role of a carcass, with representatives cast as lions. The result is a metaphorical dismemberment or morselization of the policy goal--with sewage treatment plants or military subcontracts (the morsels) widely dispersed among the lions. In this case, the goods being provided may still qualify as public goods, or at least may have some of the features of public goods, but the means of producing and distributing these goods is politically determined, and may not be the least costly means of providing these goods to the society.

The second subcategory of pork embraces "rents," as this term is used in the rent-seeking literature, referring to any of a wide array of subsidies, special tax provisions, regulatory exceptions, and so forth extracted from government (cf. Krueger 1974; Buchanan et al. 1980). The question then is what institutions structure the social bargain so that fiscal pork and rent-seeking are minimized and effective and responsible collective action can be undertaken?

This concern that pork and rents will be oversupplied and public policy undersupplied haunts many policy discussions (Ferejohn 1974; Weingast et al. 1981). Special interests seeking subsidies and rents not only pervert the meaning of democratic accountability, they also create deadweight losses and distort economic incentives (Stigler 1971, Becker 1985). Thus the question arises: What constitutional regulation of the state and what electoral environment for politicians promote policy and hinder pork? Our argument, similar to the one in the previous section, is that the privatization of public policy emerges only when there is both a constitutional separation of powers and an electoral separation of purpose.

5.1 Electoral Structure and Legislators' Demands for Pork

Politicians can use particularistic benefits to good effect in winning elections. How effective such benefits are may depend on the structure of the society. For example, societies in which gift-giving at weddings and funerals is entrenched (e.g., Japan) may foster the expectation that MPs will give such gifts. More generally, pork may be more effective in more clientelistic societies.

The effectiveness of particularistic benefits in winning elections also depends on electoral structure. In particular, electoral systems that promote intra-party competition are widely believed to make the development of a personal vote--one that depends on something other than the candidate's party affiliation--more profitable (cf. Carey and Shugart 1995; Katz 1986; McCubbins and Rosenbluth 1995; Myerson 1994). The basic logic is quite simple. If more than one member of a given party runs for office in a given constituency, and voters have the option of supporting some but not all of these candidates, then candidates of the same party will need some way of differentiating themselves from one another. They cannot do so by emphasizing the party label, because they all share this label. Thus, they need to form factions or emphasize their personal qualities. Note that the effectiveness of particularistic benefits in winning elections also depends on the nature of campaign finance. If there are lax laws (as in Japan; see Rosenbluth 1989), special interests flourish as contributors. If there is public financing, and strict regulation of expenditure on mass media (as in the U.K.), special interests do not court the individual MP.

We can summarize the marginal impact of each kind of electoral system on the nature of policy formation. First, the more candidate-centered are elections (and the

candidate selection process), the more politicians will seek focused policy benefits (e.g., pork) for their constituents. This is largely because individual legislators cannot credibly claim credit for improvements in the delivery of national public goods, but can credibly claim credit for more narrowly targeted private goods (Fiorina and Noll 1979). With their electoral fates riding primarily on their ability to deliver targeted benefits rather than public goods, public goods go undersupplied. The structure of the electoral system, in other words, creates a party system that is ill-suited to overcome the market failures that are thought to impede supply of public goods. More candidate-centered elections also mean that the number of agents that face separate electoral consequences from policy decisions, hence the number of agents that may need to be involved in any policy decisions, is larger. The consequence of this being that candidate-centered systems are less decisive, but more resolute, than party-centered systems.

In addition, having representation allocated on a geographical basis also adds a particular type of rent seeking, one in which the major interest groups are regional ones. The story of Clean Air Act of 1970 exemplifies how federalism may engender particular political compromises at the cost of effective policy. Instead of simply mandating national standards and leaving it to each industry to meet those standards in the most proficient manner, the political environment necessitated the adoption of one specific technological means for all industries to accomplish the statute's air quality goals. If straightforward national standards were adopted, the northeastern and midwestern senators (with enough votes to veto the legislation) were worried that key industries would relocate out of their states (McCubbins et al 1987; Ackerman and Hassler 1981).

As a result, Congress compromised on inefficient command-and-control intervention to achieve cleaner air.

5.2 Legislative and Executive Structure and the Supply of Pork

If politicians demand pork, they must find a supply of it. In order to extract pork from the state, one needs some leverage. One kind of leverage is the possession of a veto or the ability to delay significantly. This suggests that the more veto points there are, whether due to presidentialism, bicameralism, a malapportioned senate, or the decentralization of power within the legislature, the more pork will be attached to the passage of wealth-enhancing moves.

This point can be elaborated by considering a polity that has the opportunity to make a change in policy, possibly in response to changing conditions, that will enhance welfare by the Kaldor-Hicks criterion. By this criterion, it will be recalled, a policy change is judged welfare-enhancing if there exists a hypothetical package of lump-sum transfers such that, were the transfers costlessly made, all members of society would be better off. In the real world, how might Kaldor-Hicks improvements actually be made, given that even costless compensatory transfers are not in fact made, so that the envisioned policy changes will entail winners and losers?

One possibility is that groups within the polity are capable of making long-term trades of the form: “I’ll let you have this Kaldor-Hicks improvement now, if you let me have one in the future that benefits me (and imposes costs on you).” Most polities lack the requisite level of trust between transacting parties to be able to conclude many such agreements on trust alone. And most also lack the wherewithal to allow parties to post

long-term bonds. They thus have recourse to short-term methods of policy deal-making-- i.e., those that do not require long-term trust (or bonding).

One such method consists of packaging a number of wealth-enhancing changes into an omnibus policy change that, on balance, benefits a large percentage of citizens. This of course requires that the Kaldor-Hicks improvements occur in clusters, with offsetting winners and losers.

If one imagines a situation in which all the available wealth-enhancing moves create similar winners and losers, then the only remaining technique for enacting such policies is to make actual side payments to those losers who are capable of vetoing the policy otherwise. These side payments will not, of course, be the costlessly transferred lump sum amounts envisioned in the Kaldor-Hicks scenario. They will be real-world subsidies, warts and all. In particular, real subsidies must be negotiated and delivered, entailing transaction costs, and their presence will typically produce deadweight efficiency losses. A recent example in the U.S. would be the 1986 Tax Reform Act. Generally thought to simplify tax rates, there were nonetheless a very large number of particularistic payoffs lodged in the transition rules (Birnbaum and Murray 1987).

The idea that more veto points will generally lead to more pork is distinct from any notion that more interest groups may lead to the same thing. More interest groups *can* be bad news, if these groups simply add to the burden of special demands weighing on the economy; but more interest groups can also be good news, if this means more competition, a leveler playing field for economic interests, and less egregious favoritism toward inefficient sectors. The tension here is similar to that between federalism as

promoting inefficient regional balancing, and federalism as promoting healthy competition between the states.

5.3 Summary: Demand Meets Supply

The bottom line is as follows. A polity that both gives politicians a big electoral demand for pork and also gives them the ability in the legislature and/or the executive to control the allocation of pork, produces a lot of pork. Some societies may be inherently more prone to distributive, particularistic or clientelistic politics than others. But the electoral rules and legislative structure with which a society is endowed can help or hinder the impulse to particularism.

An outline of the argument in section 4 is presented below in Figure 2-2. When a state reduces the number of veto points and unifies previously diverse interests, it becomes more decisive. A decisive state means a centralized federal government that is less responsive to private interests. Policy becomes less distributive as the privatization and disbursement of public goods comes to an end. Ultimately, several policies and services may become nationalized. Education, for example, may become unified with a single national curriculum. Likewise, the central government may nationalize health care, the tax system (including sales and property taxes), and regulatory policy, thereby eliminating regional variation. These national policies endure as long as the enacting coalition remains in power; however, a change in the enacting coalition's constituency or an electoral shift that brings to power a new coalition, could result in a transformation of these public policies.

6. Moving Down a Level: Legislative Branch Structure

In previous sections, we have examined how electoral and constitutional structures can affect the ability of states to address the variety of collective action problems that face their societies. Returning to the view of politics articulated at the outset of the paper, according to which they can be seen as a sequence of delegations, in this section we move down a level in this sequence, considering the “internal” organization of the policy-making process. Many of the same themes reappear at this level of delegation. In particular, separation of power at the electoral and constitutional levels tends to be mirrored in legislative, administrative, and judicial procedure (McCubbins et al. 1987). The veto points at lower levels of delegation (e.g., legislative, administrative, and judicial), for example, reflect the veto points that exist at higher levels of delegation (e.g., electoral and constitutional). Separation of purpose is mirrored in a similar way, as individuals or groups who have access at the electoral and constitutional levels maintain similar access at the legislative, administrative, and judicial levels. Fragmentation at higher levels of delegation, thus, is mirrored at lower levels of delegation.

In this section, we describe how the structure of the legislature mirrors the decision making environment of the larger political system. Divisions at the constitutional and electoral levels, for example, permeate down to the legislative level. When this happens, the resultant legislative decentralization (leading to subgovernments), like constitutional or electoral divisions of power, often produces a syndrome of ill effects ranging from stalemate to balkanization to instability. However, just as concentrating power in the hands of a responsible party is thought to avoid these

constitutional and electoral difficulties, so it is sometimes argued that strong legislative parties provide a solution to the problems of legislative decentralization.

6.1 Special Interests and Subgovernments

The problem with legislative decentralization is that policy-making gets parsed out to numerous, relatively small, self-interested actors. Instead of a coherent majority making policy for the good of the nation—or at least for the good of the majority—this kind of atomistic policy-making is thought to lead to fragmented, incoherent policy that usurps the majority will and transforms it into specialized benefits for multiple minorities. In the extreme this kind of balkanization of politics can lead to the dominance of subgovernments in the policy process.

Subgovernments come in essentially three flavors. The most common form is pure committee government (Shepsle and Weingast 1987), in which legislative committees enjoy autonomy to make policy as they wish within their jurisdictions. While committee government is most identified with legislative committees in the U.S. House, scholars also have identified its trappings in Italy (Della Sala 1993; D’Onofrio 1979), within the LDP in Japan (Thies 1994), as well as in other European parliaments (von Beyme 1985). The principal concern in all these cases is that committee members are particularly interested in their committees’ issue areas and are likely to seek policy outcomes different from what a majority of the legislature—not to mention the citizenry—would choose if given the opportunity. The noxious effects of committee government are exacerbated when committees ally themselves with the interest groups and executive agencies relevant to policy in their area, forming what the literature refers to as “iron triangles.”

In the case of the US, many have argued that policy outcomes are controlled by these “iron triangles” (Freeman 1955; Schattschneider 1960; Bauer, Pool, and Dexter 1963; Ripley and Franklin 1976; Lowi 1979). These theorists argue that lobbyists for special interests, bureaucrats, and congressional committee members work together to usurp power from the Congress and set their own policy agenda. The Chicago school models of regulation (Stigler 1971; Posner 1975; Peltzman 1976; Becker 1985) and the Public Choice school of rent seeking examined interest group competition within the “iron triangles” framework, arguing that interest groups capture control over policy from legislators and redirect benefits toward themselves. The Chicago school models conclude, therefore, that interest groups deter the provision of public goods and spawn economic inefficiencies.

While an important addition to our understanding of policy formation, the Chicago school models fail to address many issues that arise in comparative studies of interest group influence. For example, why do the amounts and types of subsidies vary across countries? Agriculture is heavily subsidized in Europe and Japan but not in the United States (Calder 1988). We also observe variation between countries in levels of the provision of public health care, credit subsidies in small-business loans, and so forth. Another question from comparative political economy that is left unanswered by the Chicago school models is: “why do some countries have protective regulations while others do not?”²⁶ When addressing these questions about interest group influence and differences in policy outcomes, it is important to determine whether policies are a by-product of capture by interest groups or the result of legislators following incentives that are created by institutions. More specifically, are legislators able to retain control over

policy choice when pursuing their reelection strategy of cultivating a personal vote, or does the goal of reelection force them to relinquish policy control to special interests? Drawing this distinction can be important for developing a theory that specifies the institutional conditions under which interest groups can prevail. Only when we have such a theory in hand can we determine whether policy differences across countries result from different levels of interest group influence.

Noll (1989) also offers a critique of the Chicago school models, arguing not only that there is a lack of robust empirical evidence to corroborate their claims but also that “the relationship between the stakes of the group and their political strengths remains a mystery, largely because in nearly all studies neither stakes nor gains in regulation are directly measured” (Noll 1989: 1277). Thus, we are left to conclude that while interest groups may be an instrumental part of legislators’ efforts to cultivate a personal vote and pursue reelection, it does not necessarily follow that the appeasement of special interests always leads to capture of the policy agenda from politicians. Before attributing responsibility for policy outcomes to interest group influence, Noll concludes, we must consider the degree to which politicians’ tools to minimize agency loss prevent capture of bureaucratic agencies by special interests. Furthermore, an understanding of politicians’ incentives to cultivate a personal vote through the provision of particularistic goods to their constituents can help explain why special interest groups might *appear* to be capturing policy control. In other words, if a legislator’s homestyle calls for the provision of particularistic goods to a certain segment of his or her constituency, then what may appear to be capture by interest groups is actually favoritism for a special

interest that is *initiated by the legislator* without direct, organized pressure from that group that benefits.

The second flavor of subgovernment is similar to the first, but with parliamentary parties taking the place of committees. This particular form of party government, the converse of party government by responsible parties (see, e.g., Katz 1980), is perhaps most commonly identified with the postwar Italian parliament (Pasquino 1988). Though not far removed in essence from partisan consociationalism (Lijphart 1977), this multiparty “party government” is seen as resulting, not in well-thought out compromises, but rather in a patchwork of policies for the benefit of numerous minorities to the detriment of the majority (cf. Dahl 1956). As with committees, parties also can ally themselves with extraparliamentary interest groups and sectors of the bureaucracy to move policy outcomes even more toward special interests and further away from the common good.

The third type of subgovernment that we identify is what might be called the dark side of corporatism. While corporatism often is seen as efficiency-enhancing, when peak labor and business association are brought into partnership with the state (e.g., Katzenstein 1985), absent such peak associations the corporatist delegation of policy-making power to private sector actors may produce a pattern similar to American-style subgovernments: policies that affect specific issue areas are made by the actors most concerned with those issue areas; the legislature serves primarily to ratify decisions taken out of the plenum and the public eye; and interest groups are explicitly incorporated into the policy process (Lowi 1979; McConnell 1966).

In all cases where subgovernments dominate policy-making, there is a profound risk that policy outcomes will thwart the majority will. This can occur in two ways. First, policy makers in each issue area agree to support each other's policy goals (Weingast 1979), resulting in an inchoate patchwork of disconnected, specialized policies. Or, second, policy makers refuse to support each other, leading to policy gridlock and a failure of the political system to produce new policy at all. Assuming that a majority desires something other than no new policy or an incomprehensible jumble of different policies, then subgovernments subvert the democratic process.

6.2 Legislative Parties and the Delegation of Power

In constitutional and electoral theory, political parties play a hero's role: they are viewed as (potentially) large enough to internalize many of the external effects that would be produced by an inchoate brew of special interest politics. Some see them playing a similar role in the narrower confines of legislative politics.

Cox and McCubbins (1993), for example, point out that if the committee government model did hold true--with separate committees, in alliance with relevant industry and executive agents, making policy without regard for the external costs thereby imposed--then there would necessarily be gains from trade to be had between the committees. The committee government model itself suggests that a highly decentralized legislature would have great difficulty in capturing these potential gains from trade, because of credibility and commitment problems among the committees (cf. Weingast and Marshall 1988). Cox and McCubbins essentially agree with this point, and go on to argue that political parties arise as a vehicle or arena within which legislative trades can be transacted more reliably than on the floor of a decentralized legislature.

Specifically, Cox and McCubbins (1993, p. 109) assume that legislators are first and foremost motivated by the reelection goal (Mayhew 1974). They draw on voting research that suggests that party affiliation, personal characteristics, and ideology are the key components of voting behavior (and thus the keys to reelection). While personal characteristics and ideology are largely private goods that legislators pursue on their own (through pork barreling and casework), party reputation is a public good for all legislators in the party (Cox and McCubbins 1993, p. 123). As is the case with most public goods, there exists an ensuing collective action problem. In order to assure positive benefits from the party label, the party must produce collective-benefits legislation where no single legislator can claim responsibility. That is, someone must ingest the costs of arranging complex logrolls that require searching or “integrative” bargaining (Bartos 1995). The collective action problem is overcome by the institutionalization of a central authority (i.e., party members delegate authority to the party leaders). Party leaders internalize the costs of providing collective benefits in exchange for internal advancement of the party in Congress (majority status) and internal advancement within the party. The leaders control various mechanisms to keep the party members in line such as committee appointment control and agenda setting.²⁷

Because parties play such an important role in organizing the legislature, a change either in the identity of the majority party in the legislature or within the majority party itself often results in policy alterations. A new majority party, for example, is likely to emphasize policies associated with their party reputation. Similarly, a change in the internal structure of the majority party often transforms the nature of the logrolls that the party undertakes. Indeed, Kiewiet and McCubbins (1991, p. 205) show that “federal

spending patterns clearly and consistently reflect the preferences of the majority parties in Congress as well as the party of the president.” Cox and McCubbins (1993, p. 269) conclude that in general “what passes will...tend to have a partisan cast.”

A similar line of reasoning applies to those models that see multiparty coalition governments as typically incapable of transacting, hence characterized by ministerial dictatorships or subgovernments (e.g., Laver and Shepsle 1990a). If such polities are indeed as characterized, then by definition substantial gains from trade could be had by anyone able to construct a stable alliance of parties, within which political deals could be made. This does not guarantee that the appropriate alliances will be forthcoming, because cooperation between parties is made especially difficult by the fact that they are typically in competition with one another for votes and seats, but it does suggest a standing prize for those able to solve the coalitional difficulties.

Finally, we have already noted that corporatist subgovernments may not be the parochial creatures that they are generally seen to be in the U.S. The hero’s role here falls to peak associations, which aggregate the competing and parochial demands of their constituent member organizations into something that better approximates an optimal policy for the country as a whole.

