

**FROM CONFLICT TO COOPERATION: THE VOTER'S DILEMMA AND
EXECUTIVE-LEGISLATIVE RELATIONS IN LATIN AMERICA**

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ABSTRACT: Scholars have argued that three institutional characteristics lead to policy ineffectiveness and instability in presidential regimes: general institutional incentives of presidentialism (Linz 1990 1994; Suárez 1982; Blondel and Suárez 1981); presidents with strong legislative powers (Shugart and Carey 1992; Siavelis 1997); and coalition dynamics in multiparty presidential regimes (Mainwaring 1993; Valenzuela 1995; Jones 1995). The paper explains the paradoxical result that with the recent re-democratization in the ABC countries of Latin America, legislatures have delegated greater power to executives who rule with coalition governments, yet democracy has proven more resilient. A model of electoral competition which incorporates the strategic dilemmas which confront the individual voter demonstrates that under some conditions of voter choice, electoral competition pits legislators against executives in a fight over mutually exclusive constituent support. Under other conditions, electoral competition merely alters the balance between collective and particularistic goods preferred by executives and legislators. The degree of divergence in electoral incentives between the two branches explains the delegation choices and their impact on democratic stability. The model is tested by examining legislative delegation and policy reform in Argentina, Brazil and Chile in the post-War and current democratic regimes.

1.0 INTRODUCTION

Sweeping reforms, including fiscal, social security and administrative reform have been adopted in the ABC countries of Latin America¹ since their return to democratic rule in the 1980's.² While impressive in their own right, these achievements are truly momentous from an historical perspective. Elected officials faced imminent crises in these same policy areas in both the 1960's and 1970's when the post-War ABC democracies failed, as well as after the transitions to democratic rule in the 1980's and 1990's. Yet in the earlier period the crisis led legislatures to stone-wall executives, and led executives to respond with extra-institutional strategies that preceded the final breakdown. In the current period, in contrast, legislatures have facilitated constitutional solutions to address virtually identical policy crises by flexibly delegating power to executives.

Why did the same policy crises lead to confrontation between the branches and breakdown in one period and flexible legislative delegation to the executive to meet the policy imperatives in the other? Although much has been written on executive-legislative relations in Latin America, leading theories provide contradictory answers. A number of prominent analysts (Linz 1990 1994; Suárez 1982; Blondel and Suárez 1981) have argued that key characteristics of presidential systems render them particularly vulnerable to breakdown in the face of such policy crises. This view, however cannot account for the fact that the current regimes remain presidential but have proven much more resilient. Shugart and Carey (1992) and Mainwaring and Shugart (1997) argue that presidentialism is not of a piece, and that presidential systems characterized by strong presidents are particularly prone to breakdown (Shugart and Carey 1992). Yet the presidents in the current regimes of Brazil, Chile and Argentina have all been delegated even greater legislative powers in comparison to the earlier period, but this has not proven a source of serious inter-branch conflict or challenges to democratic rule. Finally, a number of analysts have argued that the coalition dynamics of presidential regimes are what render them unstable (Valenzuela 1995; Jones 1995). But while the problematic coalition dynamics of the earlier period is well documented in Brazil and Chile, all three of these regimes are now governed by coalition presidencies, without showing signs of instability. A more recent revisionist view argues that the incentives to form coalitions and cooperate with the executive in presidential regimes are as strong as in their parliamentary counterparts, and that there is no reason to expect multiparty presidential regimes to be any less stable and functional than parliamentary systems (Figueiredo and Limongi 2000). Yet while this view is more consistent with the current stability, it sheds little light on the instability and dysfunction of the post-War regimes.

I argue that both of these camps are correct in their observations of specific presidential systems; what they lack is a theory that can explain the differing outcomes across the two periods despite institutional continuity. I explain the differences in inter-branch relations in the two periods based on a theory of distinct electoral dynamics rooted in voter choices. A model of electoral competition which incorporates the strategic dilemmas which confront the individual voter demonstrates that under some conditions of voter choice, electoral competition pits legislators against executives in a fight over mutually exclusive constituent support. When members of the two branches must adjudicate mutually exclusive constituent support, the

¹ Argentina, Brazil, and Chile.

² In Chile, many of these reforms were begun under authoritarian rule, but they have been either maintained or deepened with the return to democracy.

available reform options often imply one branch ceding such mutually exclusive support to the other. The result is that reform provides electoral benefits to one branch at the expense of the other, and thus inter-branch conflict and policy deadlock ensue. Under other conditions, electoral competition merely alters the balance between collective and particularistic goods preferred by executives and legislators. When members of the two branches need only adjudicate the collective/particularistic mix of policy, positive-sum solutions which improve the electoral fortunes of reformers in both branches are possible. This explains the choice for legislative delegation to the executive rather than obstruction. In sum, it is the degree of divergence in electoral incentives, as driven by voters' choices, which conditions the choice for either confrontation or negotiated policy solutions that address national crises.

The paper proceeds as follows. The next section discusses the existing literature and outlines the empirical anomalies in the ABC countries in detail. The third section provides a model of electoral competition which incorporates the strategic dilemmas that confront the individual voter, and discusses how altered electoral dynamics alter executive-legislative relations. The fourth section analyzes the independent variable—voters' choices, and demonstrates that these have changed from a predominant pattern of direct exchange between voter and politician in the post-War to a predominant pattern of indirect exchange in the current democratic regimes. The fifth section analyzes executive-legislative relations and demonstrates how the model developed here can subsume the patterns of the post-War and the present under one theory.

2.0 THE EXISTING LITERATURE: PRESIDENTIAL PESSIMISTS VS. REVISIONISTS

The primary laboratory for the study of presidential regimes has been the Americas, and the failure of many presidential regimes in Latin America led a number of analysts to conclude that presidential regimes are particularly unstable. There are three basic arguments, one which treats all presidential regimes as essentially identical, a second which examines president's legislative powers and party support, and a third which examines coalition dynamics in presidential regimes. Finally, a revisionist school which challenges these pessimistic conclusions about multiparty presidentialism has recently emerged in the literature on Brazil.

