

INTRODUCTION

DISEQUILIBRIUM INSTITUTIONS AND PLURALIST DEMOCRACY

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Political institutions seem to be more frequently reformed and replaced than has traditionally been assumed in many political studies. First, regime change and democratization has been a frequent phenomenon in modern times (no less than 118 attempts of democratization only in countries with more than one million inhabitants can be registered in the world since the late 19th century, while 133 changes from and to democracy occurred only since 1945; Przeworski et al., 2000; Colomer, 2001). Second, major institutional changes within democratic regimes, including changes to alternative electoral systems, the introduction of direct elections of executive presidents, and decentralization, tend to proliferate (Lijphart, 1999). Third, apparently minor institutional reforms are also very frequent; sometimes they look as modest and regular as policy changes in other fields, but some of them have major effects on electoral strategies, party systems, and government performance.

1. Accounting for Institutional Change

The relatively high frequency of institutional change has not usually been included in the analysis of political processes based on elections of rulers and policy decision-making. Standard models in political science and public policy studies basically focus on three elements: citizens' preferences, political party's or candidate's positions, and institutional rules. The typical assumption is that the set of institutional rules is the most stable of these elements, the political game being played through exchanges between citizens and parties or candidates according to the opportunities, constraints, and incentives supplied by the given institutional framework.

In standard rational choice theory and related approaches, since an 'open' process of interactions between citizens and parties might be in disequilibrium

and could produce unpredictable outcomes, institutions appear to be restrictive mechanisms able to induce stability – in addition to their role in solving coordination, cooperation, and agency problems. In this approach, political equilibria can be conceived as stable outcomes induced by relatively stable institutions in spite of the potential instability and unpredictability of citizens' and parties' interactions (Shepsle, 1979, 1986, 1989).

Yet, updated empirical evidence seems to be able to challenge the realism of this assumption regarding the relative degree of stability of each of the three basic political elements previously mentioned. First, citizens' preferences, although they can be somehow endogenous to the political process and manipulable in the short term, appear to be highly stable in the long term, as shown, for instance, by certain studies of electoral behavior and volatility (see, among others, Bartolini and Mair, 1990).

Second, political parties appear to be more movable and their political agendas can be somewhat innovative from one election to another. But a number of long-term observations show that major parties in durable democracies tend to be stuck to ideological labels, typically on the left–right axis or other similar constructs. Dramatic moves, such as leapfrogging other party positions, are risky and tend to be avoided, especially because they would harm the capability of political leaders to communicate with voters. Precisely because a party's basic ideological positions work as useful heuristic and information tools in mass elections – as has traditionally been remarked in the spatial theory of voting – they require some significant degree of continuity. (The stability of relative party positions in surveys for different periods can be observed in Castles and Mair, 1984; Laver and Hunt, 1992; Huber and Inglehart, 1995; Knutsen, 1998).

In this framework of relatively stable citizens' preferences and party positions, changes in electoral outcomes, rulers and policy may depend to a great extent on political leaders' manipulative skills in the short term, including their maneuvers in agenda-setting, rhetoric, and strategic behavior within the institutions (as developed by Riker, 1983, 1986, 1993).

Yet the stability of formal institutions may have been overestimated in well-known versions of this analytical framework. In particular, the theory of equilibrium institutions, as developed by Douglass North, is notorious for having marked the capability of institutions to reinforce themselves and to make their replacement difficult thanks to the effects of incentives embodied in their structure. According to the Northian framework, inefficient

institutions may survive as a consequence of actors' learning by use, their adaptation to institutional regularities, and the costs of their replacement (North and Thomas, 1973; North, 1990a, b; Pierson, 2000).

The basic foundation of this argument is that institutional developments are subject to increasing returns, that is, that people obtain positive net benefits from using the existing institutions and the costs of replacing them rise.

The original analyses in this approach developed by economists tend to focus on institutions such as property rights, contract guarantees, rule of law, justice and others producing efficient markets for the provision of private goods. The corresponding applications to politics are appropriate to the extent that certain institutions for the provision of public goods can also produce widespread satisfaction among large numbers of citizens, even universal benefits because some public goods can be consumed by all citizens in ways that each of them can hardly anticipate (including, for instance, national defense, security, and environmental protection).

But public goods are also the subject of political competition because they always involve some redistributive dimension – including taxes, allocation of public expenditures, decisions on location, etc. In fact, all political activity – and electoral politics in particular – involves some degree of competition and the production of winners and losers. In other words, the benefits and costs of many institutional political outcomes are significantly different for different actors. In these contexts, for some actors the temptation to exit from the existing institutions can be neutralized to some extent by the relative benefits of routine, predictability, and previous adaptation to the existing institutional rules, but not necessarily by significant gross benefits derived from institutional outcomes. Thus, some aspects of institutional politics may not be subject to increasing returns because, for some actors, learning and adapting to the existing rules can be almost equivalent to accustoming them-selves to lose. Then, if the costs of exit are relatively low, promoting institutional change can be a rational strategy.