7. Moving Down a Level: Executive Branch Structure

As we have discussed, certain institutions will engender an oversupply of goods by the public sector. We have argued that systems with greater fragmentation of authority, such as the constitutionally defined checks of bicameralism and federalism in the United States, increase the political need for accommodation of narrow demands as the number of veto players increases. In addition to the structural arrangements of power

within a state, the rules by which the political game are played also fundamentally guide the type of policy the system will produce. For example, electoral rules that allow a more diverse party representation—in contrast to those which give rise to broadly-based, two-party systems—will create an intra-governmental environment with a greater number of veto players and thus need for accommodation of narrow interests. The particularistic demands favored by these institutional arrangements are translated into policy outcomes through the principal-agent relationship between the enacting coalition and bureaucratic agency.

An agency's enacting coalition is composed of the relevant committee, or ministries, that drafted the legislation, the chamber majorities who approved the statute, and the president, or chief executive, who signed it into law. These players represent the set of veto gates the enabling statute must satisfy. The level of uncertainty and conflict in policy to be chosen determines the form this statute will take—whether the agency will be given broad or narrow latitude in picking its agenda, vaguely or specifically defined goals, limited or strict procedures, and so on (McCubbins 1985, McCubbins and Page 1987).

Uncertainty applies to the costs and benefits of both the economic and political consequences involved in a new program. It will suffice here to say that, in general, uncertainty and conflict leads Congress to grant bureaucrats a broader scope of legislative authority and legal tools or instruments with more confining procedures. This allows legislators to guide policy in a particular direction without necessarily knowing the ramifications of every specific alternative or even what their interests might be (how it will affect their constituency).

Thus, legislators may not know what specific policies they prefer but they *do* know which interests ought to be represented. The problems becomes how to control the implementing agency so that it does not upset the policy compromises that were required to stitch together the coalition that forged the policy. Often it is impossible for policy makers to write specific policy guidelines for the implementing agency. The tools available to political actors for controlling administrative outcomes through process, rather than substantive guidance in legislation, are the procedural details, the relationship of the staff resources of an agency to its domain of authority, the amount of subsidy available to finance participation by underrepresented interests, and resources devoted to participation by one agency in the processes of another (Noll 1987). All else equal, elaborate procedures with stiff evidentiary burdens for decisions and numerous opportunities for seeking judicial review before the final policy decision is reached will benefit constituents that have considerable resources for representation. Coupled with no budget for subsidizing other representation, or for independent staff analysis in the agency or in the other agencies that might participate in its proceedings, cumbersome procedures exemplify deck stacking in favor of well-organized, well-financed interests.

A prominent example of procedural deck stacking is offered by the regulation of consumer product hazards by the U.S. Consumer Product Safety Commission (CPSC). Although the CPSC was responsible for both identifying problems and proposing regulations, it was required to use an “offeror” process, whereby the actual rule writing was contracted out. Usually the budget available to the CPSC for obtaining a proposed regulation was substantially less than the cost of preparing it. Consequently, only groups willing to bear the cost of writing regulations became offerors, and these were the groups

most interested in consumer safety: testing organizations sponsored by manufacturers or consumer organizations. Thus, this process effectively removed agenda control from the CPSC and gave considerable power to the entities most affected by its regulations (Cornell, Noll and Weingast 1976). In 1981, Congress amended this process by requiring that trade associations be given the opportunity to develop voluntary standards in response to all identified problems, assuring that agenda control was never granted to consumer testing organizations.

The legislature can also make policy more representative to the politically relevant constituency by enhancing its role in agency procedures. The U.S. National Environmental Policy Act (NEPA) of 1969 provides an example of how this works. In the 1960s, environmental and conservation groups in the United States became substantially better organized and more relevant politically. By enacting NEPA, Congress imposed procedures that required all agencies to file environmental impact statements on proposed projects. This forced agencies to assess the environmental costs of their proposed activities. NEPA gave environmental actors a new, effective avenue of participation in agency decisions and enabled participation at a much earlier junction than previously had been possible. The requirements of the act also provided environmental groups with an increased ability to press suits against federal agencies.

In all agency decisions proof must be offered to support a proposal. The establishment of the burden of proof provides another example of how legislatures can stack the political deck in bureaucratic decision making. The burden of proof affects agency decisions most apparently when the problem that is before the agency is fraught with uncertainty. In such a circumstance, proving anything -- either that a regulation is

needed to solve a problem, or that it is unnecessary -- can be difficult, if not impossible. Hence, assigning either advocates or opponents of regulation a rigorous burden of proof essentially guarantees that they can not obtain their preferred policy outcome.

For example, the U.S. Federal Food, Drug, and Cosmetics Act, as amended, requires that before a pharmaceutical company can market a new drug, it must first prove that the drug is both safe and efficacious. By contrast, in the Toxic Substances Control Act of 1976, Congress required that the Environmental Protection Agency (EPA), before regulating a new chemical, must prove that the chemical is hazardous to human health or the environment. The reversionary outcome is that new chemicals are allowed to be marketed. The results of the differences in the burden of proof are stark: few new drugs are marketed in the United States, while the EPA has managed to regulate none of the 50,000 chemicals in commerce under these provisions in the Toxic Substance Control Act.

Ultimately, the point of deck-stacking is not to pre-select policy, but cope with uncertainty about the most desirable policy action by making certain that the winners in the political battle over the underlying legislation will also be the winners in the process of implementing the program. By enfranchising interests that are represented in the legislative majority, a legislature need not closely supervise the agency to insure that it serve its interests, but can allow an agency to operate on “autopilot” (McCubbins et al. 1987: 271, McCubbins et al. 1989). Thus, policy can evolve without the need for new legislation to reflect future changes in the preferences of the enacting coalition's constituents. Likewise, in political systems with a separately elected executive, the

executive will also undertake to mirror the political and electoral forces that he or she faces in the orders and rules imposed on the bureaucracy (Macey 1992, Moe 1990).

The courts also can play a role in the political control of the bureaucracy. Administrative procedures can affect an agency's policy agenda only if they are enforced, and their enforcement can be delegated by the legislature to the courts, in which case procedure can have an effect with minimal effort required on the part of politicians (McCubbins et al. 1987, Shapiro 1986). For supervision by the courts to serve this function, judicial remedy must be highly likely when the agency violates its rules. If so, the courts, and the constituents who bring suit, guarantee compliance with procedural constraints, which in turn guarantees that the agency choice will mirror political preferences without any need for political oversight (McCubbins and Schwartz 1984, Lupia and McCubbins 1994).

Legislatures can further limit the potential mischief of agency agenda control by carefully setting the reversionary policy in the enabling statute that established the agency. The clearest example is the creation of entitlements, whereby spending is specified by statute, and the agency has no discretion in how much, or to whom, it allocates funds. Another example is seen in the widespread use of "sunset" provisions, whereby an agency's legal authority expires unless the legislature passes a new law to renew the agency's mandate.

8. General Summary

The thrust of our argument in this paper, as summarized in Table 2-3 below, is that polities that combine institutional divisions of decision-making authority with political divisions of purpose will tend to be either indecisive or prone to morselizing

public policy, or both. Institutional divisions of power can come in the form of presidentialism, bicameralism, federalism, provisions for judicial review, and so on. Political divisions of purpose can stem both from the inherent diversity of opinion within a nation's society and from the incentives that the electoral system presents to combine those diverse interests into many or few political organizations. Some electoral systems encourage the formation of a few hierarchical parties whose leaders internalize the costs and benefits of public policy as it affects a wide range of the population. Other electoral systems facilitate either large numbers of parties or decentralized (factionalized or atomized) parties.

[Insert Table 2-3 about here.]

When a polity combines institutional veto points with diverse political agents, the result is something like a multilateral veto game. In such games, one outcome is indecisiveness, when the various veto groups cannot agree on any action. Another is a kind of balkanization, when the various veto groups give up on arriving at a mutually acceptable policy and attempt to take unilateral action. A third possible outcome is that the veto groups trade control over some areas of policy, leading to subgovernments (another kind of balkanization). This kind of result is typically thought to lead to each subgovernment acting as a champion of particular kinds of subsidies and is most likely when the policy decisions made in one subgovernment have relatively small external impacts (other than budgetary) on political actors controlling other subgovernments (Cox and McCubbins 1993). This, of course, may lead to budget imbalances. When policy decisions must be made that affect virtually everyone in a consequential way, a fourth outcome is that policy is passed but takes a long time to negotiate and is laden with

substantial side payments to the prospective losers.

We have expanded on this last point by considering hypothetical policies that represent Kaldor-Hicks but not Pareto improvements—that is, policies that improve net social welfare but make some actors worse off than they would be in the absence of reform. The more veto players there are, the more likely it is that the Kaldor-Hicks losers will have a voice somewhere in government that will enable them to block reforms that are pernicious to their own well-being, unless they are given what they deem appropriate compensation. Thus, distributive policy is not necessarily the product of perverse politicians, nor of perverse incentives. Sometimes, it is the currency that pays the cost of producing policy in polities that feature many and diverse veto groups. Without particularistic side payments, policy-making in these multi-actor systems would be much more difficult and, probably, much more rare.

Nonetheless, the morselization of public policy is never anyone’s idea of a first-best solution. And the veto power that can be used to ensure that “appropriate” compensation is offered to Kaldor-Hicks losers can also be used to extract “inappropriate” rents. What is clearest about systems with multiple and diverse veto groups is that they are indecisive and prone to heavy doses of private-regarding policy. Of course, locating at the other extreme of the continuum—having a highly irresolute state—could have negative consequences for a polity’s governability as well. An irresolute polity may be plagued by chaos and instability. While it may not be as enslaved to particularism in its policy making process, an irresolute policy will be unable to commit to its policy choices.

Thus we end where we began, with the idea that the choice of democratic

institutions entails significant tradeoffs. While these tradeoffs might not have any consequences in a perfectly harmonious nation in which every individual possesses precisely the same preferences, in the presence of diversity the threat from locating too far at either extreme becomes potentially great. That is, as a society's heterogeneity increases, a system with a greater number of effective vetoes will see increasing risk of stalemate and gridlock, as well as an increasing costliness to a legislative strategy that emphasizes private-regarding policy. Likewise, as a society becomes more heterogeneous, if the polity has a very small number of effective vetoes the risk of inequality and underrepresentation will increase. Thus, the consequences of these institutional tradeoffs increase with social diversity, so understanding these consequences is crucially important.

Table 2-1 Institutional Rules and Policy Authority

Institution	Structural Separation of Powers	Political Separation of Purpose	Possible Consequences
National Executive	Presidentialism	Divided Government	<ul style="list-style-type: none"> • Institutional Warfare (e.g., over the branches' respective powers to control expenditures) • Unilateralism (i.e., the prosecution of separate policies by different branches) • Gridlock (e.g., inability to pass budgets on time) • Budget Deficits (e.g., those in the U.S. in the 1980s, on which see McCubbins 1991a,b) • Pork
	Parliamentarism	See next section	
National Legislature	Bicameralism	Divided partisan or factional control of houses	<ul style="list-style-type: none"> • Gridlock (whenever the two houses cannot agree) • Budget Deficits (on which see Heller 1995) • Pork
	Unicameralism	See next section	
Legal Relations Between National and Sub-National Governments	<p>Federal state</p> <p>Unitary state</p>	Distinct regional preferences	<p>The combination of federal-government policy guidelines and state-government policy-making and implementation, by splitting up policy responsibility among different actors with different preferences, makes it very difficult effectively to implement policies that do not enjoy widespread support. This means that any policy that ultimately is implemented is likely to be successful. It also means that reform policies often will be weak, as politicians focus on local constituencies in creating distributive, and often pork-barrel, policies.</p>
National Judiciary	<p>Independent with judicial review powers</p> <p>Subservient with no judicial review powers</p>	Distinct judicial preferences	<p>In principle, strong judiciaries may serve as just another veto gate. In practice, their role is more subtle. The existence of a relatively independent judiciary (e.g., the U.S. Supreme Court) enables reform-minded politicians to lock their preferences into legislation and guard against it being undermined in the implementation stage (McCubbins et al. 1987; 1989; McNollgast 1992).</p>
Military	Independent military with exceptions to the Constitution	Distinct military preferences	<ul style="list-style-type: none"> • Military interventions during political or economic crises. • Coups
	Full civilian control of the military		

Table 2-2 Electoral Rules and Their Party System Effects

	<i>Candidate-centered [e.g., SNTV, SMPR]</i>	<i>Party-centered [e.g., closed list PR]</i>
<i>Strong [e.g., SMPR]</i>	Few decentralized parties [U.S.]	<i>Least Fragmented</i> Few unitary parties [U.K.]
<i>Feeble [e.g., PR]</i>	<i>Most Fragmented</i> Many decentralized parties [Brazil]	Many unitary parties [Netherlands]

Note: A unitary party is more hierarchically structured and approximates a unitary actor. A decentralized party is characterized by weak central leaders, factions, many mavericks, etc.

Table 2-3 Power, Purpose, and Decisiveness

	Unified Power	Separated Power
Unified Purpose	decisive United Kingdom	Decisive Mexico, Taiwan pre-reform
Separated Purpose	decisive Japan, Czech Republic	Indecisive Argentina, Chile, Poland, United States

Figure 2-1 Summary of Argument in Section 3

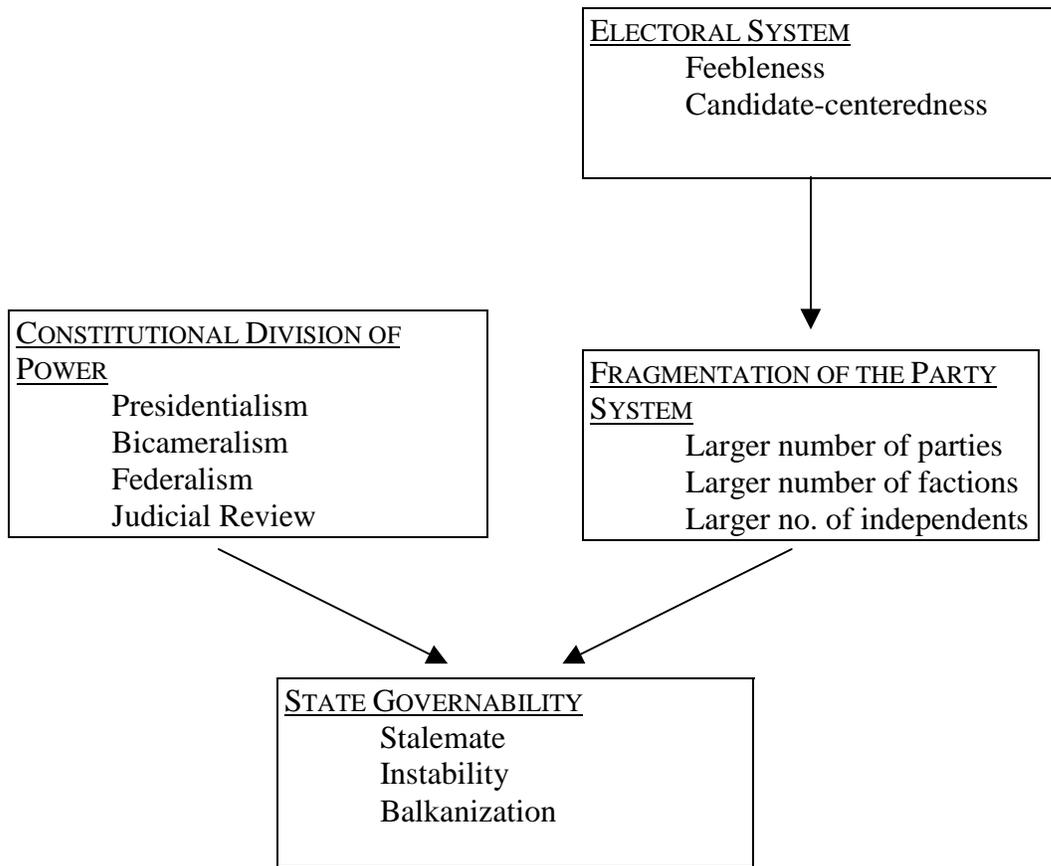
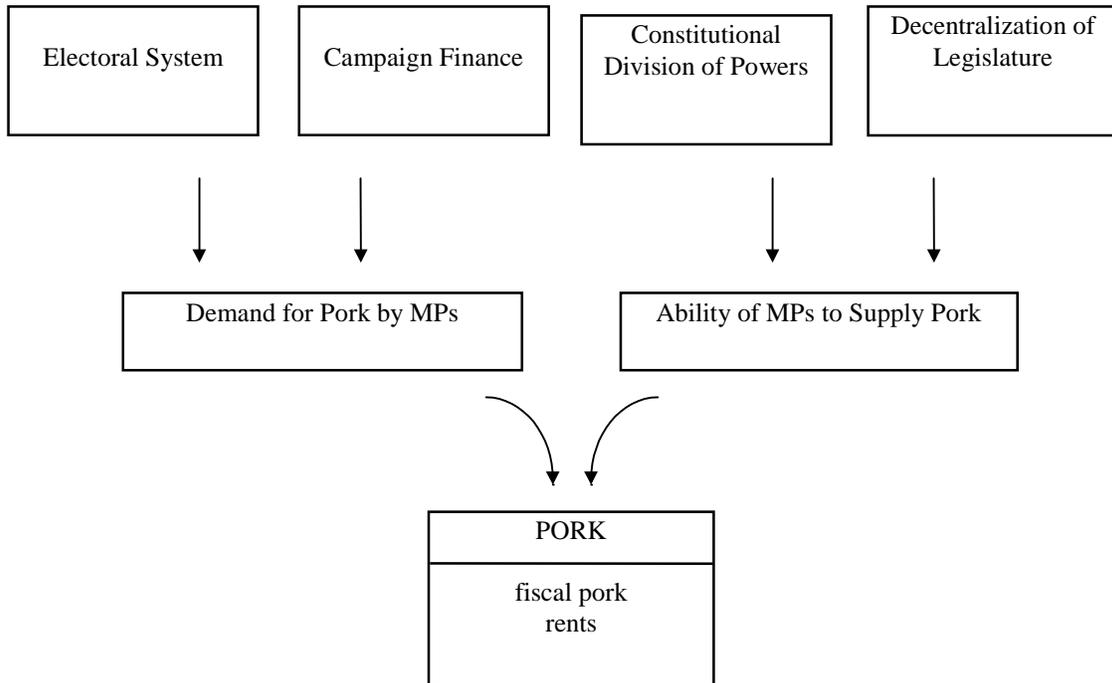


Figure 2-2 Outline of the Argument in Section 4



Endnotes

1. See McConnell (1966); Krueger (1974); Buchanan et al. (1980); Schattschneider (1963); Peltzman (1976); Rogowski (1989); Olson (1982); North (1981, 1990).