Those who see presidentialism as of a piece identify four characteristics of the regime type that they argue are the source of this instability (Linz and Valenzuela 1994; Suárez 1982; Blondel and Suárez 1981; Mainwaring 1993; Stepan and Skach 1994). First, these authors argue that the fixed term for the executive renders these systems inflexible in the face of major policy crises. The inability to either remove an unpopular executive without threatening the regime, or allow an executive lacking legislative support to call new elections means there are no constitutional means for resolving a policy deadlock between the executive and the legislature in presidential systems. This inflexibility can lead to paralysis at best and breakdown at worst (Linz 1990; Linz 1994).

Second, the means for constituting the executive, through direct elections, can contribute to immobilism in two ways. First, it increases the possibility that the executive will lack majority party support in the legislature, an outcome that increases the likelihood of policy conflict and can dramatically weaken the executive's ability to address acute policy crises when they arise. In contrast, in parliamentary systems the method of constituting the executive regularly ensures legislative support (Mainwaring 1993). Second, the direct election of both the

president and the legislature gives each branch a competing claim to democratic legitimacy, and provides no means for resolving a conflict. Parliamentary systems, once again, provide for such a scenario by allowing the legislature to replace the executive when the policy preferences of the two branches diverge significantly (Linz 1994).

Third, it is argued that in presidential systems the executive is inherently majoritarian in which all the power of the executive branch accrues to a single party or individual. This is contrasted to parliamentary systems in which executive power is typically shared among several parties. Finally, many view presidential systems as facilitating the entry of amateurs and outsiders who lack experience and party support and are likely to exacerbate the problems noted above: lack of legislative support, conflicts over policy direction, and winner take-all outcomes (Linz 1994; Suárez 1982). These defects of presidentialism have critical consequences; many analysts attribute coups that have ended presidential regimes to conflict and deadlock between the executive and the legislature (Santos 1986; González and Gillespie 1994; Valenzuela 1994).

Shugart and Carey (1992) and Mainwaring and Shugart (1997) have honed the arguments of the presidential pessimists by pointing out that the record of presidentialism is not uniform in terms of policy effectiveness or stability. These authors argue that the key to understanding this variation lies with disaggregation based on the legislative powers of the president and features of the party system. While the treatment of presidential powers is similar in both books, Shugart and Carey (1992) focus on the strength of the party leadership vis a vis the rank and file, whereas Mainwaring and Shugart (1997) focus on the president's party support in the legislature. Shugart and Carey (1992) argue that the winner-take-all majoritarian tendencies of presidential regimes are likely to be most problematic in the case where presidents have significant legislative power. According to the authors, "assemblies serve as arenas for the perpetual fine-tuning of conflicts" (1992:165) and that by placing most legislative power in their hands, the dual democratic legitimacy problem is mitigated. The authors argue that presidents with strong legislative powers are likely to exacerbate the majoritarian aspects of the system, and thus these configurations are particularly prone to conflict and breakdown. Mainwaring and Shugart (1997) conclude that the problems identified by the presidential pessimists, most importantly, executive-legislative conflict, are most likely in cases where presidents lack support in the legislature from large if not majority parties which are disciplined. They argue that presidents with both strong and weak legislative powers who lack disciplined party support typically have difficulty enacting their policy agenda.

Finally, a series of authors have argued that multiparty presidentialism is the real threat to democratic stability due to particularly pathological coalition dynamics in such regimes. While some argue that presidents do not have an incentive to form coalitions with parties other than his own when his party fails to win a majority, others argue that both the president's party, as well as other parties, lack incentives to join the cabinet and support the president's agenda. The first argument is once again rooted in the dual democratic legitimacy characteristic of presidentialism. As Jones argues, "Presidents have their own independent popular mandate and are likely to be reluctant to cede the degree of power necessary to an opposition party in order to entice it into a legislative coalition" (1995:6). Jones also argues that opposition parties, at the same time, lack incentives to join the cabinet of a president of another party. According to the author, opposition parties have nothing to gain if they facilitate the agenda of a president of another party, and that the only way they can benefit is through the failure of the incumbent president. "The principal opposition parties (or party) recognize that the executive is, on the whole, the one responsible for the performance of the government. Thus, they are often loathe to do anything to help the

president succeed. Instead, they often adopt a policy of blind opposition with the end goal of causing the government to fail with the hope that one of their party leaders will be able to win the next presidential election” (1995: 6-7). Others argue that the incentives of presidentialism are so perverse that even the president’s own party often has strong motivation to oppose him. According to Valenzuela (1989), although members of the president’s party desire to retain the presidency, the success of the incumbent does not guarantee this, nor does his failure preclude it. Loss of popularity, in particular, creates incentives for the president’s co-partisans to abandon him. The implicit comparison is with parliamentarism, in which the electoral fate of the president’s co-partisans are inextricably bound to the chief executive through the fusion of powers.

Each of these arguments is contradicted by a comparative analysis of the post-War and current democracies in the ABC countries. Beginning with the most general arguments against presidentialism, it is clear that the governments that took power with the return to democracy in the 80’s in Brazil and Argentina faced policy crises of the same substance and at least the same magnitude as in the earlier period.³ STATS ON INFLATION, SOC SEC, PUBLIC ADMIN. At the same time, the flaws of presidentialism cited by these analysts are constant in the two periods. In all three countries in all elections, a representative of a single party took full control of the executive branch for a fixed term.⁴ An outsider with minimal party support won in Brazil in 1945, 1960 and 1989, presidents lacked majority support in the legislature in Argentina in 1958, 1963 and 1999, and in Chile in 1964 and 1970.⁵ Nevertheless, we see a dramatic difference in the flexibility of executive-legislative relations in these same presidential systems across the two periods.

Shugart and Carey’s argument that strong presidents are problematic is confronted by the fact that the more stable current regimes are characterized by even stronger presidents in comparison to the post-War regimes which broke down. The key legislative powers of the presidents in the two periods in each country are summarized below.