More precisely, actors who anticipate that they will become absolute and permanent losers as a consequence of the political game played under the existing institutional rules may prefer institutional change – in spite of its uncertain benefits and its certain costs – to sure defeat. The actors interested in institutional changes are not only the permanent losers in the game.

Also risk-averse rulers submitted to new challenges from alternative potential winners may rationally choose to change the institutional rules of the game in order to minimize their likely losses.

Somehow, the potential high frequency of institutional changes was anticipated by William Riker in his seminal work on the study of institutions. According to Riker, 'rules or institutions are just more alternatives in the policy space, and the status quo of one set of rules can be supplanted with another set of rules' (Riker, 1980: 22). Certainly, he noted that institutional changes and reforms can be restrained or delayed by actors' uncertainty regarding the effects of alternative institutions and by the costs of change. As a consequence, institutions tend to be relatively more stable than the successive teams of electoral winners and rulers and the corresponding policies, which are produced by easier, more frequent short-term interactions of citizens' preferences and leaders' manipulative skills. In Riker's words, 'the revelation of institutional disequilibrium is probably a longer process than the revelation of disequilibria of tastes' (Riker, 1980). But Riker himself stated that 'institutional choices differ from policy choices in degree, not kind'. As a paramount example of the large room for maneuvering that can exist in institutional choices and their corresponding unpredictability, he developed a remarkable analysis of politicians' strategic maneuvering during the ratification process of the 1787 United States Constitution (Riker, 1996).

For an integrated analysis of institutional choices and policy choices, precisely defining the threshold of frequency of change at which a difference 'in kind' could be reduced to a mere difference 'in degree' can be a difficult task. But recent institutional developments in different parts of the world suggest that the frequency of actual institutional changes can be higher than previously assumed.

The rationale of a strategy in favor of institutional change can be summarized in a few words: political actors may find it worthwhile to launch a process of institutional change if the likelihood that alternative institutional formulas will produce undesired effects and the costs of replacing the existing institutions are surpassed by the disadvantages of playing by the existing institutional rules.

Therefore, institutional change can be facilitated in several ways. First, it can be fostered by accumulative learning on the benefits that can be reasonably expected from different institutional formulas on the selection of rulers and policies, as well as by imitation or contagion from changes in other communities where alternative institutions have produced desirable effects. Second, the risks that the effects of institutional change are not as expected, including the possibility that it may favor threatening policies for

some of the actors or even a social clash, may be reduced by the introduction into the reform process of parallel agreements and guarantees among the relevant actors regarding some basic policy issues and rights. Finally, the risks of institutional change can also be reduced with the implementation of partial reforms instead of complete overhauls of institutional regimes. To some extent, all these and other favorable conditions and the corresponding strategies in favor of institutional change can be found in worldwide developments in recent times.¹

2. Strategic Institutions

Changes of institutional rules oriented to modify the subsequent political equilibria can be developed with similar strategic calculations and choices as those producing political outcomes within stable institutional frame-works. The contributions to this special issue focus on institutional changes and their effects in different countries and periods, as well as on different types of regime. They suggest that a general strategic model can account for institutional changes both within non-democratic regimes, in the trespassing between authoritarian regimes and democracy, and within democratic regimes.

The basic assumption in all these different situations is that self-interested political actors, whatever the policies they support, seek power. Actors' preferences regarding political institutions greatly depend on their expectation to stay in or to achieve power under different institutional frame-works: its likelihood, its expected proximity, and durability.

Actors' expectations to get power can depend on the degree of inclusive-ness of the existing institutional regime and the challenge or threat to which it is submitted. A situation of uncertainty appears when the incumbent rulers are challenged by new groups' demands. If the existing institutional frame-work is rather exclusive, that is, if it permits only the absolute victory of one actor (one party or group with compact preferences) at the expense of all the others, then the incumbent rulers risk becoming absolute losers. The emerging challengers can feed expectation of becoming new absolute winners by replacing the incumbent rulers under the existing institutional rules. Yet, if some degree of uncertainty regarding future outcomes is also shared by the challengers, they may develop risk-averse preferences similar to those of the challenged rulers in favor of more inclusive institutions.

In other words, actors with uncertain expectations of staying in or of gaining power can promote or accept institutional changes in favor of more openness and inclusiveness for the sake of minimizing the risk of being completely excluded from power. Changes of this kind include the introduction of broader voting rights creating more complex electorates; electoral systems encouraging the formation and survival of new parties; and separate elections for different offices able to produce multiple winners and fostering multi-party and inter-institutional bargaining and power-sharing.