2. Another important step in the process of delegation takes bureau chiefs as principals and their subordinates in the lower levels of the bureaucracy as agents. It is important, therefore, to recognize that even if politicians employ mechanisms to limit agency loss, the delegation can fail if top level bureaucrats cannot constrain *their* agents. This issue of internal delegation at the level of the administrative agency raises questions concerning the structure of incentives facing middle and low-level bureaucrats.

³ For an overview of such arrangements, see chapter 2 of Kiewiet and McCubbins (1991).

4. Economists have led the way in recognizing the link between political institutions and investment. Economic studies have shown, both theoretically and empirically, that institutional structure can stimulate investment by establishing a credible commitment to policy (North 1990; North and Weingast 1989; World Bank 1995; Levy and Spiller 1996; Guasch and Spiller 1996) or reducing transactions costs (Williamson 1975; North 1990).

⁵ See, e.g., North (1981, 1990), World Bank (1995), and Levy and Spiller (1996).

⁶ The discussion above implicitly adopts a dichotomous view of the separation of power: some systems separate power and some do not. As a first order approximation, this distinction is fair enough but as soon as one begins looking very hard, all sorts of shades and ambiguities appear. In what follows, we shall for the most part continue to use simple dichotomies—e.g., presidential/parliamentary or bicameral/unicameral—but return from time to time to the more ambiguous cases—e.g., premier-presidentialism (Shugart and Carey 1992) or asymmetric bicameralism (Lijphart 1984).

⁷. The point is not that the separation of power will have no consequences if there is not a *partisan* division of purpose between institutions. Instead, the point is that an observable partisan division of purpose is the best proxy we have to measure the true underlying division of purpose (which is unobservable).

⁸. As stated, our definition would also count a situation in which a coalition of parties controls all separate powers as “divided government.” Possibly, of course, a coalition in one country may be as unitary as a catch-all party in another, so that the distinction between parties and coalitions fails to order the cases properly. Again, this is a measurement error problem. Conceptually, we would like to have a precise and continuous measure of how much purpose is separated between the coalitions/parties that control the various separate powers in a system. We simply use partisan divisions as the best available proxy.

⁹ Debates over electoral structure use a slightly different language to describe the same institutional tradeoff. Methods of proportional representation (PR) make the legislature *representative* of popular wishes, by ensuring that even parties with modest vote shares gain a proportionate share of seats. These methods thus make it unlikely that a single party can gain control of the legislature; only fairly broad coalitions of parties can gain such control. In contrast, plurality rule and other so-called “strong” electoral systems tend to give large parties a sizable seat bonus, and therefore deprive small and middle-sized parties of any seats. Plurality rule thus makes single-party control more likely. To the extent that majority parties under plurality systems are less diverse than majority coalitions under PR, plurality rule leads to a greater possibility of control by a narrower range of interests. However, plurality rule also leads to more stable and decisive

governments (cf. Powell 1982; Blais and Carty 1987). Governments in more proportional electoral systems tend to be less stable and hence policy is less decisive due to the complexity and fragility of multiparty coalitions. Thus, at the electoral stage the trade-off is often framed as one between greater security (i.e., resoluteness) that only broad coalitions can act (ensured by PR) and greater stability in government (ensured by plurality rule), and hence decisiveness in policy making.

¹⁰ They also identified what they called *external costs*, which were the negative externalities imposed by not taking into account every individual's interests in a decision. A Pareto optimal decision would entail no external costs, but in the situation where no Pareto improvements are possible, because of diversity of preferences over the final outcome, external costs would be positive. Buchanan and Tullock theorized that the external costs of a decision rule increase as the effective number of veto players increase (to put it into our terms); thus, a unanimous rule would entail no external costs, while a dictatorship would entail the most.

11. The assumption that a political party will generally prefer to *get* the spending it prefers rather than to *deny* the spending that other parties prefer is fairly general when the budget constraint is soft. For, when budget constraints are soft, denying another party's spending confers a diffuse benefit on all taxpayers, and hence is not a concentrated benefit for one's constituents unless they pay all or most of the relevant taxes. In contrast, spending can typically be more highly targeted to the benefit of one's constituents. Nonetheless, there are conditions on the targetability of tax relief as opposed to spending that lead the same model to predict *lower* deficits. See Stewart 1989; 1991.

¹² The essay by Heller and McCubbins discusses this problem, also known as “hold up.”

¹³. In the case of France, the Constitutional Council reviews legislation, judging its constitutionality, after it is passed by the legislature but before it is sent to the President for promulgation. A group of sixty National Assembly members is sufficient to refer a bill to the Constitutional Council. See Stone (1992) for a discussion of the French Constitutional Council as an additional veto gate in the system.

¹⁴. Sometimes electoral districts operate independently of one another, as for example they do in the U.S. In such cases, votes cast in a given electoral district are never counted in any other district, nor do seats allocated to one district transfer to any other. Some systems, however, have complex districting schemes. In Belgium, for example, votes are initially cast in an *arrondissement*. Each party gets a number of seats from the *arrondissement* total equal to the number of “quotas” that its vote total contains. Votes that are not used to “buy” seats in the *arrondissement* are counted in a *province* (a collection of *arrondissements*) and can “buy” seats at that level; at the same time, seats that are not bought in the *arrondissements*, transfer to the provincial level.

15. In some countries, particular groups are legally endowed with what are essentially “monopoly lobbying rights,” typically along with the exclusive right to serve on various consultative and policy-setting boards and commissions. Such countries are commonly labeled “corporatist” in the literature (see Lehmbruch and Schmitter 1982). Pluralist countries, in contrast, do not regulate the process of lobbying in this fashion (see Truman 1951; Dahl 1956).

16. The argument is not that individual reelection-seeking incentives are the *only* motivation for these activities. As Cain, Ferejohn and Fiorina (1987, pp. 221-24) have

emphasized, to the extent that providing casework services produces votes, *parties* have an incentive to make sure that their members provide such services, even if there is no personal electoral incentive to do so. A particularly nice example of how this plays out is Costa Rica. There, legislators are limited to one consecutive term in the national assembly, and almost never serve non-consecutively. They thus have no personal electoral incentive to provide casework and other local services for their constituents. Yet they do provide such services--because the Costa Rican parties provide them with non-electoral incentives to do so (see Carey 1996; Taylor 1960).

17. Weingast et al. (1981) show that these incentives to cultivate a personal vote lead legislators to oversupply particularistic benefits (see, also, McCubbins and Rosenbluth 1995). Tullock's well-known concept of "fiscal illusion" reflects how electoral incentives lead to certain tax policies, as reelection-seeking legislators' goals are better served by hidden taxes. These hidden taxes are less threatening to the legislators' reelection prospects because they reduce "traceability" (Arnold 1990) from the policy to the policymaker. These tendencies to oversupply particularistic goods, coupled with a propensity for low tax rates, lead to increasing budget deficits (Alesina and Tabellini 1990; McCubbins 1991a, b; Alt and Lowry 1994).

18. One can also measure the big-party bias empirically. See, for example, Cox and Niou 1994.

19. That the threshold of exclusion is a rough estimate can be seen as follows. It might be considered an over-estimate of the minimum viable size because a party can win seats even if its seat share falls below the threshold. On the other hand, it might also be considered an under-estimate because securing enough votes to win a seat gives a party

some “revenue” but does not say at what cost. If there are fixed costs of advertising, for example, these may not be covered by winning a single seat in a multi-seat district.

20. The current state-of-the-art attempts can be found in Taagepera and Shugart (1989), Lijphart (1994), and Cox (1997).

21. Do voters in fact vote strategically? There is substantial evidence that they have, in a variety of historical and electoral contexts: in post-World War II Britain (Spafford 1972; Lemieux 1977; Cain 1978; Johnston and Pattie 1991); in nineteenth-century Britain (Cox 1984, 1987a); in West Germany in 1953 (Bawn 1993) and the 1960s (Fisher 1974); in Canada in the late '60s and early '70s (Black 1978, 1980; Blais, Renaut and Desrosiers 1974); in the 1968 U.S. Presidential election (Brody and Page 1973; Bense and Sanders 1979); in the 1988 Presidential primaries (Abramson *et. al.*, 1992); in post-1958 Venezuela (Shugart 1985); in the Spanish lower house elections of 1979 and 1982 (Gunther 1989); in post-World War II Japan (Reed 1991, p. 351; Cox 1994); and elsewhere.

22. In Brazil, voters may cast either a vote for a candidate or a vote for a list, although the vast majority choose to vote for a candidate.

²³ See Cain, Ferejohn and Fiorina 1987, pp. 224-28; Cox 1987b; Katz and Sala 1996; Thies 1994; Mayhew 1974; McCubbins and Rosenbluth 1995.

²⁴ See Cain, Ferejohn and Fiorina 1987, pp. 12-15; Cox 1987b; Mainwaring 1991, p. 29; Rose 1983, p. 39; Cooper, Brady and Hurley 1977.

²⁵ See Fiorina 1980; Burnham 1982; Mainwaring 1991; Reed 1994; Cox and McCubbins 1993; Schick 1980.

26. Levy and Spiller (1996) address this previously unanswered question, concluding that the types of regulations that develop in a country is related to its political and social institutions. This study has important implications for understanding the degree to which institutions can signal a credible commitment to existing regulatory policy.

27. Of course, the party members maintain ultimate control over the party leaders, as the members are the principals and the leaders are their agents.

Chapter 10

Conclusion: Policymaking in Presidential Systems

Stephan Haggard, Mathew McCubbins and Matthew Shugart

For some time, comparative politics has witnessed a strange debate about whether institutions "mattered" for political and policy outcomes.¹ For a discipline in which the analysis of institutions is arguably its central comparative advantage, this must have seemed to an outsider like a particularly strange bout of self-doubt. The debate was, in the end, useful because it forced those who focus on institutions to confront the null hypothesis that structural and social factors are the primary determinants of policy. In so doing, it has pushed institutionalists to come to address the interactions between institutions and social interests, and to put greater emphasis on empirical demonstrations of institutions' effects.

Initially, these empirical demonstrations focused on major constitutional arrangements, such as the difference between authoritarianism and democracy, or between parliamentary and presidential rule. We believe there is still merit in plowing these fields; but these distinctions are too broad for many purposes and thus have sometimes yielded only ambiguous results. What is required is more nuanced analysis that looks to variations within these large categories and to interactions among different institutions.

The "new institutionalism" does precisely that. Thus we are seeing an efflorescence of important comparative findings on the affects of particular institutions on policy, including federalism (Weingast 1995), bicameralism (Tsebelis and Money 1997),

decree powers (Carey and Shugart 1998), cabinet formation (Laver and Shepsle 1996), and legislative committee systems (Shepsle 1989).

In this book, we have taken a similar line of attack. After Cox and McCubbins's general theoretical overview of the logic of institutional analysis, Shugart and Haggard advanced some hypotheses concerning the functioning of presidential systems. One motivating factor behind this line of inquiry is the large and growing literature on the advantages of parliamentarism and the failings of presidential rule (particularly in Latin America, and more recently in the former socialist states). These claims of the relative merits of the two systems struck us as dubious.² More importantly, we believed that much hinged on the nature of presidential rule itself, which probably exhibits an even wider range of variation than parliamentarism, which is similarly diverse.

A second theoretical motivation grew out of the literature on economic reform. One finding of the Cox and McCubbins review is that decisive policy and resolute policy appear to demand somewhat contradictory institutional capabilities. The initiation of reform requires decisiveness, and in turn, a certain concentration of decision making authority; but resolute policy requires that the status quo not be easily overturned, which requires less concentrated decision making.

Further, the contributors to the volume shared the sense that many institutional analyses have operated in a vacuum, isolating particular institutional elements (such as legislative committees), without locating them within a context of other institutional actors with whom they interact. For example, critics of presidentialism worried about the effects of divided government. But the deleterious effects of divided government may be partially offset if the president has proactive and reactive powers. We have tried to avoid

this problem by looking at the different elements of presidentialism as constitutive of a policymaking *system*; the various powers of the president interact not only with his legislative interlocutors but with the political parties in which both executive and legislative action is embedded.

What we found, in a series of policy case studies, was that institutional structure, in particular the design of separation of powers and separation of purpose, have implications for the shape of public policy. The effective number of veto players, which is determined largely by constitutional divisions of power and by electoral systems, shapes how a state makes the decisiveness-resoluteness trade-off. More veto players, whether in the form of different branches of government, more parties in a coalition, or disunited parties, mean that decisions entail higher transactions costs, and so are more difficult to make. For the same reason, however, more veto players make policy more resolute, thereby guarding against the possibility of ever-changing, unpredictable policies. Similarly, more veto players mean that policy will be more private-regarding, as each demands a particularistic payoff in exchange for supporting any deal.

We also found that a certain unity of purpose is important to coherent policy making in presidential systems. In our sample of cases, the late Alfonsín years present ample evidence of the potential disabilities of a presidential system in which there is a polarized party system. In those years, not only were the two biggest parties far apart ideologically, with neither in the majority, but there were a few small parties, each based in a single province, that blackmailed the president, exchanging fiscal handouts for short-term coalitional support. Thus the Argentine case in the latter years of Alfonsín's

presidency demonstrate clearly the pitfalls of separation of purpose in presidential systems.

In Chapters Two and Three, we argued that the likelihood of a separation of purpose increases with the presence of a number of features of the electoral process, including: nonconcurrency of presidential and congressional elections; incongruence of the congressional majority's constituency with that of the president, such as with malapportionment of even one house; staggering of elections, such that there is not full renewal of legislative seats at each election; and candidate-centered electoral formulas, which tend to reduce the salience of national issues in congressional races. This last element of the institutional picture is especially important: many of the disabilities attributed to presidentialism are in fact due to peculiarities of the party system, and in turn how parties are shaped by electoral rules.

In Taiwan's SNTV system, for example, parties must develop strategies to divide the vote relatively evenly among their own candidates in any given district, or risk electing fewer than the maximum number of candidates that could be elected, given their share of the vote. The chapters on Taiwan by Cheng and Haggard and Haggard and Noble provide a number of examples of increases in the ruling party's interest in catering to particularistic constituencies as its majorities became less secure after 1992.

The cases further affirmed the importance of the nature of presidential power. Presidential regimes take a wide array of forms, and presidents' powers vary widely. While most have at least weak *reactive* power in the form of a veto, many also have important *proactive* powers, most notably decree power. The effects of reactive powers, for example, appear in Chile. Baldez and Carey note that recent Chilean tax policy has

been very stable in part because the reversion point (a law enacted in 1990 and extended in 1993) is more progressive than congress has subsequently been able to enact.

The effect of proactive powers also appeared in the cases. Restrictions on legislative amendments are also found to have potentially important effects in Chile and Taiwan, particularly where they limit congress's authority to increase the amount of spending from the amount in the budget submitted by the president. Even where such powers exist, outcomes are shaped by the reversion point in case of failure to agree. In Argentina, Chile, and Taiwan, only the president may initiate the budget and congress cannot increase spending, but different reversionary points in each case affect how much leverage the president enjoys. In Chile, the reversion point is current policy in most policy areas (including, as noted, taxation), but is the president's proposal in the case of spending. This contrasts with Taiwan, where the legislature may pass a temporary resolution, though the constitution prohibits the legislature from increasing spending over levels proposed by the executive.

The use and abuse of decree powers is often touted as a potentially problematic component of presidential rule. The authority to issue new laws by decree exists in Argentina, and has proven important in some reforms, including the regulatory ones that Heller and McCubbins discuss. But the ultimate origin of these decree powers is frequently misunderstood; they may be less important than is thought, and may even have perverse effects. For example, the president in Taiwan is usually considered quite powerful, but does not have decree powers. As we have argued throughout, unity of purpose may prove more important than a particular power. In Argentina, authority delegated from Congress (rather than the president's constitutional decree powers) proved

to be the most important factor in most of Menem's reforms. However, Heller and McCubbins note that such decree power may have negative effects on investor perceptions in a variety of regulatory areas, precisely because it implies the ability for the president to overturn existing policy, thereby increasing uncertainty.

These positive observations can be turned into policy prescriptions. Presidential systems of certain sorts are prone to particularism; as we noted, this tendency towards particularism is greatest where presidentialism coexists with electoral systems that tend to weaken parties or malapportion legislatures. Strengthening reactive powers of the presidency has been a common means of coping with such systems, but a more promising one lies in reform of the electoral process and legislative apportionment itself. While it might seem strange to suggest that countries undertake constitutional reform in order to achieve greater economic efficiency, Shugart and Haggard point out that a number of countries have done just that.

What we have termed the paradox of presidentialism--legislators elected from provincial constituencies and/or via candidate-centered electoral rules tend to be even more particularistic under presidentialism--is one of the prime sources of pressures to engage in distributive fiscal policy and the provision of pork. Thus, if legislative constituencies could be brought somewhat more into line with the presidential constituency through balancing local interests with national party interests and limiting malapportionment, the pressures for such policy problems would be diminished. It might be argued that such systems are unlikely to reform themselves. However, recent electoral reforms that combine single-member districts with national PR lists in some presidential systems, such as Bolivia and Taiwan necessarily create a national-oriented check upon

regional interests in the legislature. Moreover, economic reforms that empower urban middle-class constituencies and the recent reelection of reform-minded presidents (Cardoso and Menem), suggest that the political will for reducing the gap between the incentives of legislators and of presidents may be emerging.