³ In the case of Argentina, the earlier period refers to the semi-democratic regime in place from 1955-66, in Brazil it refers to the democratic regime in place from 1945-64.

⁴ Two executives did not serve out the full term: Alfonsín stepped down in 1988 before the end of his term, and Collor was removed constitutionally in Brazil in 1992.

⁵ The Concertación in Chile also lacked a majority in the Senate throughout the current period.

**TABLE XX: PRESIDENT'S LEGISLATIVE POWERS
ARGENTINA, BRAZIL AND CHILE, POST-WAR AND PRESENT⁶**

Legislative Powers	Argentina 1955-66	Argentina 1994-	Brazil 1945-64	Brazil 1988-	Chile 1925-73	Chile 1989-
Veto (Reactive)	Package, Override by 2/3 vote in each chamber	Line-Item and Package, Partial Promulgation, Override by 2/3 vote in each chamber	Line-Item and Package, Override by 2/3 vote in joint session	Entire bill or any article, paragraph, subsection or subpart, Override by abs. Maj.in joint session	Package, override by 2/3 vote in each chamber	Package, override by 2/3 vote in each chamber
Decree (Proactive)	None	With excptn. of rules regulating penal, tax or electoral	None	With exception of rules regulating labor relations, budget, and social contributions	None	None
Exclusive Legislative Initiative (Reactive)	None	None	Public admin. and Armed Forces, Informal budget powers	Armed forces, Public admin., Judicial org, taxation and budget, Government Attorney	Increase in budget expend., taxation, public admin., pensions and minimum wage in private sector	Reduce taxes, new public sector emp., contracting state loans, entlmnt prog, collective barg., cong. may revise budget up but must indicate source of revenue
Urgency (Reactive)	None	None	None	Must be voted in 45 days	None	Must be voted in 30, 10 or 3 days
Constitutional Amendment (Reactive)			None	Yes		Yes

These powers are also identified according to Mainwaring and Shugart's classification of executive powers as either proactive or reactive. Proactive powers allow the president to establish, or attempt to establish, a new legislative status quo. Reactive powers only allow the president to defend the status quo against attempts by a legislative majority to change it (Mainwaring and Shugart 1997:41).

As can be seen from the table, legislatures have delegated significantly more power to the executive in all three countries in the current period. Most prominent is the absence of decree powers in the earlier period in all countries, and delegation of those powers in the current period

⁶ Sources: Argentina 1955-66 and 1994-, Mainwaring and Shugart (1997); Brazil 1945-64, Mainwaring and Shugart (1997), Figueiredo and Limongi (1998); Brazil 1988-, Mainwaring and Shugart (1997), Figueiredo and Limongi (1998), *Estado de São Paulo* 9/4/01; Chile 1952-73 and 1989-, Mainwaring and Shugart (1997).

in Argentina and Brazil. In addition, Argentina's president gained a line-item veto, Chile's legislature has granted the president exclusive initiative in a broader range of issues, and greater agenda control in terms of urgency requests, and the Brazilian president's veto, exclusive initiative and urgency powers were all enhanced. Finally, in Brazil and Chile, presidents gained the power to propose constitutional amendments. Siavelis has argued that "Reforms of the constitution in 1989 and 1991 slightly narrowed the scope of presidential power... Nonetheless, the 1980 Constitution still provides for a president with the widest range of constitutional legislative powers in modern Chilean history" (1997: 323-4). With regard to Brazil and Chile, the conferral of greater legislative and non-legislative power on the president led Shugart and Carey to state that "We thus have reason to be concerned ... about the future viability of democracy..." (1992:157). Although Shugart and Carey do not mention the current Argentinean regime, the president's legislative powers, particularly decree powers, have been increased dramatically since the writing of the book.⁷

Finally, both Brazil and Chile remain multiparty presidential regimes, but appear to have overcome the pathologies of the coalition dynamics cited by the critics above. Presidents in both systems have had little difficulty in forming cabinets. Despite the well-documented problems of coalition building in Chile in the post-War (Valenzuela 1994), the Chilean president since the return to democracy has had consistent disciplined support from the party coalition that brought him to office (Siavelis 1997). And although some post-War Brazilian presidents had difficulty forming party cabinets (Amorim-Neto 1998) and had difficulty legislating (Santos 1986), Figueiredo and Limongi (2000) have shown that Brazilian presidents in the current period are supported by their party coalition, on average, on 91.4 percent of the bills they propose. They also demonstrate that presidents negotiate with party leaders in determining the legislative agenda.

While Siavelis (1997) argues that exceptional circumstances have facilitated smooth coalition dynamics in the early post-transition period in Chile, Figueiredo and Limongi (2000) challenge the presidential pessimists directly. They argue that parties that are not likely to win the presidency by remaining in the opposition should have the same incentives to join the cabinet as junior partners in a presidential regime as in a parliamentary regime. And such parties should have the same incentives to cooperate as members of the cabinet: participation in government provides them with two key resources: policy influence and patronage. Finally, the authors argue that there is no reason to believe a president with strong legislative powers is likely to use them to try to circumvent the legislature, as Shugart and Carey suggest. Rather, as in parliamentary regimes, presidents can be expected to use those powers to hold coalitions together and enforce discipline on the floor to enact their legislative agenda. While their study provides strong evidence for the functionality of multiparty presidentialism in Brazil in the current period, it can tell us little about the chronic executive-legislative conflict in the post-War in Brazil. Finally, Argentina has now become a two-plus party system, with a minority coalition government currently in power. Despite the troubles Argentina currently faces, in comparison to

⁷ While presidents' legislative powers have been increased across the two periods, electoral law relevant to leadership control over the rank and file remains essentially the same in all three countries (Shugart and Carey 1992). There was an important change in electoral law in Chile in 1958, when the rule was changed from open to closed lists. This feature has been constant since 1958, however, and thus is the same in the post-War regime that broke down and the current regime.

its past, there has been remarkable executive-legislative cooperation, including delegation of super-powers to the executive to address the acute crisis currently gripping the country.