With changes to more inclusive institutional formulas, both the challenged incumbent rulers and the emerging challengers can expect to prevent their complete defeat or exclusion from power and guarantee some minimum amount of power for themselves in the long term.

Actors' support for either the existing institutions or the newly established ones depends on the distribution of power that can be expected from each alternative. If significant actors are regular losers and can expect to stay in that situation – as happens in exclusive institutional frameworks producing a single absolute winner – they may prefer to challenge the existing institutions. In contrast, if significant actors have reasonable expectations of gaining or sharing power within the existing institutional framework, they are likely to give it support. In contrast to exclusive regimes, institutional rules producing multiple winners and widespread political satisfaction are able to foster relatively broad acceptance of the existing institutional arrangements. (For previous discussion along these lines, see Miller, 1983; Przeworski, 1991; Elster, 1991, 1993; Lijphart, 1992; Colomer, 1995, 2000; Geddes, 1996.)

In this approach, it is possible to compare strategies of institutional change in different contexts. Incumbent rulers in authoritarian regimes may accept or promote liberalization and democratization for similar reasons as democratic actors in a simple democratic regime favoring concentration of power – such as the typical Westminster model – may support institutional reforms toward more complex formulas creating division of powers. The contributions collected in this issue discuss, develop, and apply an analytical framework based on the variables just mentioned: actors' expectations and threats, institutional preferences, challenges, interactions and bargaining, and institutional change, as well as further adaptation or counter-reaction to the effects of the new institutional formulas. The corresponding analyses can enlighten the moves from hard to soft authoritarianism, from authoritarianism to democracy, for stabilizing democracy, and from majoritarian

to pluralist democracy or other democratic institutional changes.

The assumption of a common strategic model that can be applied across a succession of stages may suggest an analytical continuum of political regimes. Different degrees of relative inclusiveness and exclusiveness can certainly be distinguished both within non-democratic regimes and within democratic regimes. But this is not only compatible with a normative distinction between authoritarianism (in the broad sense of the word) and democracy; it can even help to make the distinction clear since it can be associated to a point in the continuum at which certain minimum conditions are fulfilled – basically, civil rights, broad suffrage, electoral competition with uncertain winners, and rule of law.

3. Pluralist Democracy

In consistency with the model sketched earlier, a general trend towards more inclusive, pluralistic institutional formulas can be identified in (1) the accelerated rhythm of democratization in different parts of the world; (2) major changes of democratic regime (referring to the foundations of the electoral system and the relations between the executive and the legislative); and (3) relatively minor institutional changes within democratic regimes. These three categories of institutional change are now briefly revised.

Democratization

In 1900 there were only nine electoral democracies with universal male suffrage out of 55 independent countries in the world (less than one-fifth). In 2000 the number of democracies had been multiplied by 10 while the number of independent countries had increased less than four times: 92 liberal democracies out of 191 countries (almost a half). If 'partly free, electoral democracies' are also taken into account, the number of countries with soft forms of government in the present world rises to 141, which is about three-quarters of the independent countries encompassing two-thirds of the world population.

The numbers of presently existing democracies that were established in different periods also shows an increasing rhythm. Starting with the year in which universal male suffrage was established in today's oldest democracy, Switzerland, and limiting the calculation to countries with more than one

million inhabitants, only nine enduring democracies were established during the 69-year-long first wave from 1874 to 1943; 18 enduring democracies were established during the 29-year-long second wave, from 1944 to 1973 (twice as many as in the previous longer wave); and 37 enduring democracies have been established since 1974 (again more than double the number in a shorter time). The long-term acceleration process has been confirmed during the third wave: 18 enduring democracies were established during a 15-year period from 1974 to 1988, and other 19 democracies during the following 10 years.

The diffusion of democracy has brought about a blossoming of institutional pluralism. Most attempts of democratization during the first wave were promoted with relatively restrictive institutions. Specifically, six out of the nine electoral democracies existing in 1900 were parliamentary regimes with majoritarian electoral systems limiting political competition to two major parties (Canada, France, New Zealand, Spain, Switzerland and the United Kingdom). This was in contrast only to the presidential United States and two parliamentary regimes with proportional representation in Belgium and Norway. But restrictive democratic formulas based on plurality rule elections provoked a high number of failures in some of the mentioned countries and in subsequent attempts at democratization, not only in Europe in the 1920s and the 1930s, but also in a number of former British colonies in Africa and Asia with plural ethnic, religious, or language composition. In contrast, democratization with parliamentary institutions based on proportional representation obtained higher rates of success. It is remarkable that even the 11 European democracies with proportional representation that broke down between the two World Wars, all re-established proportional representation: seven at the end of the Second World War (Austria, Belgium, Denmark, Germany, Italy, the Netherlands and Norway) and four at the fall of communism in the 1990s (Czechoslovakia, Estonia, Latvia and Lithuania) (sources: Gasiorowski, 1996; Przeworski et al., 2000; Colomer, 2001; and Freedom House reports).