While confirming some of our expectations about the role of party systems, the cases also opened up some extensions of our work where further reflection and research is required. Jones' chapter on Argentina demonstrates that some of the advantages that we attribute to strong parties can also turn into pathologies if the power of party leaders is not checked internally by democratic mechanisms. The Mexican system is, of course, not fully democratic, but nonetheless shows at the extreme how parties can be creatures of their leadership rather than constituents. In other presidential systems, such as Venezuela, we see strong, hierarchical parties colluding with their counterparts rather than competing vigorously to reflect the public-policy demands of constituents. The collusion of such inwardly oriented parties is largely responsible for extensive corruption.

Clearly, more work is needed both on the internal organization of parties, and on how different party systems and also individual parties might affect interest group organization and lobbying. Parties operating under electoral rules that mandate intra-party competition may have a greater propensity to generate demands for pork-barrel expenditure than would legislators responding only to their localized constituencies (see also Carey and Shugart 1995). Centralized parties and closed-list electoral rules partly solve this problem, but shift the locus of interest group activity to the center, opening avenues for "big" corruption and "partyarchy" (Coppedge 1994, Shugart 1998) where other checks do not exist.

Another extension of our work is in the mediating effects that federalism may have on presidential rule. Argentina, for example, exhibits a number of institutional features, such as closed lists, that imply strong parties. But party nominations in Argentina's parties are primarily controlled by party leaders in the provinces. As a result, Argentine presidents, even under unified government, face a party rank and file determined to increase transfers of revenues to provincial party leaders; Jones shows that this was an important component of Alfonsín's fiscal problems, and even extended into the Menem era (see also Willis et al. 1998).

In the case of Poland, we saw that separation of power between the president and the legislature was not an important factor in shaping reform of state-owned enterprises (SOE's), but that an important separation of powers and purpose occurred nonetheless. In this case, the president, who wields fairly weak reactive powers, was not centrally involved in battles over privatization. Rather, a separation of purpose that stemmed largely from the electoral system led to a fragmented party system, and in turn to a kind of *de facto* SOE-federalism in which firm managers wielded considerable influence over proposed policy changes. This effective veto allowed them to demand payoffs in exchange for their support of reform, ensuring that reforms would take a particularistic, private-regarding form. Keefer and Shirley show that in neighboring Czechoslovakia, where there were fewer veto players (and unity of purpose among them), the government acted more decisively, and Czech reforms took a public-regarding form.

In sum, we have presented a theory of institutional effects on policy. The cases presented regarding budgetary and regulatory policy in Argentina, Chile, Poland, and Taiwan, provided substantial support for that. Although there is more work to be done,

we believe this volume demonstrates that institutional analysis is sufficiently advanced to generate both predictions and recommendations for institutional design.

Endnotes

¹ For a survey, see Cox and McCubbins, this volume, or Milner 1998.

² We have detailed this criticism elsewhere; see Shugart and Mainwaring 1997, or Haggard and Kaufman 1995.

- Abente, Diego. 1990. "The Political Economy of Tax Reform in Venezuela," *Comparative Politics* 22, 2 (January).
- Abramson, PR, J.H. Aldrich, P. Paolino, D.W. Rohde. 1992. "Sophisticated Voting in the 1988 Presidential Primaries." *American Political Science Review* 86: 55-69.
- Ackerman, Bruce A., and William T. Hassler. 1981. *Clean Coal/Dirty Air: or how the Clean Air Act became a multibillion dollar bail-out for high sulfur coal producers and what should be done about it*. New Haven: Yale University Press.
- Aghion, Philippe, and Olivier Blanchard. 1994. "On the Speed of Transition in Central Europe." In *NBER Macroeconomics Annual 1994*, Stanley Fischer and Julio Rotemberg, eds. Cambridge, Mass.: MIT Press.
- Aguero, Felipe. 1992. "The Military and the Limits to Democratization in South America." Scott Mainwaring, Guillermo O'Donnell, and J. Samuel Valenzuela, eds. *Issues in Democratic Consolidation: The New South American Democracies in Comparative Perspective*. Notre Dame, IN: University of Notre Dame Press.
- Aguero, Felipe. 1994. "The Military in the Constitutions of the Southern Cone Countries, Brazil and Spain." *El Papel de los Partidos Politicos en el Retorno a la Democracia en el Cono Sur*. Washington, DC: Wilson Center.
- Alesina, Alberto and Geoffrey Carliner. 1991. *Politics and Economic in the Eighties*. Chicago: University of Chicago Press.
- Alesina, Alberto and Howard Rosenthal. 1995. *Partisan Politics, Divided Government, and the Economy*. Cambridge: Cambridge University Press.

- Alesina, Alberto, and Guido Tabellini. 1990. "A Positive Theory of Fiscal Deficits and Government Debt." *Review of Economic Studies* 57: 403-414.
- Alt, James E. and Robert C. Lowry. 1994. "Divided Government, Fiscal Institutions, and Budget Deficits-Evidence from the States." *American Political Science Review* 88: 811-828.
- American Political Science Association, Committee on Political Parties. 1950. *Toward a More Responsible Two-Party System*. New York: Rinehart.
- Ames, Barry. 1995a. "Electoral Rules, Constituency Pressures, and Pork Barrel: Bases of Voting in the Brazilian Congress," *The Journal of Politics* 57, 2: 324-43.
- Ames, Barry. 1995b. "Electoral Strategy under Open-List Proportional Representation," *American Journal of Political Science* 39, 2: 406-33.
- Aramouni, Alberto, and Ariel Colombo. 1992. *Críticas al Liberal-Menemismo*. Buenos Aires: Fundación Proyectos para el Cambio.
- Archer, Ronald P., and Mathew Soberg Shugart. 1998. "Presidential Power and its Limits in Colombia." In *Presidentialism and Democracy in Latin America*, ed. by Scott Mainwaring and Matthew Soberg Shugart. New York: Cambridge University Press.
- Arnold, R. Douglas. 1990. *The Logic of Congressional Action*. New Haven: Yale University Press.
- Aslund, Anders, Peter Boone, and Simon Johnson. 1996. "How to Stabilize: Lessons from Post-Communist Countries." *Brookings Review of Economic Activity*.

- Atlas, Cary M., Thomas W. Gilligan, Robert J. Hendershott, and Mark A. Zupan. 1995. "Slicing the Federal Government Net Spending Pie: Who Wins, Who Loses, and Why." *American Economic Review* 85: 624-29.
- Auth, José. 1994. "Elecciones presidenciales y parlamentarias de 1993." *Estudios Públicos* (fall):339-361.
- Banks, Arthur S. ed. 1990. *Political Handbook of the World 1990*. Binghamton: CSA Publications, State University of New York.
- Banks, Arthur S. ed. 1991. *Political Handbook of the World 1991*. Binghamton: CSA Publications, State University of New York.
- Bartos, O.J. 1995. "Modeling Distributive and Interactive Negotiations." *Annals of the Academy of Political and Social Science*. 542: 48-60.
- Bauer, Raymond A., Ithiel de Sola Pool, and Lewis Anthony Dexter. 1963. *American Business and Public Policy: The Politics of Foreign Trade*. New York: Atherton Press.
- Bawn, Kathleen. 1993. "The Logic of Institutional Preferences: German Electoral Law as a Social Choice Outcome." *American Journal of Political Science* 37: 965-989.
- Becker, Gary S. 1985. "Public Policies, Pressure Groups, and Dead Weight Costs." *Journal of Public Economics* 28: 329-347.
- Bensel, R.F., and E. Sanders. 1979. "The Effect of Electoral Rules on Voting Behavior: The Electoral College and Shift Voting." *Public Choice* 34: 69-85.
- Beyme, Klaus von. 1985. *Political Parties in Western Democracies*. New York: St. Martin's Press.

- Birnbaum, Jeffrey H., and Alan S. Murray. 1987. *Showdown at Gucci Gulch: Lawmakers, Lobbyists, and the Unlikely Triumph of Tax Reform*. New York: Random House.
- Black, Jerome. 1978. "The Multicandidate Calculus of Voting: Applications to Canadian Federal Elections." *American Journal of Political Science* 22: 609-638.
- Black, Jerome. 1980. "The Probability-choice Perspective in Voter Decision Making Models." *Public Choice* 35: 565-574.
- Blais, Andre and R.K. Carty. 1987. "The Impact of Electoral Formulae on the Creation of Majority Governments." *Electoral Studies* 6: 99-110.
- Blais, Andre, F. Renaut, and R. Desrosiers. 1974. "L'effet en amont de la carte electorale" *Canadian Journal of Political Science* 7: 648-672.
- Boycko, Maxim, Andrei Shleifer, and Robert W. Vishny. 1994.. "Voucher Privatization." *Journal of Financial Economics*, 35: 249-266.
- Boylan, Delia M. 1996. "Pre-Emptive Strike: The 1989 Chilean Central Bank Reform." American Political Science Association conference paper.
- Brady, David and Mark A. Morgan. 1987. "Reforming the Structure of the House Appropriations Process: The Effects of the 1885 and 1919-1920 Reforms on Money Decisions." Mathew D. McCubbins and Terry Sullivan, eds. *Congress: Structure and Policy*. New York: Cambridge University Press.
- Bresser Pereira, Luiz Carlos, José María Maravall, and Adam Przeworski. 1993. *Economic Reforms in New Democracies*. New York: Cambridge University Press.
- Brocato, Alejandro. 1996. Multiple interviews (May-June), with Brocato, Economic Analyst, Oficina Nacional de Presupuesto.

- Brody, Richard A., and Benjamin I. Page. 1973. "Indifference, Alienation, and Rational Decisions." *Public Choice* 15: 1-17.
- Buchanan, James M., Robert D. Tollison, and Gordon Tullock, eds. 1980. *Toward a Theory of the Rent-Seeking Society*. College Station: Texas A&M University.
- Buchanan, James M., and Gordon Tullock. 1962. *The Calculus of Consent: Logical Foundations of Constitutional Democracy*. Ann Arbor: University of Michigan.
- Burnham, Walter Dean. 1982. *The Current Crisis in American Politics*. Oxford: Oxford University Press.
- Cain, Bruce E. 1978. "Strategic Voting in Britain." *American Journal of Political Science* 22: 639-655.
- Cain, Bruce E., John Ferejohn, and Morris P. Fiorina. 1987. *The Personal Vote: Constituency Service and Electoral Independence*. Cambridge: Cambridge University Press.
- Calder, Kent. 1988. *Crisis and compensation : public policy and political stability in Japan, 1949-1986*. Princeton: Princeton University Press.
- Callieri, Claudio. 1996. Multiple interviews (May-June) with Callieri, Legislative Analyst, Secretaría de Coordinación Parlamentaria, Jefatura de Gabinete de Ministros.
- Campbell, Donald T. 1975. "'Degrees of Freedom' and the Case Study." *Comparative Political Studies* 8:178-193.
- Campos, Jose Edgardo, and Hadi Salehi Esfahani. 1994. "The Political Foundations of Public Enterprise Reform in Developing Countries." Typescript, The World Bank, Washington, DC.

- Carey, John M. 1994. "Los efectos del ciclo electoral sobre el sistema de partidos y el respaldo parlamentario al ejecutivo." *Estudios Públicos* 55: 305-314. Santiago, Chile.
- Carey, John M. 1996. *Term Limits and Legislative Representation*. New York: Cambridge University Press.
- Carey, John M. 1998. Electoral Reform and the Chilean Legislative Party System. unpublished manuscript.
- Carey, John M., and Matthew Soberg Shugart. 1995. "Incentives to Cultivate a Personal Vote: a Rank Ordering of Electoral Formulas." *Electoral Studies* 14: 417-439.
- Carey, John M. and Matthew Soberg Shugart, eds. 1998. *Executive Decree Authority: Calling Out the Tanks or Just Filling Out the Forms?* New York: Cambridge University Press.
- Carey, John M., and Matthew Soberg Shugart. 1998. "Calling Out the Tanks or Just Filling Out the Forms?" In *Executive Decree Authority: Calling Out the Tanks or Just Filling Out the Forms?*, ed. by John M. Carey and Matthew Soberg Shugart. New York: Cambridge University Press.
- Casper, Gretchen. 1995. *Fragile Democracies: The Legacies of Authoritarian Rule*. Pittsburgh: University of Pittsburgh Press.
- Caviedes, Cesar. 1991. *Elections in Chile : The Road toward Redemocratization*. Boulder, Colo.: Lynne Rienner.
- Central and Eastern European Privatization Network. . 1996.. "Privatization in Central and Eastern Europe." Annual Conference Series, 6.

- Chen, Ming-tong. 1995. *Pai hsi cheng chih yu Taiwan cheng chih pien chien* [Factionalism and Taiwan's Political Change]. Taipei: Yue-dan Publishers.
- Chen, Shong-san. 1994. *Kuo-hui chih-tu jie-tu* (Understanding the Congressional System in Taiwan), Taipei: Yueh-tan.
- Cheng, Tun-jen. 1993. "Guarding the Commanding Heights: The State as Banker in Taiwan," in Stephan Haggard, Chung H. Lee and Sylvia Maxfield, eds., *The Politics of Finance in Developing Countries* Ithaca: Cornell University Press.
- Cheng, Tun-jen. 1995. "Democratic Transition and Economic Policymaking in Korea and Taiwan," paper presented at the American Political Science Association convention, Chicago, September 1.
- Cheng, Tun-jen and Stephan Haggard, eds. 1992. *Political Change in Taiwan* Boulder: Lynne Rienner.
- Cheng, Tun-jen and Stephan Haggard, eds. 1993. *Political Change in Taiwan*. Boulder: Lynne Rienner.
- Cheng, Tun-jen and Yung-ming Hsu. 1996a. "Issue Structure, the DPP's Factionalism, and Party Realignment," in Hung-mao Tien, ed., *Taiwan's Electoral Politics and Democratic Transition*. Armonk, N.Y.: M.E. Sharpe.
- Cheng, Tun-jen and Yung-ming Hsu. 1996b. "Interest Groups, Entrepreneurship, and Party Politics," in Hung-mao Tien, ed., *Political Development in Hong Kong and Taiwan*. Hong Kong: Oxford University Press.
- Cheng, Tun-jen and Chi Schive. 1996. "What Has Democratization Done to Taiwan's Economy?" paper prepared for the conference on Taiwan: a Decade of

Democratization: Record, Prospects, and Implications, George Washington University, April 19-20.

Ch'ien, Tuan-sheng. 1950. *The Government and Politics of China*. Cambridge: Harvard University Press.

Chou, Yu-kou. 1994. *Lee Teng-hui, 1993*. Taipei: Wu Publishers.

Chu, Yun-han. 1994. "The Realignment of Business-Government Relations and Regime Transition in Taiwan," in Andrew MacIntyre, ed., *Business and Government in Industrializing Asia*. Ithaca: Cornell University Press.

Chung-hua Institution of Economics. 1993. "Wuguo Dianyefa Xiuzheng Caoan Zhi Yanju [A Study of Preliminary Modifications of the Electricity Act in Taiwan]" Taipei: Energy Commission, Ministry of Economic Affairs, June.

Cohen, Linda, Mathew McCubbins and Frances M. Rosenbluth, "The politics of nuclear power in Japan and the United States," in Peter F. Cowhey and Mathew McCubbins, eds., *Structure and Policy in Japan and the United States* New York: Cambridge University Press.

Constable, Pamela and Arturo Valenzuela. 1989-1990. "Chile's Return to Democracy." *Foreign Affairs* 68.

Constable, Pamela and Arturo Valenzuela. 1991. *A Nation of Enemies*. New York: W.W. Norton.

Cooper, Joseph, David W. Brady, and Patricia A. Hurley. 1977. "The Electoral Basis of Party Voting: Patterns and Trends in the U.S. House of Representatives" in Maisel, Louis and Joseph Cooper, eds. *The Impact of the Electoral Process*. Beverly Hills: Sage.

- Coppedge, Michael. 1994. *Strong Parties and Lame Ducks: Presidential Partyarchy and Factionalism in Venezuela*. Stanford, CA.: Stanford University Press.
- Cornell, Nina, Roger G. Noll, and Barry R. Weingast. 1976. Safety Regulation. In C. Schultze and H. Owen, eds., *Setting National Priorities*. Washington, D.C.: Brookings Institution.
- Council on Economic Planning and Development. 1993. "Cheng-fu tsai-wu tuai kuo-nai tsong-ti ching-chi fa-tsang chih ying-hsiang" [Government debt and its effect on the economy]
- Council on Economic Planning and Development. 1996. "Sheu-hui fu-li chih-chu tuai tsong-ti ching-chi fa-tsang chih ying-hsiang" Social welfare expenditures and their effects on economic development], processed.
- Covarrubios, Alvaro J., and Suzanne B. Maia. 1994a. ""Reforms and Private Participation in the Power Sector of Selected Latin American and Caribbean and Industrialized Countries," v. 1, Discussion of Issues. Draft report #33, World Bank, Latin America and the Caribbean Technical Department, Regional Studies Program, March.
- Covarrubios, Alvaro J., and Suzanne B. Maia. 1994b. ""Reforms and Private Participation in the Power Sector of Selected Latin American and Caribbean and Industrialized Countries," v. 2, Appendices. Draft report #33, World Bank, Latin America and the Caribbean Technical Department, Regional Studies Program, March.
- Cowhey, Peter F., and Mathew D. McCubbins, eds. 1995. *Structure and Policy in Japan and the United States*. Cambridge, New York: Cambridge University Press.