How can we sort out these differing theories and records of presidentialism in the ABC countries? A model of electoral competition which incorporates the strategic dilemmas confronting individual voters will show that both the presidential pessimists' and the revisionists' assessments of presidentialism are correct; they are simply observing presidential systems driven by distinct electoral dynamics, which leads to these distinct predictions and outcomes. The differences in these arguments stem from distinct assumptions about what drives party incentives. The revisionists' argument is consistent with the standard model of electoral politics in which parties attract voters based on their public reputations for providing non-excludable collective goods and in which politicians advance in their parties by demonstrating policy leadership in shaping those public reputations.⁸ The pessimists, on the other hand, argue that presidential institutions distort parties' incentives to such a degree that electoral imperatives no longer drive parties to form governments and pass legislation in order to win voters' favor. As I will show, this difference in party incentives is driven by a difference in the underlying electoral dynamics. The distortion of incentives analyzed by the pessimists result not from the institutional features of presidentialism, but from electoral imperatives in which parties and politicians attract voters based on the distribution of excludable benefits, which means one politician's and one party's support is necessarily another's lack. The revisionists' view corresponds to the case in which voters' choices and thus electoral imperatives have shifted to drive politicians to provide non-excludable programmatic goods. The next section develops a theory of electoral delegation from which both of these two models of electoral politics can be deduced. The following sections demonstrate how the more general model can explain the patterns of both the post-War and the present.

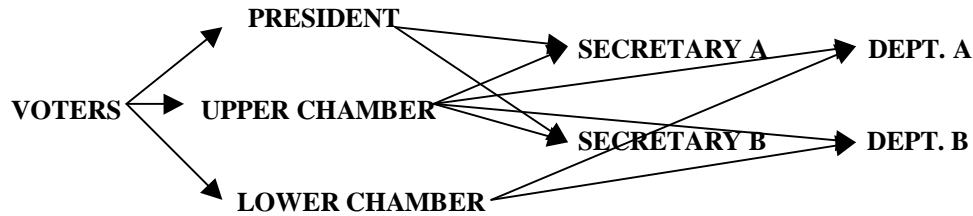
3.0 THE MODEL

In order to understand legislative delegation to the executive, we must first take a step back and recognize that this delegation is one link in a chain of delegation that characterizes democratic accountability. When we consider legislative delegation as a link in the chain, and modify a critical assumption about the structure and purpose of the first link, we can develop a model of electoral competition that can account for both inter-branch conflict and the pathologies highlighted by the pessimists, as well as the cooperation and smooth functioning predicted by the revisionists and observed in the current regimes.

We can conceive of the process of democratic policymaking as a chain of delegations with at least three steps. First, voters delegate to elected representatives; in presidential systems, this means delegation to a national legislature and an executive. Second, those elected representatives delegate power to organizations which structure the internal workings of the executive and the legislature, including cabinet ministries, committees and agenda setting authorities such as speakerships. Third, the legislature and the executive delegate to a variety of agencies to implement laws (Cox and McCubbins 2001; Strøm 2000). These delegation relationship are depicted in Figure 1 (for simplicity, the delegations internal to the legislature and the executive are not shown here).

⁸ The terms excludable and non-excludable goods will be defined in the next section.

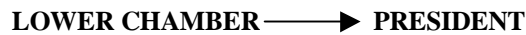
FIGURE 1⁹
DEMOCRACY AS A CHAIN OF DELEGATION AND ACCOUNTABILITY
PRESIDENTIAL GOVERNMENT¹⁰



In addition to these standard delegations which constitute the chain of accountability which connects the voter to policy outcome, there are a number of other delegations which agents may find necessary in order to serve the original principal. For example, elected representatives also delegate to party leaders because "...political parties are the central mechanism to make the constitutional chain of delegation and accountability work in practice" (Müller 2000:330). Legislatures also often delegate to executives to assist them in overcoming collective action problems associated with addressing certain policy issues (Kiewiet and McCubbins 1991; O'Halloran and Epstein 1997; Carey and Shugart 1998). Legislative delegation to the executive is depicted in Figure 2.

FIGURE 2
LEGISLATIVE DELEGATION TO THE EXECUTIVE

PRESIDENTIAL GOVERNMENT



EXAMPLES: DECREE POWERS, EXCLUSIVE LEGISLATIVE INITIATIVE POWERS, EXCLUSIVE AMENDMENT POWERS, AGENDA SETTING POWERS

The form legislative delegation to the executive may take is virtually unlimited, but commonly includes powers such as decree, exclusive legislative initiative, constitutional amendment, and agenda setting powers.

Depicting democratic accountability as a *chain* of delegations highlights the fact that each successive delegation following the initial one from voters to politicians is designed to allow the original agent (elected politicians) to fulfill the contract with the original principal (the voters). Thus, the structure and purpose of that first delegation in the chain determines the structure and purpose of all the later delegations down the chain.

Standard theory makes two key simplifying assumptions regarding the structure and purpose of this first delegation from voters to politicians. First, the *structure* of the delegation is

⁹ This figure is adapted from Strøm (2000:??)

¹⁰ Since my empirical focus is Latin America, I include only presidential government here. See Strøm (2000:??) for the corresponding figure for parliamentary systems.

one of a single agent (the voter) delegating to one or multiple principals (Strøm 2000; Lupia and McCubbins 2000). Or, to put it another way, analysts have routinely assumed that the voters (electing their representative in a single member district, for example) can be treated as a unitary rational actor. Thus, the preference of the collective (the district, for example) is simply the vector sum of the preferences of the individuals making up the collective. Second, the *purpose* of the delegation is to provide collective goods (Kitschelt 2000). These assumptions regarding the structure and purpose of the first delegation in the chain are routinely carried over, often implicitly, in the analysis of later delegations; in other words, analysts routinely assume all later delegations are driven by the imperative to fulfill this initial contract to provide voters with collective goods. The literatures on executive-legislative relations in presidential systems discussed above, for example, share these implicit assumptions regarding the structure and purpose of the first delegation in the chain. Both the pessimists and the revisionists assume that voters are delegating to politicians to provide collective goods. According to the pessimists, the incentives created by presidential institutions hinder politicians' ability to cooperate in order to provide such collective goods. According to the revisionists, the incentives created by this first delegation are effectively transmitted down the delegation chain to induce cooperation between executive and legislature to deliver collective goods to voters. These diverging views can be reconciled if we recognize that variation in the first delegation is possible, and can alter the structure and the purpose of later delegations including delegation from the legislature to the executive.