The advantages of another major element of institutional pluralism and division of powers – separate elections for president and for the assembly – has been submitted to intense discussion among political scientists. But empirical observation in a broad long-term perspective suggests that once installed, direct presidential elections are not easily abandoned. There have been a few instances of reverse moves, such as Germany after Nazism. But in almost all cases, further redemocratization after an authoritarian

period has been followed by a reinstatement of direct presidential elections, especially in Latin America in the 1980s (see the discussion in Linz and Valenzuela, 1994; Mainwaring and Shugart, 1997; Power and Gasiorowski, 1997).

Change of Democratic Regime

If we distinguish only three different types of democratic regime: parliamentary/majoritarian, parliamentary/proportional representation, and presidential and semi-presidential, five major changes of political regime without democratic breakdown can be identified. Three are moves in parliamentary regimes from majoritarian electoral systems producing single-party governments to proportional representation or mixed formulas permitting multi-partyism and coalition governments: Switzerland in 1918, New Zealand in 1993, and Japan in 1994, while two are moves from parliamentary regimes to presidential-like formulas with frequent different majorities in the assembly and in support of the elected chief executive: France from 1958 on and Israel in 1996. No established democracy has changed so far from any of these pluralistic formulas towards a more restrictive formula such as a parliamentary regime with a majoritarian electoral system. Even the United Kingdom has recently introduced some proportional representation electoral rules and decentralization (as explained in one of the articles in this issue).

At the end of the 20th century, out of 64 democracies in countries with more than one million inhabitants, only 16 percent were parliamentary regimes with majoritarian electoral rules, while 34 percent were parliamentary regimes with proportional representation and 50 percent were presidential or semipresidential regimes.

Institutional Changes Within Democratic Regimes

Relatively minor changes in the institutional structure have taken place in most democratic regimes. Arend Lijphart identified 70 different electoral systems having been implemented in 27 old democracies during the period 1945–90. At least 10 of these old democracies experienced changes in one or more of the basic elements: district magnitude, electoral formula, thresh-old and assembly size (including France and Germany with six different electoral systems each, Greece with five only from 1974 to 1990, Israel, Italy, Japan, Malta, New Zealand, Norway, and Sweden). Less radical changes in the same elements were implemented in at least seven other stable democracies

(Australia, Austria, Denmark, India, Costa Rica, Iceland, and the Netherlands). Seven countries introduced new electoral rules for the elections to the European Parliament. Only three old democracies, thus, retained the basic elements of their electoral systems in the aforementioned period unmodified (Canada, Switzerland, and the United States). ‘Overall, the trend has been to greater proportionality in electoral systems’ (Lijphart, 1994: 52–6, quote on p. 53; lists updated to 2000 by the author).

Changes in the rules for the election of a president in less old democracies not included in the survey just mentioned have always moved towards more inclusive formulas. Simple plurality or relative majority rule has been replaced with majority runoff or qualified plurality rules in 12 Latin American countries during the period 1978–2000 (Argentina, Brazil, Chile, Colombia, Dominican Republic, Ecuador, El Salvador, Guatemala, Nicaragua, Peru, Uruguay, and Venezuela). Plurality rule is used by 2000 in only four Latin American countries (Honduras, Mexico, Panama, and Paraguay).

Major institutional reforms regarding presidential term limits and lengths and the relations between the executive and the legislative were introduced from 1991 to 2000 in at least nine Latin American democracies (Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Peru, Uruguay, and Venezuela). In most cases, these reforms created more balanced divisions of powers, higher accountability of presidents, and more opportunities for inter-institutional cooperation (details in Colomer, 2001).

All these and other institutional changes sketch a broad picture of politics which is not always centered on policy exchanges between citizens and political leaders under stable institutional rules. It is rather made of both policy and institutional alternatives between leaders against the background of relatively stable citizens’ preferences. As we know from standard political science, the scope of feasible policy choices partly depend on the existing institutional rules at every moment, but – as discussed in the following articles – institutions are also chosen, reformed, and replaced by strategic decisions.

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1. It is interesting to note that, perhaps in the inadvertence of political theorists, standard studies in public policy include subjects such as 'electoral policy' and 'legislative change and reform' as common fields of policy decision-making, together with foreign policy, economic regulation, education policy and alike. See, for example, the encompassing *Encyclopedia of Policy Studies* (Nagel, 1983).