- Cox, Gary W. 1984. "Strategic Electoral Choice in Multi-Member Districts: Approval Voting in Practice?" *American Journal of Political Science* 28: 722-738.
- Cox, Gary W. 1987a. "Electoral Equilibrium under Alternative Voting Institutions." *American Journal of Political Science* 31: 82-108.
- Cox, Gary W. 1987b. *The Efficient Secret: The Cabinet and the Development of Political Parties in Victorian England*. Cambridge: Cambridge University Press.
- Cox, Gary W. 1994. "Strategic Voting Equilibria under The Single Nontransferable Vote" *American Political Science Review* 88: 608-621.
- Cox, Gary W. 1995. "Is the Single Non-Transferrable Vote Superproportional? Evidence from Japan and Taiwan," unpublished ms., University of California, San Diego.
- Cox, Gary W. 1997. *Making Votes Count: Strategic Coordination in the World's Electoral Systems*. New York: Cambridge University Press.
- Cox, Gary W., and Octavio Amorim-Neto. 1997. "Electoral Institutions, Cleavage Structures, and the Number of Parties." *American Journal Of Political Science* 41:149-174.
- Cox, Gary W., and Samuel Kernell, eds. 1991. *The Politics of Divided Government*. Boulder: Westview Press.
- Cox, Gary W., and Mathew D. McCubbins. 1991. "Divided Control of Fiscal Policy" in Cox, Gary W. and Samuel Kernell, eds. *The Politics of Divided Government*.
- Cox, Gary W., and Mathew D. McCubbins. 1993. *Legislative Leviathan: Party Government in the House*. Berkeley: University of California Press.
- Cox, Gary W., and Richard D. McKelvey. 1984. "A Ham Sandwich Theorem for General Measures." *Social Choice and Welfare* 1:75-83.

- Cox, Gary W., and Emerson Niou. 1994. "Seat Bonuses Under the Single-Non Transferrable Vote System: Evidence from Japan and Taiwan," *Comparative Politics* 26: 221-36.
- Cox, Gary W., and Frances Rosenbluth. 1993. "The Electoral Fortunes of Legislative Factions in Japan," *American Political Science Review* 87: 577-589. Boulder: Westview Press.
- Cox, Gary W., and Matthew Soberg Shugart. 1995. "The Absence of Vote Pooling: Nomination and Vote Allocation Errors in Colombia," *Electoral Studies* 14, 4 (December): 441-60.
- Cox, Gary W., and Matthew Soberg Shugart. 1996. "Strategic Voting under Proportional Representation." *Journal of Law, Economics, & Organization* 12:299-324.
- Cuckierman, Alex. 1992. *Central Bank Strategy, Credibility and Independence: Theory and Evidence*. Cambridge, MA: MIT Press.
- Cullather, Nick. 1996. "Fuel for the Good Dragon": The United States and Industrial Policy in Taiwan, 1950-1965." *Diplomatic History* 20, 1 (Winter): 1-25.
- Curtis, Gerald. 1988. *The Japanese Way of Politics*. New York: Columbia University Press.
- D'Onofrio, Francesco. 1979. "Committees in the Italian Parliament," in J. D. Lees and M. Shaw (eds.), *Committees in Legislatures*. Durham, N.C.: Duke University Press.
- Dahl, Robert A. 1956. *A Preface to Democratic Theory*. Chicago: University of Chicago Press.
- Dahl, Robert A. 1967. *Pluralist Democracy in the United States: Conflict and Consent*. Chicago: Rand McNally.

- Decreto con Fuerza de Ley N° 1, Minería, 1982 (Chile).
- Decreto N° 1398/92 (“Energía eléctrica”) (Argentina).
- Della Sala, Vincent. 1993. “The Permanent Committees of the Italian Chamber of Deputies: Parliament at Work?” *Legislative Studies Quarterly* 18: 157-83.
- Democratic Progressive Party, 1994. *Pa-shih-shih nien-du chung-yang-cheng-fu tsong-yu-suan-an sheng-cha chih yi-chien tsu-kau* [Our preliminary views of the budget bill for fiscal year 1995]. Taipei: Policy Research Center, April 13.
- Demsetz, Harold. 1990. "Amenity Potential, Indivisibilities, and Political Competition." In *Perspectives on Positive Political Economy*, ed. by James E. Alt and Kenneth A. Shepsle. New York: Cambridge University Press.
- Derthick, Martha. 1979. *Policymaking for Social Security*. Washington, D.C.: The Brookings Institution.
- Diamond, Larry. 1992. “Economic Development and Democracy Reconsidered.” *American Behavioral Scientist* 35: 450-499.
- Dickson, Bruce J. 1996. "Kuomintang before Democratization: Organizational Change and the Role of Elections," in Hung-mao Tien, ed., *Taiwan's Electoral Politics and Democratic Transition*. Armonk, N.Y.: M.E. Sharpe.
- Dirección de Información Parlamentaria. 1996. Reference files of the Dirección de Información Parlamentaria, Congreso de la Nación.
- Dodd, Lawrence C. 1976. *Coalitions in Parliamentary Government*. Princeton: Princeton University Press.
- Drake, Paul. 1993. “Obstacles to Policy Changes in Chile.” Typescript, University of California, San Diego.

- Dromi, Roberto, and Eduardo Menem. 1994. *La Constitución Reformada: Comentada, Interpretada y Concordada*. Buenos Aires: Ediciones Ciudad Argentina.
- Druckman, James N. 1996. "Party Factionalism and Cabinet Durability" *Party Politics* 2: 397-407.
- Durrieu, Marcela. 1996. Multiple interviews (May-June) with Durrieu, Chamber Deputy (PJ) (1991-95), and Coordinator of Social Welfare Reform, Ministerio de Salud y Acción Social (1996-97).
- Duverger, Maurice. 1954. *Political Parties: Their Organization and Activity in the Modern State*, translated by Barbara and Robert North. New York: Wiley.
- Duverger, Maurice. 1980. "A New Political System Model: Semipresidential Government." *European Journal of Political Research* 8: 165-187.
- Earle, John S., Roman Frydman, and Andrezej Rapaczynski. 1993.. *Privatization in the Transition to a Market Economy: Studies of Preconditions and Policies in Eastern Europe*. New York: St. Martin's Press.
- Eaton, Kent. 1997. "The Politics of Tax Reform: Economic Policy Making in Developing Presidential Democracies." Ph.D. Dissertation, Yale University.
- Economist Intelligence Unit (various issues). *Country Report: Argentina*. London: Economist Publications.
- Economist Intelligence Unit (various issues). *Country Report: Czechoslovakia*. London: Economist Publications.
- Economist Intelligence Unit (various issues). *Country Report: Czech Republic and Slovakia*. London: Economist Publications.

Economist Intelligence Unit (various issues). *Country Report: Poland*. London:

Economist Publications.

El Mercurio. 1993. "Resultos electorales." Santiago, Chile, December 13: C2-C5.

Electronic Engineering News.

Energy Commission, Ministry of Economic Affairs, Republic of China. 1995. "Dianyuan

Buzu Shiqi Jianshao Yongdian Banfa [Method for Controlling Electricity Use in

Times of Insufficient Electricity Supply]," March.

ENRE, Ente Nacional Regulador de la Electricidad. 1994a. *Informe Anual 1993/1994*,

vol. 1. Buenos Aires: ENRE.

ENRE, Ente Nacional Regulador de la Electricidad. 1994b. *Informe Anual 1993/1994*,

vol. 2. Buenos Aires: ENRE.

ENRE, Ente Nacional Regulador de la Electricidad. N.d. "Organización del sistema

eléctrico argentino." Typescript, Buenos Aires.

ENRE, Ente Nacional Regulador de la Electricidad. Resolución ENRE No. 39/94, Anexo,

"Reglamento de Audiencias Públicas." In ENRE 1994b (Argentina).

Eskridge, William N., and John Ferejohn. 1992. "Making the Deal Stick: Enforcing the

Original Constitutional Structure of Lawmaking in the Modern Regulatory State."

Journal of Law, Economics, and Organization 8(1): 165-189.

European Bank for Reconstruction and Development. 1995. *Transition Report*. London:

EBRD.

Far Eastern Economic Review.

Feliu, Olga. 1994. "Informe sobre el proyecto de ley de presupuestos del año 1995."

Santiago.

- Feliu, Olga. 1996. Personal communication. Letter. August 20.
- Fenno, Richard. 1978. *Home Style: House Members in Their Districts*. Boston: Little, Brown.
- Feo, Alberto. 1996 Interview (May 16) with Feo, Budget Director for Economic and Social Sectors of the National Administration, Oficina Nacional de Presupuesto.
- Ferejohn, John. 1974. *Pork Barrel Politics: Rivers and Harbors Legislation, 1947-1968*. Stanford: Stanford University Press.
- Fiorina, Morris P. 1977. *Congress: Keystone of the Washington Establishment*. New Haven: Yale University Press.
- Fiorina, Morris P. 1980. "The Decline of Collective Responsibility in American Politics." *Daedalus*, Journal of the American Academy of Arts and Sciences, *The End of Consensus?*, vol. 109, no.3. Cambridge.
- Fiorina, Morris P. 1981. *Retrospective Voting in American National Elections*. New Haven: Yale University Press.
- Fiorina, Morris P. 1992. *Divided Government*. New York: Macmillan.
- Fiorina, Morris P., and Roger Noll. 1979. "Majority Rule Models and Legislative Elections" *Journal of Politics* 41: 1081-1104.
- Fisher, S.L. 1974. "A Test of Anthony Downs' Wasted Vote Thesis: West German Evidence." Unpublished paper prepared for the Public Choice Society, New Haven, Conn.
- Ford, Henry Jones. 1898. *The Rise and Growth of American Politics*. New York: Macmillan.

- Freeman, John Lieper. 1955. *The Political Process: Executive Bureau-Legislative Committee Relations*. New York: Random House.
- Frydman, Roman, and Andrzej Rapaczynski. 1994.. *Privatization in Eastern Europe: Is the State Withering Away?* New York: Central European University Press.
- Frydman, Roman, Andrzej Rapaczynski, and John S. Earle. 1993.. *The Privatization Process in Central Europe*. Central European University Privatization Project.
- Fukui, Haruhiro & Shigeru Fukai, 1996. "Pork Barrel Politics, Networks, and Local Economic Development in Contemporary Japan," *Asian Survey*. March. pp. 268-286.
- Galenson, Walter. 1959. *Labor and Economic Development*. New York: Wiley.
- Garman, Christopher, Stephan Haggard and Eliza Willis. 1996. "Decentralization in Latin America." Paper prepared for delivery at the 1996 Annual Meeting of the American Political Science Association, San Francisco, August 29-Sept. 1.
- Geddes, Barbara. 1994. *Politician's Dilemma: Building State Capacity in Latin America*. Berkeley: University of California Press.
- Geddes, Barbara. 1995. "A Comparative Perspective on the Leninist Legacy in Eastern Europe." *Comparative Political Studies*.
- Gelb, Alan, and Inderjit Singh. 1994.. "Public Enterprise Reforms in Transitional Economies." Policy Research Department, World Bank, Washington, D.C.
- Gely, Rafael, and Pablo T. Spiller. 1990. "A Rational Choice Theory of Supreme Court Statutory Decisions with Applications to the *State Farm* and *Grove City* Cases." *Journal of Law, Economics, and Organization* 6(2): 263-300.
- Gibson, Edward L. 1996. *Class and Conservative Parties: Argentina in Comparative Perspective*. Baltimore: Johns Hopkins University Press.

Godoy Arcaya, Oscar. 1994. "Las elecciones de 1993." *Estudios Públicos* (fall):301-337.

Gold, Thomas. 1986. *State and Society in the Taiwan Miracle*. Armonk NY: M.E.

Sharpe.

Gómez de la Fuente, Pedro, and Carolina Pérez Colman. 1995. *Glosario Electoral*

Argentino. Buenos Aires: Centro Editor Argentino.

Gongshang Shibao.

González Fraga, Javier, A. 1991. "Argentine Privatization in Retrospect." In

Privatization of Public Enterprises in Latin America, ed. William Glade. San

Francisco: International Center for Economic Growth, Institute of the Americas, and

Center for US-Mexican Studies.

Goss, Carol F. 1972. "Military Committee Membership and Defense-Related Benefits in

the House of Representatives." *Western Political Quarterly* 25: 215-233.

Gray, Cheryl, and Arnold Holle. 1996.. "Bank-led Restructuring in Poland (II):

Bankruptcy and its Alternatives." Policy Research Department, The World Bank,

June.

Grofman, Bernard, and Arend Lijphart, eds. 1986. *Electoral Laws and Their Political*

Consequences. New York: Agathon Press.

Grupo Sophia. 1997. *Informe Sobre el Presupuesto Nacional 1997*. Buenos Aires:

Grupo Sophia.

Guasch, J. Luis and Pablo Spiller. 1995. "Regulation and Private Sector Development in

Latin America." unpublished ms.

Guasch, J. Luis, and Pablo Spiller. 1996. *Managing the Regulatory Process: Concepts,*

Issues and the Latin America and Caribbean Story Book. unpublished manuscript.

- Gunther, Richard. 1989. "Electoral Laws, Party Systems, and Elites-The Case of Spain" *American Political Science Review* 83: 835-858.
- Gunther, Richard and Anthony Mughan. 1993. "Political Institutions and Cleavage Management," in R. K. Weaver and B. A. Rockman (eds.), *Do Institutions Matter?* Washington, DC: Brookings.
- Haggard, Stephan. N.d. "The Reform of the State in Latin America," Unpublished.
- Haggard, Stephan. 1990. *Pathways from the Periphery: The Politics of Growth in the Newly Industrializing Countries*. Ithaca: Cornell University Press.
- Haggard, Stephan and Robert R. Kaufman. 1995. *The Political Economy of Democratic Transitions*. Princeton: Princeton University Press.
- Haggard, Stephan and Chien-kuo Pang. 1994. "The Transition to Export-led Growth in Taiwan," in Joel Aberbach, David Dollar and Ken Sokoloff, eds., *The Role of the State in Taiwan's Development*. Armonk N.Y: M.E. Sharpe 1994.
- Haggard, Stephan, and Steven B. Webb, eds. 1993. *Voting for Reform: democracy, political liberalization, and economic adjustment*. New York: Oxford University Press.
- Hannon, Paul. 1993. *Argentina: A New Era*. London: Euromoney Publications.
- Harris, Fred R. 1993. *Deadlock or Decision: The U.S. Senate and the Rise of National Politics*. New York: Oxford University Press.
- Hashi, Iraj. 1995.. "Employee-Ownership and Enterprise Behaviour: Evidence from Poland's Privatisation by Liquidation." Centre for European Research in Economics, Staffordshire University (January).

- Hau, Yu-mei. 1981. *Chung-kuo kuo-min-tang ti-ming chih-tu chih yen-chiu* [A study of the KMT's nomination system]. Taipei: Cheng-chung.
- Heidarian, Jamshid, and Gary Wu. 1994. "Power Sector Statistics for Developing Countries (1987-1991)." Washington, DC: World Bank.
- Heller, William B. 1995. *Legislative Institutions, Parliamentary Process, and Cabinet Coalitions: Structure and Policy in Postwar Italy and Western Europe*. UC San Diego: Ph.D. dissertation.
- Heller, William B. 1997. "Bicameralism and Budget Deficits: The Effect of Parliamentary Structure on Government Spending." *Legislative Studies Quarterly* 22:485-516.
- Hill, Alice, and Manuel Angel Abdala. 1996. "Argentina: The Sequencing of Privatization and Regulation" in Levy, Brian and Pablo T. Spiller (eds.) *Regulations, Institutions, and Commitment: Comparative Studies of Telecommunications*. Cambridge: Cambridge University Press.
- Hogan, William. 1996. "Evaluation of Alternatives for Power System Coordination and Pooling in a Competitive Environment." Paper prepared for presentation at the IEEE/PES Winter Meeting, Baltimore, Maryland, January 21-25.
- Hood, Steven J. 1996. "Political Change in Taiwan: the Rise of Kuomintang Factions," *Asian Survey*. :468-482.
- Hotelling, Harold. 1929. "Stability in Competition." *Economic Journal* 39: 41-57.
- Hsiao, Hsin-huang Michael. 1992. "The Rise of Social Movements and Civil Protests," in Tun-jen Cheng and Stephan Haggard, eds., *Political Change in Taiwan* Boulder: Lynne Rienner.

- Hsieh, JFS and Emerson Niou. 1996. "Issue Voting in the Republic of China on Taiwan's 1992 Legislative Yuan Election," *International Political Science Review*. 17(1):13-27.
- Hsu, Chien-ying. 1994. "*Tang-chien hsien-cheng chang yu-kuan li-fa-yuan wen-ti hsu-tang: cheng-shih wei-yuan hui chi chuan-hsien wen-ti*" [Further study of the constitutional power of the Legislative Yuan: the jurisdiction of standing committees], *Li-fa-yuan hsin-wen* [Legislative News], December. pp. 44-58.
- Huang, Den-wei. 1996. "*Chiu mei-kuo kuo-hui yu-suan-ju chih chih-tu lun wuo-kuo shih-fou hsu sheuh-li kuo-hui yu-suan-ju*" [On the need for a Congressional Budget Office in Taiwan: Learning from American experience], *Li-fa-yuan hsin-wen* [Legislative News], February, pp.58-69.
- Huang, Jau-yuan, 1995a. "Constitutional Change in Democratic Taiwan," unpublished Ph.D. dissertation, Harvard Law School.
- Hsu, George Jau-Yuan. 1995b. "The Restructuring of the Electric Power Industry in Taiwan," unpublished ms., Center for Energy and Environmental Studies, Chung-Hua Institution for Economic Research, Taipei, Taiwan.
- Huang, Li-li, 1993. "Contractual Relationships--Economic and Foreign Relations in the Six-Year Plan," *Sinorama*, February. pp.20-28.
- Huang, Teh-fu. 1996. "Elections and the Evolution of the Kuomintang" in Hung-mao Tien, ed., *Taiwan's Electoral Politics and Democratic Transition: Riding the Third Wave*, New York: M. E. Sharpe.
- Huber, John D. 1992. "Restrictive Legislative Procedures in France and the United States." *American Political Science Review* 86: 675-687.