Despite the fact that the social choice literature has investigated a wide range of problems associated with aggregating preferences, in the case of this crucial first link between voters and politicians, key social choice problems are assumed away. The assumption that voters can effectively act as a single principal in electoral delegation is deeply embedded in the research program of the positive theory of elections.¹¹ Moreover, in this literature, the general term 'agency losses', which may apply to any delegation for any purpose, is typically considered synonymous with the specific agency losses associated with a delegation by voters to politicians to provide collective goods.¹²

In order to understand what drives variation in the later delegation from the legislature to the executive, we must consider modifications in this first delegation in the chain. The single voter is in fact a member of a collective principal—'the voters'—delegating to a single or multiple agents (Mitchell 2000; Fearon 1999).¹³ This means that when the individual voter attempts to reward or punish his agent based on whatever information and cognitive skills he may have, his ability to do so depends on the actions of many other voters as well. The individual voter's ability to reward a good agent with re-election, or punish a bad agent with

¹¹ Two recent seminal works which provide a comprehensive discussion of democratic accountability as a series of principal-agent problems in parliamentary (Bergman et. al. 2000) and presidential regimes (Haggard and McCubbins 2001) overlook or ignore the fact that voters are a collective principal.

¹² For example, the collective action problem associated with voting is invariably presented as the problem of "why vote?" because voting is assumed to be a delegation to procure collective goods. If it is assumed that voting is necessarily a delegation to procure collective goods, then those who free ride by failing to do their share and vote can still enjoy the benefits. This interpretation of *the* collective action problem associated with voting characterizes texts which introduce positive theories of politics to undergraduates (Shepsle and Bonchek 1997) as well as more advanced work designed to provide scholars with an overview of the positive theory of elections (Hinich and Munger ??).

¹³ There is some imprecision in the use of the terms "collective" and "multiple" principal. I follow Kiewiet and McCubbins (1991) and use collective principal to designate the situation in which more than one principal makes an *interdependent* choice regarding a single contract for an agent, and use multiple principal to designate a single agent that serves several principals each with a distinct contract.

electoral defeat can only be achieved if enough voters sufficient to exceed the electoral threshold (i.e., for his candidate to win) vote the same way as that individual voter.

Under some conditions voters are able to act as a single unified principal, in which case they are able to select and sanction politicians based on their provision of policy programs aimed at producing collective goods. Under these conditions legislatures are able to flexibly delegate to executives to address policy crises because both stand to gain from the provision of a national program that resolves the crisis. However, collective principals face specific problems in exercising control over their agent (Kiewiet and McCubbins 1991).¹⁴ The collective nature of the principal means that voters may face a collective action problem, and be unable to act as a single principal. The collective nature of voters as principal means they are vulnerable to courting by politicians offering benefits in a direct exchange for a vote, creating a voting relationship commonly known as clientelism in the area studies literature. The altered nature of the first delegation from voters to politicians has critical implications for relationships between elected politicians. When such a system of direct exchange between voter and representative is established, then one politician's constituent support is necessarily another politician's lack of support. The result is that the two branches must adjudicate mutually exclusive constituent support, and this often means that the available reform options require one branch to cede such mutually exclusive support to the other. It is here that we find the roots of the irreconcilable conflict between the executive and the legislature characteristic of the post-War democracies of the ABC countries.

3.1 The Voters' Dilemma: Why Legislatures May Opt to Obstruct or Cooperate with the Executive

The fact that voters are NOT a single principal, but in fact are a collective principal, and thus must cooperate to reward or sanction their agent-- the politician-- leaves open the possibility that they will face a collective action problem--"the voters' dilemma." Successful delegation requires the co-operation of enough voters to exceed electoral thresholds to select the politician that will represent all voters in the district. However, if voters are courted by politicians who promise them individually targeted benefits (clientelistic goods), then they may decide to cast their ballot on the basis of the receipt of these goods *rather than* on the basis of which policy program most closely matches their policy preferences. In fact, because clientelistic goods are excludable goods tied directly to the delivery of their votes, voters will find themselves in a prisoner's dilemma, with its well-known free rider problems.

In order to understand how voters find themselves in this dilemma, it is necessary to distinguish between three kinds of goods politicians may deliver: collective goods, particularistic goods, and clientelistic goods. Collective and particularistic goods are distinguished based on their geographical scope and their differential impact on national social welfare. Both of these types of goods differ crucially from clientelistic goods in that both collective and particularistic goods are provided to all individuals within the relevant political unit (district, nation) without reference to how those individuals voted (Kitschelt 2000).

¹⁴ As the authors argue, "Problems of hidden action, hidden information and Madison's dilemma are endemic to all agency relationships. There are additional hazards to delegation, however, when either collective principals or collective agents are involved. Specifically, the very same collective action problems that delegation is intended to overcome—prisoner's dilemmas, lack of coordination, and social choice instability, can reemerge to afflict either the collective agent or the collective principal. A collective principal may be unable to announce a single preference over its agent's actions or to offer a single contract governing compensation for the agent. A subset of the membership may strategically manipulate the decision-making process of the collective principal (Kiewiet and McCubbins 1991: 26-27).

Clientelistic goods, on the other hand, are delivered to individuals in a *quid pro quo*, precisely based on how they vote. It is useful first to clearly delineate what differentiates collective and particularistic goods, and then elaborate on how these two *both* differ from clientelistic goods.