- Huber, John D. 1998. "How Does Cabinet Instability Affect Political Performance? Portfolio Volatility and Health Care Cost Containment in Parliamentary Democracies." *American Political Science Review* 92:577-591.
- Huntington, Samuel P. 1968. *Political Order in Changing Societies*. New Haven, CT: Yale University Press.
- Huntington, Samuel P. and Jorge I. Domínguez. 1975. "Political Development." Fred I. Greenstein and Nelson W. Polsby, eds. *Handbook of Political Science*, vol.3. Reading, MA: Addison-Wesley.
- Inoguchi, Takashi. 1990. "The Political Economy of Conservative Resurgence under Recession: Public Policies and Political Support in Japan, 1977-83," in T.J. Pempel, *Uncommon Democracies* Ithaca: Cornell University Press.
- International Financial Statistics*. 1996. Washington DC: International Monetary Fund Statistics Department. April.
- International Monetary Fund. 1995.. "Czech Republic: Selected Background Studies." IMF Country Staff Report, No. 95/85, September 1995.
- Jacobson, Gary C. 1990. *The Electoral Origins of Divided Government: Competition in U.S. House Elections, 1946-1988*. Boulder: Westview Press.
- Jacoby, Neil. 1966. *U.S. Aid to Taiwan: A Study in Foreign Aid and Self-Help, and Development*. New York: Praeger.
- Jefe de Gabinete de Ministros. 1996. Decisión Administrativa N° 1.
- Johnson, Chalmers A. 1982. *MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925-1975*. Stanford, CA: Stanford University Press.

- Johnson, David C. 1995. "The Effect of Democratization on the Legislative Yuan's Role in the Budget Formulation Process," unpublished ms., University of California, San Diego.
- Johnson, Simon, and Marzena Kowalska. 1994.. "Poland: The Political Economy of Shock Therapy." In *Voting for Reform: Democracy, Political Liberalization, and Economic Adjustment*, Stephan Haggard and Steven B. Webb, eds. New York: Oxford University Press.
- Johnston, R.J., and C.J. Pattie. 1991. "Tactical Voting in Great Britain in 1983 and 1987- An Alternative Approach." *British Journal of Political Science* 21: 95-108.
- Jones, Mark P. 1994. "Electoral Laws and the Survival of Presidential Democracies." Ph.D. dissertation, University of Michigan.
- Jones, Mark P. 1995. *Electoral Laws and the Survival of Presidential Democracies*. Notre Dame: University of Notre Dame Press.
- Jones, Mark P. 1997. "Evaluating Argentina's Presidential Democracy: 1983-1995." In *Presidentialism and Democracy in Latin America*, ed. by Scott Mainwaring and Matthew Soberg Shugart. New York: Cambridge University Press.
- Jones, Mark P., Pablo Sanguinetti, and Marino Tommasi. 1998. "Politics, Institutions, and Public Sector Spending in the Argentine Provinces," in James M. Poterba and Jürgen von Hagen, eds., *Budget Institutions and Fiscal Outcomes*. Chicago: NBER-University of Chicago Press. Forthcoming.
- Joskow, Paul L. 1974. "Inflation and Environmental Concern: Structural Change in the Process of Public Utility Price Regulation." *Journal of Law and Economics* 17: 291-327.

- Joskow, Paul L., and Roger G. Noll. 1981. "Regulation in Theory and Practice: An Overview." Pp. 1-65 in *Studies in Public Regulation*, ed. Gary Fromm. Cambridge: MIT Press.
- Joskow, Paul L., and Richard Schmalensee. 1983. *Markets for power: an analysis of electric utility deregulation*. Cambridge: MIT Press.
- Kahn, Edward, and Richard Gilbert. 1994. "International Comparisons of Electricity Regulation." Paper presented at the 17th annual International Conferences of the International Association of Energy Economists, Stavanger, Norway, May.
- Katz, Jonathan, and Brian Sala. 1996. "Careerism, Committee Assignments, and the Electoral Connection." *American Political Science Review* 90: 21-33.
- Katz, Richard S. 1980. *A Theory of Parties and Electoral Systems*. Baltimore: Johns Hopkins University Press.
- Katz, Richard. 1986. "Intraparty Preference Voting" in B. Grofman and A. Lijphart, eds. *Electoral Laws and their Political Consequences*. New York: Agathon.
- Katzenstein, Peter J. 1985. *Small States in World Markets: industrial policy in Europe*. Ithaca: Cornell University Press.
- Keith, Ronald C., ed. 1986. *Energy, Security, and Economic Development in East Asia*. London: Croom Helm.
- Kharas, Homi. 1991.. "Restructuring Socialist Industry: Poland's 1990 Experience." Mimeo, The World Bank.
- Kiewiet, D. Roderick, and Mathew D. McCubbins. 1988. "Presidential Influence on Congressional Appropriations Decisions." *American Journal of Political Science* 65:131-43.

- Kiewiet, D. Roderick and Mathew McCubbins. 1991. *The Logic of Delegation: Congressional Parties in the Appropriations Process*. Chicago: University of Chicago Press.
- Kim, Yoon Hyung. 1989. "Financial Management and Corporate Organization," in Kim and Smith, eds. *Electricity In Economic Development: the Experience of Northeast Asia*. New York: Greenwood Press.
- Kim, Yoon Hyung and Kirk R. Smith, eds. 1989. *Electricity In Economic Development: the Experience of Northeast Asia*. New York: Greenwood Press.
- King, Gary, James Alt, N.E. Burns, and Michael Laver. 1990. "A Unified Model of Cabinet Dissolution in Parliamentary Democracies" *American Journal of Political Science* 34: 846-871.
- King, Gary, Robert O. Keohane, and Sidney Verba. 1994. *Designing Social Inquiry: Scientific Inference in Qualitative Research*. Princeton, N.J.: Princeton University Press.
- Krueger, Anne O. 1974. "The Political Economy of the Rent Seeking Society" in Buchanan, James M., Robert D. Tollison, and Gordon Tullock, eds. *Toward a Theory of the Rent-Seeking Society*. College Station: Texas A&M University.
- Kuo, Cheng-Tian. 1995. *Global Competitiveness and Industrial Growth in Taiwan and the Philippines*. Pittsburgh: University of Pittsburgh Press.
- La Época*. 1995. "Josefina Bilbao se sumó a lamentos por posible reducción presupuestaria." Santiago, Chile. November 28: 21.

- Laakso, Markku. 1987. "Thresholds for Proportional Representation: Reanalyzed and Extended" in Holler, Manfred J., ed. *The Logic of Multiparty Systems* Dordrecht: Kluwer Academic Publishers.
- Lancaster, Thomas D. 1986. "Electoral Structures and Pork Barrel Politics," *International Political Science Review* 7, 1 (January): 67-81.
- Latin American Weekly Report. 1984-88. Various issues 1984-88. London: Latin American Newsletters.
- Laver, Michael, and Kenneth A. Shepsle. 1990a. "Coalitions and Cabinet Government." *American Political Science Review* 84: 873-890.
- Laver, Michael, and Kenneth A. Shepsle. 1990b. "Government Coalitions and Intraparty Politics." *British Journal of Political Science* 20: 489-507.
- Laver, Michael, and Kenneth A. Shepsle. 1996. *Making and Breaking Governments: Cabinets and Legislatures in Parliamentary Democracies*. Cambridge, New York: Cambridge University Press.
- Laver, Michael, and Norman Schofield. 1990. *Multiparty Government: the politics of coalition in Europe*. Oxford: Oxford University Press.
- Lee, Chih-yang. 1993. "Li-fa-yuan yi-chueh kuo-chia chong-yu-suang-an kuo-cheng chi yen-chiu" [Legislative processes of the national budget], unpublished MA thesis in Public Policy, National Chung-hsing University.
- Lehmbruch, Gerhard, and Philippe C. Schmitter. 1982. *Patterns of Corporatist Policy-making*. London: Sage.
- Lemieux, Peter. 1977. *The Liberal Party and British Political Change: 1955-1974*. Massachusetts Institute of Technology: Ph.D. Dissertation

- Leng, Shao-chuan and Cheng-yi Lin, 1993. "Political Change on Taiwan: Transition to Democracy?" *The China Quarterly* 136, December, p.808
- Levy, Brian and Pablo Spiller. 1993. "Regulation, Institutions, and Commitment in Telecommunications: A Comparative Analysis of Five Country Studies," *Proceedings of the World Bank Annual Conference on Development Economics*. Washington D.C.: The World Bank.
- Levy, Brian, and Pablo T. Spiller. 1994. "The Institutional Foundations of Regulatory Commitment: A Comparative Analysis of Telecommunications Regulation." *Journal of Law, Economics, and Organization* 10, 201-245.
- Levy, Brian, and Pablo Spiller, eds. 1996. *Regulations, Institutions, and Commitment: Comparative Studies of Telecommunications*. New York: Cambridge University Press.
- Lewis, Paul G. . 1994.. "Political Institutionalisation and Party Development in Post-communist Poland." *Europe-Asia Studies*, 46:5, 779-799.
- Ley de Administración Financiera. 1992. Ley de Administración Financiera y de los Sistemas de Control del Sector Público Nacional (Ley N° 24.156).
- Ley de Presupuesto. 1995. Ley de Presupuesto General de Gastos y Cálculo de Recursos de la Administración Nacional 1995 (Ley N° 24.447).
- Ley N° 18.922 ("Modifica el decreto con fuerza de ley 1, de 1982, de Minería"), *Diario Oficial* N° 33.594, February 12, 1990 (Chile).
- Ley N° 24.065 ("Energía eléctrica") (Argentina).
- Li, Laura. 1993. "Contractual Relationships: Economic and Foreign Relations in the Six Year Plan," *Sinorama*, February: 20-28.

- Li, Shuo-jung. 1995. "Government Plans and Policies on Private Sector Investment in Taiwan's Power Sector," unpublished ms., Energy Commission, Ministry of Economic Affairs, Taiwan, Republic of China.
- Liang, Chi-Yuan. 1986. "Energy Supply and the Viability of the Economy of Taiwan, The Republic of China," in Ronald C. Keith, *Energy, Security, and Economic Development in East Asia* London: Croom Helm.
- Liang, Rongqu. 1995. "'Taiwan Heneng Kaifa de Guoji Guan" [An International Perspective on the Development of Nuclear Power in Taiwan] *Jinri Jingji* 330 (2.95), pp. 49-53.
- Liang, Yung-huan. 1995. "Yi-er-yi chia tang-tsi shih-yeh tsong-lung" [An overview of 121 KMT enterprises] *Tsai-hsuen* April: 102-110.
- Lianhe Bao*.
- Lijphart Elections Archive. *Poland: Formulaic Matrix*. Website, University of California, San Diego (<http://dodgson.ucsd.edu/lij/plndmat.html>).
- Lijphart, Arend. 1968. *The Politics of Accommodation: Pluralism and Democracy in the Netherlands*. Berkeley: University of California Press.
- Lijphart, Arend. 1971. "Comparative Politics and the Comparative Method." *American Political Science Review* 65:682-698.
- Lijphart, Arend. 1977. *Democracies in Plural Societies: A Comparative Exploration*. New Haven: Yale University Press.
- Lijphart, Arend. 1979. "Consociation and Federation: Conceptual and Empirical Links." *Canadian Journal of Political Science* 12: 499-515.

- Lijphart, Arend. 1984. *Democracies: Pattern of Majoritarian and Consensus Government in Twenty-one Countries*. New Haven: Yale University Press.
- Lijphart, Arend. 1991. "Constitutional Choices for New Democracies." *Journal of Democracy* 2: 72-84.
- Lijphart, Arend. 1992. *Parliamentary versus Presidential Government*. Oxford: Oxford University Press.
- Lijphart, Arend. 1994. *Electoral Systems and Party Systems: A Study of Twenty-Seven Democracies, 1945-1990*. New York: Oxford University Press.
- Lijphart, Arend, and Robert W. Gibberd .1977. "Thresholds and Payoffs in List Systems of Proportional Representation" *European Journal of Political Research* 5: 219-230.
- Lijphart, Arend, Ronald Rogowski, and R. Kent Weaver. 1993. "Separation of Powers and Cleavage Management," in R. K. Weaver and B. A. Rockman (eds.), *Do Institutions Matter?* Washington, DC: Brookings.
- Lin, Chau-yi. 1995. "The Electoral System and Institutionalization of Factionalism in Taiwan," paper presented at the First Annual Taiwan Studies Conference in North America, June 1, Yale University.
- Lin, Chi-lang. 1987. *Chung-kuo kuo-min-tang fu-hsuen cheng-cheu chih yen-chiu* [A case study of the KMT's electoral campaign policy]. Taipei: Cheng-chung.
- Lin, Jih-wen. 1995. "Social Cleavages and Political Competition under the Single Non-transferable Vote System," paper presented at the first annual Taiwan Studies Conference in North America, June 1, Yale University.
- Linz, Juan J. 1990. "The Perils of Presidentialism." *Journal of Democracy* 1:51-69.

- Linz, Juan J. 1994. "Presidential or Parliamentary Democracy: Does It Make a Difference?" Juan Linz and Arturo Valenzuela, eds. *The Failure of Presidential Democracy*. Baltimore: Johns Hopkins University Press.
- Linz, Juan J., and Alfred Stepan. 1996. *Problems of Democratic Transition and Consolidation*. Baltimore: The Johns Hopkins University Press.
- Linz, Juan J. and Arturo Valenzuela, eds. 1994. *The Failure of Presidential Democracy*. Baltimore: Johns Hopkins University Press.
- López Murphy, Ricardo. 1996. Interview (June 3) with López Murphy, Chief Economist, Fundación de Investigaciones Económicas Latinoamericanas.
- Loveman, Brian. 1993. *The Constitution of Tyranny: Regimes of Exception in Spanish America*. Pittsburgh: University of Pittsburgh Press.
- Loveman, Brian. 1998. "When You Wish upon the Stars: Why the Generals (and Admirals) say Yes to Latin American "Transitions" to Civilian Government. In Paul W. Drake and Mathew D. McCubbins, eds. *The Origins of Liberty: Political and Economic Liberalization in the Modern World*. Princeton: Princeton University Press.
- Lowi, Theodore. 1979. *The End of Liberalism: the second republic of the United States*. New York : Norton.
- Luebbert, Gregory M. 1986. *Comparative Democracy: policy-making and governing coalitions in Europe and Israel*. New York: Columbia University Press.
- Lundberg, Eric. 1979. "Fiscal and Monetary Policies," in Walter Galenson, ed., *Economic Growth and Structural Change in Taiwan*. Ithaca: Cornell University Press, 1979.

- Lupia, Arthur, and Mathew D. McCubbins. 1994. "Learning from Oversight: Fire Alarms and Police Patrols Reconstructed." *Journal of Law, Economics, and Organization* 10: 96-125.
- Lupia, Arthur, and Mathew D. McCubbins. 1998. *The Democratic Dilemma: Can Citizens Learn What They Need to Know?* New York: Cambridge University Press.
- Macey, Jonathan R. 1992. Separated Powers and Positive Political Theory – The Tug of War Over Administrative Agencies. *Georgetown Law Review* 80:671–703.
- Madison, James, Alexander Hamilton, and John Jay. 1961. *Federalist Papers*. Clinton Rossiter, ed. New York: Penguin.
- Mainwaring, Scott. 1991. "Politicians, Parties, and Electoral Systems: Brazil in Comparative Perspective." *Comparative Politics* [October]: 21-43.
- Mainwaring, Scott. 1997. "Multipartyism, Robust Federalism, and Presidentialism in Brazil." In *Presidentialism and Democracy in Latin America*, ed. by Scott Mainwaring and Matthew Soberg Shugart. New York: Cambridge University Press.
- Mainwaring, Scott, and Timothy R. Scully, eds. 1995. *Building Democratic Institutions: Party Systems in Latin America*. Stanford, CA: Stanford University Press.
- Mainwaring, Scott, and Matthew Soberg Shugart, eds. 1997a. *Presidentialism and Democracy in Latin America*. New York: Cambridge University Press.
- Mainwaring, Scott, and Matthew Soberg Shugart. 1997b. "Conclusion: Presidentialism and the Party System." In Scott Mainwaring and Matthew Soberg Shugart, eds., *Presidentialism and Democracy in Latin America*. New York: Cambridge University Press.
- Mainwaring, Scott, and Matthew Soberg Shugart. 1997c. "Juan Linz, Presidentialism, and Democracy: A Critical Appraisal." *Comparative Politics* 29:449.

- Marín, Daniel, and Pedro Rotay. 1992. *Atlas Geografico de la República Argentina*. Buenos Aires: Editorial Betina.
- Maxfield, Sylvia. 1997. *Gatekeepers of Growth: The International Political Economy of Central Banking in Developing Countries*. Princeton: Princeton University Press.
- Mayhew, David. 1974. *The Electoral Connection*. New Haven: Yale University Press.
- McCintosh, Mary et al.. 1994.. "Prospects for Market Democracy in Central and Eastern Europe: The Public Perspective." *Economic Reform Today*, Issue 1, pp. 10 - 13.
- McConnell, Grant. 1966. *Private Power and American Democracy*. New York: Knopf.
- McCubbins, Mathew D. 1985. The Legislative Design of Regulatory Structure. *American Political Science Review* 29: 721–48.
- McCubbins, Mathew D. 1991a. "Government on Lay-Away: Federal Spending and Deficits under Divided Party Control" in Cox, Gary W., and Samuel Kernell, eds. *The Politics of Divided Government*. Boulder: Westview Press.
- McCubbins, Mathew D. 1991b. "Party Governance and US Budgets: Divided Government and Fiscal Stalemate." in Alesina, Alberto and Geoffrey Carliner, eds. *Politics and Economics in the Eighties*. Chicago: University of Chicago Press.
- McCubbins, Mathew D. and Gregory W. Noble. 1995. "Perceptions and Realities of Japanese Budgeting." Peter H. Cowhey and Mathew D. McCubbins, eds. *Structure and Policy in Japan and the United States*. New York: Cambridge University Press.
- McCubbins, Mathew D., Roger G. Noll and Barry R. Weingast. 1987. "Administrative Procedures as an Instrument of Political Control." *Journal of Law, Economics, and Organization* 3: 243-277.

- McCubbins, Mathew D., Roger G. Noll, and Barry R. Weingast. 1989. "Structure and Process, Politics and Policy: Administrative Arrangements and the Political Control of Agencies." *Virginia Law Review* 75: 431-482.
- McCubbins, Mathew D., and Talbot Page. 1987. "A Theory of Congressional Delegation" in McCubbins, Mathew D., and Terry Sullivan, eds. *Congress: Structure and Policy*. Cambridge: Cambridge University Press.
- McCubbins, Mathew D., and Frances Rosenbluth. 1995. "Party Provision for Personal Politics: dividing the vote in Japan" in Cowhey, Peter and Mathew D. McCubbins, eds. *Structure and Policy in Japan and the United States* Cambridge: Cambridge University Press.
- McCubbins, Mathew D., and Thomas Schwartz. 1984. "Congressional Oversight Overlooked: Police Patrols versus Fire Alarms." *American Journal of Political Science* 28: 165-179.
- McCubbins, Mathew D., and Thomas Schwartz. 1988. "Congress, the Courts, and Public Policy: Consequences of the One Man, One Vote Rule." *American Journal of Political Science* 32: 388-415.
- McNollgast. 1992. "Positive Canons-The Role of Legislative Bargains in Statutory Interpretation." *Georgetown Law Journal* 80: 705-742.
- McNollgast. 1994. "Legislative Intent: The Use of Positive Political Theory in Statutory Interpretation." *Law and Contemporary Problems* 57(1): 3-38.
- Merbilha, Oscar. 1996. Interview (May 16) with Merbilha, General Manager of Planning, Auditoría General de la Nación.

- Milgrom, Paul R., Douglass C. North, and Barry R. Weingast. 1990. "The Role of Institutions in the Revival of Trade: The Law Merchant, Private Judges, and the Champagne Fairs." *Economics and Politics* 2:1-23.
- Milgrom, Paul R., and John Roberts. 1992. *Economics, Organization, and Management*. New Jersey: Prentice Hall.
- Millard, Frances. 1992.. "The Polish Parliamentary Elections of October 1991." *Soviet Studies*, Vol. 44: 5, p. 837-855.
- Milner, Helen V. 1998. "International Political Economy: Beyond Hegemonic Stability." *Foreign Policy* 110:112-123.
- Milor, Vedat. 1994.. "Political Economy of Public Enterprise Reform and Privatization in the Czech Republic and Poland." mimeo, Finance and Private Sector Development Division, Private Policy Research Department, The World Bank (April).
- Ministerio de Economía y Obras y Servicios Públicos, Secretaría de Energía Eléctrica. 1992. Resolución S.E.E. No. 170, "Contrato de Concesión Edenor S.A." Buenos Aires: Ministerio de Economía y Obras y Servicios Públicos (Argentina).
- Mintz, Alex. 1995. "The 'Noncompensatory Principle' of Coalitions." *Journal of Theoretical Politics* 7: 335-349.
- Mladek, Jan. 1993.. "The Different Paths of Privatization: Czechoslovakia, 1990 - ?" In Earle, et al., eds.
- Moe, Terry M. 1990a. "Political Institutions: the Neglected Side of the Story," Journal of Law, Economics and Organization 6 (Special Issue): 213-53.

- Moe, Terry M. 1990b. The Politics of Structural Choice: Toward a Theory of Public Bureaucracy. In O. E. Williamson ed., *Organization Theory: From Chester Barnard to the Present and Beyond*. New York: Oxford University Press.
- Moe, Terry M., and Michael Caldwell 1994. "The Institutional Foundations of Democratic Government: A Comparison of Presidential and Parliamentary Systems," *Journal of Institutional and Theoretical Economics* 150/1: 171-95.
- Molina Vega, José E. 1991. *El Sistema Electoral Venezolano y sus consecuencias Políticas*. San José, Costa Rica: Instituto Interamericano de Derechos Humanos.
- Molinelli, N. Guillermo. 1991. *Presidentes y Congresos en Argentina: Mitos y Realidades*. Buenos Aires: Grupo Editor Latinoamericano.
- Molinelli, N. Guillermo. 1996a. "Sobre Nuestra Democracia." *Revista Jurídica del Centro de Estudiantes de la Universidad de Buenos Aires* 8(November): 4-13.
- Molinelli, N. Guillermo. 1996b. Multiple interviews (May-June) with Molinelli, Professor of Law, Universidad de Buenos Aires.
- Money, Jeanette and George Tsebelis. 1995. "Bicameral Negotiations: The Navette System in France." *Comparative Political Studies* 24: 332-61.
- Moody, Jr., Peter R. *Political Change on Taiwan: A Study in Ruling Party Adaptability* (New York: Praeger, 1992)
- Mustapic, Ana María. 1996. Interview (May 22) with Mustapic, Professor of Political Science, Universidad Torcuato Di Tella.
- Mustapic, Ana Maria and Natalia Ferreti. 1995. "El veto presidencial bajo los gobiernos de Alfonsín y Menem." Buenos Aires: Universidad Torcuato de Tella, Working Paper No.14.

- Myerson, Roger. 1994. "Incentives to Cultivate Favored Minorities Under Alternative Electoral Systems." *American Political Science Review* 87: 856-869.
- Myerson, Roger, and Robert Weber. 1993. "A Theory of Voting Equilibria." *American Political Science Review* 87: 102-114.
- Nathan, Andrew J. 1993. "The Legislative Yuan Elections in Taiwan," *Asian Survey* 33, 4 (April): 424-38.
- Nino, Carlos Santiago. 1996. "Hyperpresidentialism and Constitutional Reform in Argentina," in Arend Lijphart and Carlos H. Waisman, eds., *Institutional Design in New Democracies: Eastern Europe and Latin America*. Boulder: Westview Press.
- Noble, Gregory. 1995. "Democratization and the Transformation of Public Budgeting in Taiwan," unpublished ms., University of California, Berkeley.
- Noble, Gregory. 1999a. "Opportunity Lost: Partisan Incentives and the 1997 Constitutional Revisions in Taiwan," *The China Journal* 41 (January): 89-114.
- Noble, Gregory. 1999b. *Regimes and Industrial Policy: The Politics of Collective Action in Japan and Taiwan*. Ithaca: Cornell University Press.
- Nohlen, Dieter, ed. 1993. *Enciclopedia electoral latinoamericano y del caribe*. San Jose, Costa Rica: Instituto Interamericano de Derechos Humanos.
- Noll, Roger G. 1971a. "The Behavior of Regulatory Agencies." *Review of Social Economy* 29: 15-19.
- Noll, Roger G. 1971b. *Reforming Regulation*. Washington DC: Brookings Institution.
- Noll, Roger G. 1985. "Government Regulatory Behavior: A Multidisciplinary Survey and Synthesis" in Roger G. Noll, ed. *Regulatory Policy and the Social Sciences*. Berkeley: University of California Press.

- Noll, Roger G. 1987. *The Political Foundations of Regulatory Policies*. In M. McCubbins and T. Sullivan, eds., *Congress: Structure and Policy*. New York: Cambridge University Press.
- Noll, Roger G. 1989. "Economic Perspectives on the Politics of Regulation." in Schmalensee, Richard, and Robert D. Willig, eds. *Handbook of Industrial Organization*, volume II. Amsterdam: North-Holland.
- Noll, Roger G., and Bruce Owen. 1983. *The Political Economy of Deregulation*. Washington DC: American Enterprise Institute.
- North, Douglass C. 1981. *Structure and Change in Economic History*. New York: Norton.
- North, Douglass C. 1990. *Institutions, Institutional Change, and Economic Performance*. New York: Cambridge University Press.
- North, Douglass C., and Barry R. Weingast. 1989. "Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England." *The Journal of Economic History* 49:803-832.
- O'Donnell, Guillermo. 1994. "Delegative Democracy." *Journal of Democracy* 5(1): 55-69.
- O'Donnell, Guillermo. 1996. "Illusions About Consolidation." *Journal of Democracy* 7(2): 34-51.
- O'Donnell, Guillermo and Phillippe C. Schmitter. 1986. *Transitions from Authoritarian Rule: Tentative Conclusions About Uncertain Democracies*. Baltimore: Johns Hopkins University Press.

- Oficina Nacional de Presupuesto. 1996. Circular N° 2/96: Incorporación del presupuesto preliminar al proceso de formulación de presupuesto para el ejercicio 1997.
- Olson, Mancur. 1965. *The Logic of Collective Action: Public Goods and the Theory of Groups*. Cambridge, Mass.: Harvard University Press.
- Olson, Mancur. 1982. *The Rise and Decline of Nations: economic growth, stagflation, and social rigidities*. New Haven: Yale University Press.
- Olson, Mancur. 1993. "Dictatorship, Democracy, and Development," *American Political Science Review* 87, 3 (September): 567-76.
- Ordeshook, Peter C., and Olga Shvetsova. 1994. "Ethnic Heterogeneity, District Magnitude, and The Number of Parties." *American Journal of Political Science* 38:100-123.
- Página/12*. 1994-97. Buenos Aires, Argentina. Various issues.
- Palfrey, Thomas. 1989. "A Mathematical Proof of Duverger's Law." in Ordeshook, Peter C., ed. *Models of Strategic Choice in Politics*. Ann Arbor: University of Michigan Press.
- Pasquino, Gianfranco. 1986. "Party Government in Italy: Achievements and Prosperity," in Richard. S. Katz (ed.), *The American and European Experiences of Party Government*. Berlin: DeGruyter.
- Peltzman, Sam. 1976. "Toward a More General Theory of Regulation," *The Journal of Law and Economics* 19, 2 (August): 211-240.
- Peng, Nu-ning. 1993. "Chiang-hua li-fa-yuan yu-suan sheng-yi gong-neng chi yen-chiu" [A study of legislative budgetary review]. MA thesis in Public Policy, National Chung-hsing University.

- Peng, Pai-hsien. 1993. *Juay-chiu hsiau-lu cheng-fu* [In pursuit of government efficiency]. Taipei: New Society Foundation.
- Pesce, Miguel. 1996. Interview (May 17) with Pesca, principal economic advisor to Chamber Deputy Jesús Rodríguez (UCR), the UCR leader on the Chamber Budget and Finance Committee.
- Pion-Berlin, David. 1997. *Through Corridors of Power: Institutions and Civil-Military Relations in Argentina*. University Park: Pennsylvania State University Press.
- Poder Ejecutivo Nacional. 1994. Decreto 2329/94, Veto Parcial de Ley N° 24.447 de Presupuesto de la Administración Nacional para el ejercicio de 1995.
- Poder Ejecutivo Nacional. 1995. Decreto 1040/95, Veto Parcial de Ley N° 24.624 de Presupuesto de la Administración Nacional para el ejercicio de 1996.
- Porto, Alberto. 1990. *Federalismo Fiscal: El Caso Argentino*. Buenos Aires: Editorial Tesis.
- Porto, Alberto, and Pablo Sanguinetti. 1996. "Political Determinants of Regional Redistribution in a Federation: Evidence from Argentina." Unpublished manuscript, Instituto Torcuato Di Tella, Buenos Aires, Argentina.
- Posner, R.A. 1975. "The Social Cost of Monopoly and Regulation." *Journal of Political Economy* 83: 807-827.
- Powell, G. Bingham. 1982. *Contemporary Democracies: Participation, Stability, and Violence*. Cambridge: Harvard University Press.
- Power, Timothy J. 1998. "The Pen is Mightier than the Congress: Presidential Decree Power in Brazil." In *Executive Decree Authority: Calling Out the Tanks or Just*

- Filling Out the Forms?*, ed. by John M. Carey and Matthew Soberg Shugart. New York: Cambridge University Press.
- Pridham, Geoffrey. 1988. *Political Parties and Coalitional Behavior in Italy*. London: Routledge.
- Przeworski, Adam. 1991. *Democracy and the Market: Political and Economic Reforms in Eastern Europe and Latin America*. New York: Cambridge University Press.
- Przeworski, Adam, Michael Alvarez, Jose Antonio Cheibub, and Fernando Limongi. 1996. "What Makes Democracies Endure?" *Journal of Democracy* 7(1): 39-57.
- Przeworski, Adam and Fernando Limongi. 1997. "Modernization: Theories and Facts." *World Politics* 49: 155-183.
- Przeworski, Adam, and Henry Teune. 1970. *The Logic of Comparative Social Inquiry*. New York: Wiley-Interscience.
- Putnam, Robert D. 1993. *Making Democracy Work: Civic Traditions in Modern Italy*. With Robert Leonardi and Raffaella Y. Nanetti. Princeton, N.J.: Princeton University Press.
- Rae, Douglas W. 1971. *The Political Consequences of Electoral Laws*, 2d ed. New Haven: Yale University Press.
- Ramseyer, J. Mark, and Frances M. Rosenbluth. 1993. *Japan's Political Marketplace*. Cambridge: Harvard university Press.
- Rausch, Alejandro E. 1993. "Privatization in Argentina." In *Constraints and Impacts of Privatization*, ed. V.V. Ramanadham. London and New York: Routledge.
- Reed, Steven R. 1994. "Democracy and the Personal Vote: A Cautionary Tale from Japan" *Electoral Studies* 13: 17-28.

Republic of China, Executive Yuan. "Chung-yang cheng-fu tsong yu-suan-an" [Central government budget bills]. Taipei, various issues.

Republic of China, Executive Yuan. 1991. "Chung-yang cheng-fu hsing-chien chong-ta-chiau-tung chien-shih chi-hua ti-yi-chi kong-cheng te-bei yu-suan-an" [Special budget on major transportation projects undertaken by central government, Phase One, fiscal years 1992 & 1993]. Taipei.

Republic of China, Executive Yuan. 1993. "Chung-yang cheng-fu hsing-chien chong-ta-chiau-tung chien-shih chi-hua ti-er-chi kong-cheng te-bei yu-suan-an" [Special budget on major transportation projects undertaken by the central government, Phase Two, fiscal years 1994 & 1995]. Taipei.

Republic of China, Executive Yuan. 1995. "Chung-yang cheng-fu hsing-chien chong-ta-chiau-tung chien-shih chi-hua ti-san-chi kong-cheng te-bei yu-suan-an" [Special budget on major transportation projects undertaken by central government, Phase Three, fiscal years 1996 & 1997]. Taipei.

Republic of China, Shung-chih-pu [Ministry of Auditing].N.D.a. "Chung-yang cheng-fu hsing-chien chong-ta-chiau-tung chien-shih chi-hua ti-yi-chi kong-cheng te-bei chueh-suan-sheng-heu bao-kau" [The auditing report on special budget for major transportation projects undertaken by central government, Phase One, Fiscal years 1992 & 1993]. Taipei.

Republic of China, Shung-chih-pu [Ministry of Auditing].N.D.b. "Chung-yang cheng-fu hsing-chien chong-ta-chiau-tung chien-shih chi-hua ti-er-chi kong-cheng te-bei chueh-suan-sheng-heu bao-kau" [The auditing report on special budget for major

transportation projects undertaken by central government, phase two, fiscal years 1994 & 1995], Taiwan, Republic of China.

República de Chile, Ministerio de Hacienda, Dirección de Presupuestos. 1992-1996. *Ley de presupuestos del sector público*.

República de Chile. *Diario Oficial*.

Reuters News Service. 1996. "Chilean Senators Reject Constitutional Reforms." April 11.

Rigger, Shelley. 1993. "Electoral Strategies and Political Institutions in the Republic of China on Taiwan," Taiwan Studies Workshop, Fairbank Center Working Papers, No. 1, Harvard University.

Riker, William. 1982. *Liberalism against Populism: a confrontation between the theory of democracy and the theory of social choice*. San Francisco: WH Freeman.

Ripley, Randall B., and Grace A. Franklin. 1976. *Congress, the Bureaucracy and Public Policy*. Homewood: Dorsey Press.

Robinson, James and Julian Baum. 1993. "Party Primaries in Taiwan: Footnote or Text in Democratization?" *Asian Affairs* (Summer): 88-99.

Rodríguez, Héctor C. 1996. Interview (May 10) with Rodríguez, Auditor General, Auditoría General de la Nación.

Rodríguez, Héctor C., and Rubén Ventulle. 1995. "El Control Público Moderno." *Boletín Informativo del Secretariado Permanente de Tribunales de Cuentas* 21, (January-April): 3-13 and (May-August) 5-15.

Rodrik, Dani. 1995.. "The Dynamics of Political Support for Reform in Economies in Transition." *Journal of the Japanese and International Economies* 9: 403-425.

- Rogowski, Ronald. 1989. *Commerce and Coalitions: how trade affects domestic political alignments*. Princeton: Princeton University Press.
- Romer, Thomas and Howard Rosenthal. 1978. "Political Resource Allocation, Controlled Agendas, and the Status Quo." *Public Choice* 33: 27-43.
- Romero, Anibal. 1997. "Rearranging the Deck Chairs on the Titanic: The Agony of Democracy in Venezuela." *Latin American Research Review* 32(1):7-36.
- Root, Hilton L. 1994. *The Fountain of Privilege : Political Foundations of Economic Markets in Old Regime France and England*. Berkeley: University of California Press.
- Rosales, Willian. 1996. "Measuring Party System Changes in Democratic Transitions: Chile and Uruguay." Rochester, NY: McNair Undergraduate Research Project.
- Rose, Richard. 1983. "Elections and Electoral Systems: Choices and Alternatives." in Bogdanor, Vernon and David Butler, eds. *Democracy and Elections*. Cambridge: Cambridge University Press.
- Rosenbluth, Frances. 1989. *Financial Politics in Contemporary Japan*. Ithaca: Cornell University Press.
- Sabsay, Daniel A., and José M. Onaindia. 1994. *La Constitución de los Argentinos: Análisis de Su Texto Luego de la Reforma de 1994*. Buenos Aires: Errepar.
- Sala, Brian. 1994. *Partisan Politics in the New Deal Era: essays on income taxation*. UC San Diego: Ph.D. dissertation.
- Sala, Brian. 1998. "In Search of the Administrative President: Presidential 'Decree' Powers and Policy Implementation in the United States." In *Executive Decree*

- Authority: Calling Out the Tanks or Just Filling Out the Forms?*, ed. by John M. Carey and Matthew Soberg Shugart. New York: Cambridge University Press.
- Sanguinetti, Pablo, and Mariano Tommasi. 1997. "Los Determinantes Económicos e Institucionales de los Déficits en los Presupuestos Provinciales: Argentina 1983-1996." Unpublished Manuscript, Banco Interamericano de Desarrollo.
- Sartori, Giovanni. 1968. "Political Development and Political Engineering." in vol. 17 of *Public Policy*, edited by J.D. Montgomery and A.O. Hirschman. Cambridge: Cambridge University Press.
- Sartori, Giovanni. 1994. "Neither Presidentialism nor Parliamentarism." In Juan J. Linz and Arturo Valenzuela, eds., *The Failure of Presidential Democracy*. Baltimore: Johns Hopkins University Press.
- Sawers, Larry. 1996. *The Other Argentina: The Interior and National Development*. Boulder: Westview Press.
- Schattschneider, Elmer E. 1960. *The Semisovereign People; a realist's view of Democracy in America*. New York: Holt, Rinehart, and Winston.
- Schattschneider, Elmer E. 1963. *Politics, Pressures, and the Tariff: a study of free private enterprise in pressure politics, as shown in the 1929-30 revision of the tariff*. Hamden: Archon Books.
- Schick, Allen. 1980. *Congress and Money*. Washington D.C.: The Urban Institute.
- Schmidt, Gregory. 1998. "The Evolution of Decree Authority in Peru's Volcanic Democracy." *Executive Decree Authority: Calling Out the Tanks or Just Filling Out the Forms?* John M. Carey and Matthew S. Shugart, eds. New York: Cambridge University Press.