The term “collective goods” is generally used to designate broad national goods for which the social return is highest, and for which the costs and benefits are distributed equally across the national constituency (Arnold 1990). The terms “particularistic goods” and “pork” can refer to two types of goods. Classic pork refers to the dams, highways and levies that individual politicians propose for their districts. Powerful legislators receive proportionally more of such goods and these goods provide benefits to some districts at the expense of others (Ferejohn 1974). Another kind of pork or particularism refers to the politically-determined procurement of national collective goods. Thus, programs to clean up the environment, for example, can be distributed to districts based on a political logic, rather than one which will provide the greatest improvement in the environment per dollar spent (Cox and McCubbins 2001). Both of these types of particularism or pork are distinguished from true collective goods because the geographical distribution or division of such goods is typically inefficient from a national social welfare standpoint. In either case, although a national or locally targeted collective good is typically being procured, there exist alternative distributions of these resources that would provide a greater national social return. It should be emphasized that both of these kinds of particularism can easily piggy-back on the provision of collective goods, and are thus consistent with the standard assumption that voters delegate to politicians to provide collective goods.

The key feature which distinguishes clientelistic goods from both collective and particularistic goods is *how* political goods are delivered. Both collective and particularistic goods are in principle made available to everyone within the relevant geographical areas.¹⁵ Clientelistic goods, in contrast, are distributed through *direct exchanges* between voters and politicians based on *how individuals voted* (Kitchelt 2000). They are typically not made available to anyone merely by virtue of being a member of the relevant political jurisdiction. Rather, they are only made available to those voters who supported the politicians who are providing these goods. Clientelism also differs from collective and particularistic goods in that it is not defined by geographical scope; it can be organized over any geographical area. Clientelism is neither limited to a sub-national unit, nor do its principal characteristics change if it is restricted to a sub-national geographical region.¹⁶ Indeed, most analysts of clientelism in developing countries describe hierarchical networks which link politicians and voters throughout the entire country (Leal 1977; Landé 1973). In short, clientelism is a system of *quid pro quo* exchange that knows no geographical or functional limits.

In order to avoid confusion, it is important to underscore the difference between clientelistic goods and means-tested programs. Means-tested programs have a feature in common with clientelistic goods in that means-tested goods provide benefits to some and exclude others. The key difference is that means-tested programs use general criteria unrelated to voting in order to determine exclusion. Most importantly, those receiving the means-tested goods are not required to relinquish their right to sanction the politician’s overall performance to receive the good.

¹⁵ In practice they may exclude some based on means tests, to be discussed below.

¹⁶ The main difference depending on the size of the geographical area is how the exchange is organized. The larger the geographical area, the more likely middlemen, rather than politicians, will organize the delivery of large blocs votes, the monitoring of votes and distribution of the excludable benefits.

This discussion provides the basis for an analytic distinction between these three types of goods: collective and particularistic goods are both examples of goods that are *non-excludable* at the level of the individual voter, whereas clientelistic goods are goods that are *excludable* at the level of the individual voter. With particularism or collective goods, even with means-tested programs that may discriminate between constituents, the failure of a voter to support the winning candidate does not itself affect their eligibility to receive the benefits.

An example will show why particularistic and clientelistic goods are easily conflated, as has been common in the literature. A legislator adopting either a particularistic or a clientelistic strategy may use his influence in congress to secure funds for local projects in his district, such as a school, hospital, or an infrastructure project. What differentiates the two is what happens to these resources when they are distributed in the district, and the impact this local action has on a national policy goal. Particularism, as defined by Ferejohn (1974) and Cox and McCubbins (2001), means powerful legislators receive proportionally more of these locally distributed funds, but they are used in the district to provide a local collective good. Thus, particularistic goods such as schools and hospitals contribute to improved education and public health, albeit at a likely social cost to the nation as a whole in comparison to a distribution based on national welfare considerations alone.

When the legislator employs a clientelistic strategy, in contrast, these resources are exchanged directly for votes. If elections are won on the basis of the direct provision of excludable goods, then teaching jobs and hospital positions are filled based not on technical qualifications but instead on vote delivery criteria. Those who receive these jobs either can deliver votes themselves or provide some other advantage to middle men whose job it is to deliver votes. The school is staffed, therefore, based on vote delivery rather than teaching qualifications, so education dollars do little to increase human capital. The hospital is staffed with doctors, but has no budget to buy medicine, and thus public health budgets do little to improve social welfare indicators. The infrastructure project is started but rarely completed, and thus public works funds do little to increase social overhead capital.¹⁷ In sum, these two distinct strategies for the utilization of locally targeted funds may look quite similar when legislators are competing for such funds in the legislature, and this has often blurred the lines between particularism and clientelism and made them difficult to distinguish. Yet one strategy merely renders the pursuit of a national policy goal slightly less efficient, while the other emasculates it almost entirely. Similarly, these two strategies have very different implications for later delegations down the chain, particularly legislative delegation to the executive.

With these analytic definitions we can see that the delegation by voters to politicians *to provide non-excludable collective goods* through the electoral mechanism is a collective action problem.¹⁸ The voters' dilemma arises when voters are presented with a choice between

¹⁷ See Geddes (1991) for discussions of hospitals with no medicine or equipment, and public works departments with no spare parts to make their equipment operational in Latin America. See Greenfield (1972) for other descriptions of illiterate teachers, janitors who never clean, and infrastructure projects that are never completed.

¹⁸ As the literature on voting has shown, voters are rationally ignorant, and use a variety of cues and information shortcuts to assess their elected representatives' positions and performance (Berelson, et. al. 1954; Popkin 1991; Lupia and McCubbins 2000). Interest groups are one of the key institutions which provide information and perform an intermediary function in facilitating voters' ability to hold their elected representatives accountable. Yet groups face the same collective principal problem that the individual voter faces. Should the rank and file member of a labor union throw his weight behind the leader supporting categorical goods which benefit all workers, regardless of their contribution to the cause, or the leader which makes a deal with candidates to trade its block of support directly for excludable benefits? The union which supports categorical benefits while all others make deals for excludable benefits is

excludable clientelistic goods and non-excludable (either true collective *or* particularistic) goods. Voters who “cooperate,” and choose non-excludable goods must forgo the opportunity to receive an individually-targeted excludable benefit, while risking the possibility that enough other voters do not also cooperate and help elect the programmatic candidate. If enough other voters do not cooperate, then they will receive neither the excludable nor the non-excludable goods. Voters who “free-ride” and opt to use their vote to procure an individually-targeted excludable benefit, however, risk nothing in choosing excludable over non-excludable goods. If they guess incorrectly and the programmatic politician is elected, they will still receive the non-excludable goods just as all other voters will.

The risks associated with using one’s vote to procure non-excludable goods opens the door to the strategic manipulation of voters. If enough voters can be induced to trade their vote directly for an excludable benefit, *then their ability to pass judgment on their elected representatives’ overall performance will be nullified*. In trading his vote for an excludable benefit, *the voter sacrifices his ability to hold his agent accountable for overall performance*. This is what distinguishes clientelism-- the direct trade of an excludable benefit for a vote that eliminates the vote as an instrument of policy choice.¹⁹ Instead, it can become a mechanism by which some subset of the principal can exploit the remainder. And when the relationship between voters and politicians differs, then the strategic problems politicians confront in winning elections will also differ. It is here we find the explanation for differences in executive-legislative relations.

3.2 Key Differences in the Strategic Environment: The Power of Incumbency and Mutual Exclusivity of Support

“In these conditions, the opposition’s attempt to achieve power through the normal and legal process of the ballot box, is to attempt a utopia” (Epitácio Pessoa, president under the Old Republic in Brazil, quoted in Soares, 1973, p. 21).²⁰

“...votes lead to power; power leads to political resources that, well administered, can—although not automatically—result in more votes” (Hippolito, p. 51).

in the same position as the voter who opts for collective goods while all others opt for excludable goods. As the history of labor union organization in Latin America amply demonstrates, when the rank and file find it impossible to ignore the costs associated with their status as a member of a collective principal within the union organization, union leaders which can credibly promise excludable benefits quickly displace those seeking non-excludable categorical goods (Collier and Collier 1991). For reasons both of simplicity in exposition and the fact that the collective principal problem also plagues groups, I develop the argument here in terms of individual voters.

¹⁹ One might imagine the possibility of splitting one’s vote in presidential systems. Thus, voters could vote clientelistic at the district level and programmatic at the national, executive level. This possibility is precluded by the conflict that would ensue between individual politicians and parties. As Aldrich (1995) and Cox and McCubbins (1993) have shown, politicians need a party with a reputation for providing collective goods in order to make credible claims to deliver programs. So any individual politician who aspires to high national office must join a party with a reputation for programs. At the same time, any party that wants to regularly capture high national office cannot allow individual politicians’ strategies to soil their programmatic record and emasculate their ability to deliver programs. Or to put it another way, this logic of vote splitting presumes that individual politicians can embody all the information voters need to make their choice, but in fact we know that politicians need parties, and parties are designed to protect programmatic reputations.

²⁰ Except where otherwise noted, all translations from the Portuguese are mine.

Despite the volumes of study on clientelism, there is surprisingly little analysis of two critical strategic facts of this kind of political organization. The first relates to the relationship between government and opposition and is illustrated in the quotes above. Many analysts of developing democracies have long argued that control of political office in these polities conferred extra-ordinary power on incumbents. Despite widespread agreement on this in the literature, however, the precise mechanisms behind these patterns have never been fully elaborated. When votes are gained through a direct trade of excludable goods, and most of the resources for such trades are available only through elective office, then the power of incumbency is indeed extraordinary. Under these conditions, government and opposition are more aptly named “ins” and “outs”.

Consider the position of the opposition when votes are won with excludable goods versus when they are won with non-excludable goods. When competition revolves around the provision of non-excludable collective goods, then neither government nor opposition has an inordinate advantage in marshalling what it takes to win the next election. Neither incumbents nor opposition has a monopoly on good ideas about how government can address major social questions of the day. In order for the opposition to regain political office when voters opt for non-excludable goods, it is necessary to develop a reputation for providing an alternative mix of goods that comes closer to the electorate’s preferences. This can be done through all the typical behaviors such as speech-making and voting in the legislature which is equally available to government and opposition parties. When voters opt for excludable benefits, on the other hand, incumbents DO hold a near monopoly on what it takes to compete: resources for effecting direct exchanges with voters. In this case, it is clear that the opposition is at a great disadvantage in establishing a reputation for delivering. When voters opt for excludable benefits, the fact that resources are captured through elective office, and that such resources are used to buy votes directly, makes it much more difficult for the opposition to compete with incumbents. The opposition becomes the “outs”—those that are excluded from public office AND access to what it takes to regain it: resources for distributing excludable goods.

A second important strategic fact relates not to the relationship between government and opposition, but to the relationship between all elected politicians. Many analysts of developing democracies have argued that politics in these polities appears to be driven by a zero-sum logic (Soares 1973; xxx), yet this logic has not been linked consistently to the relationship between voters and politicians. When politicians deliver excludable goods directly to voters in a quid pro quo, one politician’s support is necessarily another’s lack of support. In other words, one politician’s pursuit of voters’ support creates a situation akin to what is known as the “security dilemma” in the study of international relations. Just as any nation’s pursuit of their legitimate security interests creates insecurity for other nations in the context of anarchy, when voters opt for excludable goods, one politician’s pursuit of his legitimate individual interests in capturing votes is threatening to all other politicians. This is because an excludable good that is exchanged for political support can necessarily only be claimed by one politician, and only one politician can receive the support that is directly proffered in return. The job that one legislator delivers as a selective incentive to his supporter is necessarily unavailable to another legislator in order to build his own base of support. This implies either some mechanism for adjudicating this mutually exclusive support, or constant conflict and bidding wars over votes (Stokes 2000; Greenfield 1972).