- Schubert, Gunter. 1992. "Constitutional Politics in the Republic of China: the Rise of the Legislative Yuan," *Issues and Studies* 28: 21-37.
- Scully, Timothy. 1995. "Reconstituting Party Politics in Chile." Scott Mainwaring and Timothy R. Scully, eds. *Building Democratic Institutions: Party Systems in Latin America*. Stanford: Stanford University Press.
- Senado de Chile. 1995. *Diario de sesiones del Senado. Legislatura 332, Extraordinaria, Sesión 17, en miércoles 22 de noviembre de 1995 (Anexo de documentos)*. Valparaíso, Chile.
- Shapiro, Martin. 1986. APA: Past, Present, and Future. *Virginia Law Review* 72:447–492.
- Sheen, J-N, C-S Chen and J-K Yang. 1994. "Time-of-Use Pricing for Load Management Programs in Taiwan Power Company," *IEEE Transactions on Power Systems* 9, 1 (February): 388-95.
- Sheen, J-N, C-S Chen and J-K Yang. 1995. "Response of large industrial customers to electricity pricing by voluntary time-of-use in Taiwan," *IEE Proceedings: Generation, Transmission, Distribution* 142, 2 (March): 157-166.
- Sheng, Shing-Yuan. 1996. "Electoral Competition and Legislative
- Shepsle, Kenneth A. 1979. "Institutional Arrangements and Equilibrium in Multidimensional Voting Models." *American Journal of Political Science* 23:27-59.
- Shepsle, Kenneth A. 1989. "The Changing Textbook Congress." In *Can the Government Govern?* Ed. John Chubb and Paul Peterson. Washington, D.C.: The Brookings Institution.

- Shepsle, Kenneth A., and Barry R. Weingast. 1987. "The Institutional Foundations of Committee Power" *American Political Science Review* 81: 85-104.
- Shiao, Chyuan-Jeng. 1996. "Elections and the Changing State-Business Relationship," in Hung-Mao tien, *Taiwan's Electoral Politics and Democratic Transition: Riding the Third Wave*. Armonk N.W.: M.E. Sharpe.
- Shirk, Susan L. 1993. *The Political Logic of Economic Reform in China*. Berkeley and Los Angeles: University of California Press.
- Shugart, Matthew Soberg. 1985. "The Two Effects of District Magnitude: Venezuela as a Crucial Experiment." *European Journal of Political Research* 13: 353-364.
- Shugart, Matthew Soberg. 1995. "The Electoral Cycle and Institutional Sources of Divided Presidential Government," *American Political Science Review* 89, 2 (June): 327-43.
- Shugart, Matthew Soberg. 1998. "The Inverse Relationship Between Party Strength and Executive Strength: A Theory of Politicians' Constitutional Choices." *British Journal of Political Science* 28:1-29.
- Shugart, Matthew Soberg, and John Carey. 1992. *Presidents and Assemblies: Constitutional Design and Electoral Dynamics*. Cambridge: Cambridge University Press.
- Shugart, Matthew Soberg, and Stephan Haggard. 1996. "Institutions and Public Policy in Presidential Systems." unpublished ms., University of California, San Diego.
- Shugart, Matthew Soberg, and Scott Mainwaring. 1997. "Presidentialism and Democracy in Latin America: Rethinking the Terms of the Debate." In *Presidentialism and Democracy in Latin America*, ed. by Scott Mainwaring and Matthew Soberg Shugart. New York: Cambridge University Press.

- Shugart, Matthew Soberg, and Daniel L. Nielson. 1994. "Liberalization Through Institutional Reform: Economic Adjustment And Constitutional Change In Colombia." Unpublished.
- SIDIF Staff. 1996. Communications (May-June) with multiple members of the staff of the Sistema de Información Financiera, Oficina Nacional de Presupuesto.
- Silva, Ernesto. 1991. "El nuevo niño prodigio de la bolsa." *Administración y Economía U.C.: Revista de la Facultad de Ciencias Economicas y administrativas de la Universidad Católica* 5:23-28.
- Singh, Inderjit, and Alan H. Gelb. 1994.. "Public Enterprise Reforms in Transitional Economies." Policy Research Department, The World Bank (February).
- Spafford, D. 1972. "Electoral Systems and Voters' Behavior: Comment and a Further Test." *Comparative Politics* 5: 129-134.
- Spiller, Pablo. 1995. "A Positive Theory of Regulatory Instruments: Contracts, Administrative Law, or Regulatory Specificity?" unpublished ms.
- Spiller, Pablo T., and Luis Viana Martorell. 1994. "How Should It Be Done? Electricity Regulation in Argentina, Brazil, Uruguay and Chile." Typescript, University of California, Berkeley.
- Squires Meaney, Constance. 1992. "Liberalization, Democratization, and the Role of the KMT," in Tun-jen Cheng and Stephan Haggard, eds., *Political Change in Taiwan* Boulder: Lynne Rienner.
- Stainton, Michael. 1993. "Taiwanese Lambada: Revising the Constitution of the Republic of China." Toronto: University of Toronto-York University Joint Centre for Asian Pacific Studies, Working Paper Series, No. 60.

- Stallings, Barbara. 1992. "International Influence on Economic Policy: Debt, Stabilization, and Structural Reform." Stephan Haggard and Robert R. Kaufman, eds. *The Politics of Economic Adjustment*. Princeton, NJ: Princeton University Press.
- Stepan, Alfred. 1988. *Rethinking Military Politics: Brazil and the Southern Cone*. Princeton: Princeton University Press.
- Stepan, Alfred and Cindy Skach. 1993. "Constitutional Frameworks and Democratic Consolidation: Parliamentarism and Presidentialism." *World Politics* 46: 1-22.
- Stewart, Charles, III. 1989. *Budget Reform Politics: The Design of the Appropriations Process in the House of Representatives, 1865-1921*. New York: Cambridge University Press.
- Stewart, Charles, III. 1991. "Lessons from the Post-Civil War Era" in Cox, Gary W., and Samuel Kernell, eds. *The Politics of Divided Government* Boulder: Westview Press.
- Stigler, George. 1971. "The Theory of Economic Regulation." *Bell Journal of Economic and Management Science* 2: 3-21.
- Stone, Alec. 1992. *The birth of judicial politics in France : the Constitutional Council in comparative perspective*. New York: Oxford University Press.
- Strom, Kaare. 1985. "Party Goals and Government Performance in Parliamentary Democracies" *American Political Science Review* 79: 738-754.
- Strom, Kaare. 1990a. "A Behavioral Theory of Competitive Political Parties." *American Journal of Political Science* 38: 303-335.
- Strom, Kaare. 1990b. *Minority Government and Majority Rule*. Cambridge: Cambridge University Press.

- Strom, Kaare. 1994. "The Presthus Debacle-Intraparty Politics and Bargaining Failure in Norway" *American Political Science Review* 88: 112-127.
- Strom, Kaare, Ian Budge, and Michael J. Laver. 1994. "Constraints on Cabinet Formation in Parliamentary Democracies." *American Journal of Political Science* 38:303-335.
- Su, Tsai-tsu. 1994. "Cheng-fu yu-suan chueh-tse mo-shih chi tang-tau" [Models of government budgetary decision-making], National Chung-shan University Forum, June. pp.239-243.
- Su, Tse-ching. 1992. Chuan and chien [Power and money: politician-
- Sun, Manpin. 1985a. "Wang Yuyun Chizha Guoyinghui" [Wang Yuyun Lords it over the National Corporations Commission], *Tianxia*, October 1985, pp. 26-35.
- Sun, Manpin. 1985b. "Chen Langao shi Taidian de Gongchen huo Zuiren" [Is Chen Langao Taipower's Meritorious Official or its Criminal?], *Tianxia*, July 1985, pp. 62-70.
- Surballe, Rossana. 1996. Multiple interviews (May-June) with Surballe, Director of Legislative Relations, Secretaría de Coordinación Parlamentaria, Jefatura de Gabinete de Ministros.
- Szomburg, Jan. 1993.. "The decision-making structure of Polish privatization." In Earle, et al.
- Taagepera, Rein and Matthew S. Shugart. 1989. *Seats and Votes: The Effects and Determinants of Electoral Systems*. New Haven: Yale University Press.
- Taiwan Power Company. 1988. "Taiwan Dianli Jianshi (xia) [A Short History of Electric Power in Taiwan, Part II]," *Taidian Yuekan* 310 (1988).

- Taiwan Power Company. 1994. *Taiwan Power Co. Financial Information*. Taipei: Taiwan Power Co. Accounting Department. December.
- Taiwan Power Company. *Annual Reports*.
- Taylor, Philip. 1960. *Government and Politics in Uruguay*. New Orleans: Tulane University Press.
- Thies, Michael F. 1994. *Majority Party Decision Making and Policy Change: The Liberal Democratic Party and Japanese Fiscal Policy*. UC San Diego: Ph.D. dissertation.
- Tien, Hung-mao. 1989. *The Great Transition: Political and Social Change in the Republic of China*. Stanford, CA: Hoover Institution Press.
- Tien, Hung-mao, ed. 1996. *Taiwan's Electoral Politics and Democratic Transition: Riding the Third Wave*. Armonk N.W.: M.E. Sharpe.
- Times Mirror Center for the People and the Press. 1992.. "The Pulse of Europe." *Economic Reform Today*, 1:1, Center for International Private Enterprise.
- Truman, David B. 1951. *The Governmental Process: Political Interests and Public Opinion*. New York: A. Knopf.
- Tsebelis, George. 1995. "Decision Making in Political Decisions: Veto Players in Presidentialism, Parliamentarism, Multicameralism, and Multipartism," *British Journal of Political Science* 25: 289-325.
- Tsebelis, George, and Jeanette Money. 1997. *Bicameralism*. Cambridge: Cambridge University Press.

- Tung, An-chi. 1996. "Growth with Debt: U.S. Aid and Taiwan's Electricity Enterprise." Taipei, Academia Sinica, Institute of Economics Discussion Paper #9624 (September).
- United States Department of State. 1996.. Cable from the American Embassy in Prague, May 20.
- Valdes, Juan Gabriel. 1995. *Pinochet's Economists: The Chicago School in Chile*. New York: Cambridge UP.
- Valenzuela, Arturo. 1978. *The Breakdown of Democratic regimes: Chile* Baltimore: Johns Hopkins University Press.
- Valenzuela, Arturo. 1993. "Latin America: Presidentialism in Crisis." *Journal of Democracy* 4, 4 (October): 3-16.
- Valenzuela, J. Samuel. 1992. "Democratic Consolidation in Post-Transitional Settings: Notion, Process, and Facilitating Conditions." Scott Mainwaring, Guillermo O'Donnell, and J. Samuel Valenzuela, eds. *Issues in Democratic Consolidation: The New South American Democracies in Comparative Perspective*. Notre Dame, IN: University of Notre Dame Press.
- Vallejos, Cristina. 1996. Multiple interviews with Vallejos (May-June), Senior Legislative Affairs Analyst, Secretaría de Coordinación Parlamentaria, Jefatura de Gabinete de Ministros, and Delegate to the 1994 Constituent Assembly.
- Vanous, Jan, ed. (various issues). Czech Republic Monthly Economic Monitor. PlanEcon Report, Washington, DC.
- Vanous, Jan, ed. (various issues). Polish Monthly Economic Monitor. PlanEcon Report, Washington, DC.

- Varas, Augusto. 1996. "Civil-Military Relations in a Democratic Framework." Roderic A. Camp, ed. *Democracy in Latin America: Patterns and Cycles*. Wilmington, DE: Jaguar Books.
- Wade, Robert. 1990. *Governing the Market: Economic Theory and the Role of Government in East Asian Industrialization*. Princeton: Princeton University Press.
- Warwick, Paul V. 1994. *Government Survival in Parliamentary Democracies*. Cambridge: Cambridge University Press.
- Wei, Hung-wu. 1996. "Li-fa-yuan sheng-cha yu-suan de jiau-sheh fun-hsi" [An analysis of the legislative role in budget review], National Cheng-chi University Forum (May): 157-183.
- Weingast, Barry R. 1979. "A Rational Choice Perspective on Congressional Norms." *American Journal of Political Science* 23.
- Weingast, Barry R. 1995. "The Economic Role of Political Institutions: Market-Preserving Federalism and Economic Development." *Journal of Law Economics & Organization* 11:1-31.
- Weingast, Barry R. 1997. "The Political Foundations of Democracy and the Rule of Law." *American Political Science Review* 91: 245-263.
- Weingast, Barry, and William Marshall. 1988. "The Industrial Organization of Congress." *Journal of Political Economy* 96: 132-63.
- Weingast, Barry R., Kenneth A. Shepsle, and Christopher Johnsen. 1981. "The Political Economy of Benefits and Costs: A Neoclassical Approach to Distributive Politics." *Journal of Political Economy* 89: 642-664.

- Weldon, Jeffrey. 1997. "The Logic of *Presidencialismo* in Mexico." In *Presidentialism and Democracy in Latin America*, ed. by Scott Mainwaring and Matthew Soberg Shugart. New York: Cambridge University Press.
- Weyland, Kurt. 1997. "'Growth with Equity' in Chile's New Democracy." *Latin American Research Review* 32(1): 37-68.
- Williamson, Oliver. 1975. *Markets and Hierarchies: Analysis and Antitrust Implications*. New York: The Free Press.
- Williamson, Oliver. 1983. "Credible Commitments: Using Hostages to Support Exchange." *American Economic Review* 73:519-540.
- Williamson, Oliver. 1985. *Economic Institutions of Capitalism*. New York: Free Press.
- Willis, Eliza, Stephan Haggard, and Christopher Garman. 1998. "The Politics of Decentralization in Latin America" Forthcoming in *Latin American Research Review*.
- Wilson, Rick. 1987. "An Empirical Test of Preferences for Political Pork Barrel: District Level Appropriations for River and Harbor Legislation." *American Journal of Political Science* 30: 729-53.
- Winckler, Edwin. 1984. "Institutionalization and Participation on Taiwan: from Hard to Soft Authoritarianism," *The China Quarterly* 99 (September): 481-99.
- World Bank. 1994.. *Poland: Growth with Equity: Policies for the 1990s*. Report No. 13039-POL (September 28).
- World Bank. 1995. *Bureaucrats in Business: The Economics and Politics of Government Ownership*. Washington DC.
- World Bank 1996a. *World Development Report*. New York: Oxford University Press.

- World Bank 1996b. *Multiquery Database. A Tool for Cross-Country Comparisons*. Europe and Central Asia Division, Spring.
- Woodall, Brian. 1996. *Constructing Japan: Pork Barrel Politics*, Berkeley: University of California Press.
- Wu, Weng-hong. 1995. "Chiang-hua cheng-fu chi-chu kuei-mo yu chieh-kou chieh-tse chi tao" [On strengthening the budgetary decision-making process], National Policy Dynamic Analysis, May. pp.2-4.
- Wynia, Gary W. 1995. "Argentina's New Democracy: Presidential Power and Legislative Limits," in David Close, ed., *Legislatures and the New Democracies in Latin America*. Boulder: Lynne Rienner.
- Xu, Zhiyi. 1992. "Lun Taiwan Diqu Dianli Duanque Wenti ji Yin ying Duice [The Problem of Electricity Curtailments and Countermeasures in the Taiwan Region]," *Taiwan Yinhang Jikan* [Bank of Taiwan Quarterly]: 43 (3): 66-81.
- Xu, Zhiyi. 1994. "Tan Dianli Duanque Wenti yu Duice [On Electricity Shortages and Countermeasures]," paper presented at the Annual Conference of the Association of Energy Economics, Taiwan, Republic of China.
- Yang, Chih-heng. 1991. *Yu-suang cheng-chi hsueh de kou-chu* [Politics of the Budget]. Taipei: Institute for National Policy Research.
- Yang, Guanghang. 1995. "Gangtieye Lifeng Yongdian ji Keting Dianli Shishi Qingkuang Fenxi [An Analysis of the Implementation of Offpeak Power Consumption and Interruptible Power in the Steel Industry]," *Nengyuan Jikan* [Energy Quarterly], 25 (3): 136-47.

Yang, Mali. 1994. "Taidian Guanbuliao Hedian?" [Is Taipower Incapable of Managing Nuclear Power?] *Tianxia* 8.94, pp. 87-94.

Zagorski, Paul W. 1992. *Democracy vs. National Security: Civil-Military Relations in Latin America*. Boulder, CO: Lynne Rienner.

Zublena, Héctor. 1996. Multiple interviews (May-June) with Zublena, Manager of Norms and Procedures, Auditoría General de la Nación.