This is the obverse of the situation politicians face when they must provide voters with non-excludable benefits. In this case, *all* politicians which are members of a party with a

credible reputation for procuring a particular kind of collective goods can claim credit for the collective goods provided. Political goods delivered by two politicians who both voted to enact the party's program are not mutually exclusive. Two legislators cannot monitor the exchange and receive support for delivering a job in direct exchange for a vote, but they can both claim credit for a party program designed to boost economic growth and create jobs that are distributed without reference to voting.

The differences in these two features of the strategic environment have a powerful influence on politician behavior. When voters opt for non-excludable benefits, politicians must solve two key problems: procuring the electorally optimal mix of collective and particularistic goods, and avoiding free riding on this provision of non-excludable goods (Cox and McCubbins 1993). When voters opt for excludable benefits, politicians' key to survival include avoiding opposition status and adjudicating mutually exclusive support. The differences in these goals are reflected in a whole range of institutional choices; here the focus will be restricted to legislative delegation to the executive.²¹

3.3 The Altered Strategic Environment and Executive-Legislative Relations

What does this difference in the strategic environment imply for executive-legislative relations? It is useful to first review how legislative delegation to the executive has been theorized when analysts make the standard assumptions regarding the structure (from a single principal to an agent) and purpose (to provide collective goods) of the first delegation from voters to elected representatives. It has been argued that legislative delegation to the executive is designed to assist legislators in overcoming a variety of collective action problems, including agenda-setting problems (Kiewiet and McCubbins 1991), bargaining problems (Carey and Shugart (1998) and credibility of commitment problems (Epstein and O'Halloran 1999).

When voters opt for non-excludable goods, then legislators must pass legislation that produces those goods. And such a task also often presents legislators with a collective action problem. What kinds of non-excludable should be pursued? How can many legislators avoid dissipation into a fight over which non-excludable goods to provide, and how to provide them, and focus their energies on actually passing legislation to provide them? The solution is often delegation to the executive to carry out the "tasks of collecting, evaluating, and integrating information into a concrete policy proposal..." (Kiewiet and McCubbins 1991:7). Carey and Shugart (1998:19) argue that such agenda-setting problems are likely to be most profound when the issues at hand require urgent action. They hypothesize that the greater the urgency of a policy issue, the more likely we will see delegated decree authority to executives. Clearly the greater the urgency, the less politicians can afford the time-consuming process of building consensus within the party or coalition, and the more efficacious is a delegation to a central agent who can present several alternative solutions for their acceptance, amendment, or rejection. Finally, there are some situations in which the institutional structure of the congress makes it difficult for them to strike certain bargains, such as a free trade agreement with another sovereign nation. Partners to the treaty will demand credible promises that a deal struck will not be later cannibalized by congressmen seeking protection for their individual constituencies. Before potential partners will engage in costly negotiations they require a credible commitment, such as delegation of negotiating powers to an executive and prohibition of post-negotiation amendment (O'Halloran 199x).

²¹ For a full discussion of how these differences are reflected in each of the links in the delegation chain, see Lyne (2001).

The critical assumption which underpins each of these arguments about the purpose of legislative delegation is that constituent support is not mutually exclusive. Or to put it another way, the assumption is that players in both branches stand to gain if a clear agenda of policy priorities can be pursued, if bargaining problems that may hinder the pursuit of this agenda can be solved, and if credibility problems can be addressed. As an example of this embedded assumption consider Carey and Shugart's discussion of the degree to which congress may suffer agency losses in delegating to the executive. They measure agency losses based the degree of convergence of policy preferences as operationalized by the executive's partisan support in the legislature. But when all constituent support is mutually exclusive, we can see that such a measure does not capture the important sources of divergence in preferences and thus also the possibilities for agency loss. This measure clearly assumes that both executives and legislatures stand to gain from *some* kind of programmatic policy. The only difference stems from the *content* of the preferred policies.

When voters trade their votes directly for an excludable benefit, and thus all constituent support is mutually exclusive, the assumption that addressing the policy issues of the day will yield electoral benefits for both branches does not necessarily hold. It depends on the ability to adjudicate the mutually exclusive support of elected officials who have some say over policy choice and implementation. Moreover, delegation from a multi-member body to a central agent such as the executive is fraught with special dangers when resources are used to capture votes directly. Under these conditions, the delegation of control over resources to a central agent can confer the power *to directly outbid the delegee for control of votes*. In this case there is a great potential for a legislative delegation to be turned against the legislature by empowering the executive to strengthen himself electorally at the expense of the legislators' electoral fortunes. This is thus a particularly acute version of what Kiewiet and McCubbins(1991) have called "Madison's dilemma": "The essence of the problem is that resources or authority granted to an agent for the purpose of advancing the interests of the principal can be turned against the principal" (1991:26).

3.4 The Equilibrium Conditions of Excludable vs. Non-Excludable Politics: *When Legislatures May Choose to Obstruct or Cooperate with Executives*

In order to understand the conditions under which excludable or non-excludable politics will dominate, and thus when legislative delegation will be fraught with this extreme form of Madison's dilemma, we must specify five types of players. Economic agents, whose income stems either from extracting under inefficient property rights (*patrons*),²² or from successfully competing under efficient property rights which impose market discipline on most producers most of the time (*profit-seekers*).²³ Voters, who either sell their vote in a direct exchange for

²² Patrons are typically socioeconomic elites whose dominance provides them with the means to buy off clients. The classic example is the latifundio in Latin America, but the basis of patron dominance is not limited to concentration in land ownership. It can include any scarce valuable resource (Stokes and Medina, 2001), such as an industrial job under import substitution industrialization. In most developing countries, patrons who were socioeconomic elites initially bought off clients and delegated to politicians to maintain the property rights and policies that allowed them to do so. As development proceeds, however, politicians often also become patrons as well, as they control the scarce resources of an increasingly interventionist state. For more on this transformation see Lyne (2001).

²³ No government ever adopts fully efficient property rights. I designate efficient property rights as those which force most producers to face market discipline most of the time, and inefficient property rights as those which use political criteria for distributing the right to engage in the most important and lucrative productive activities to a specific

some excludable political good (*clients*), or who delegate to parties primarily based on an evaluation of parties' national platforms, with varying influence of particularism (*citizens*).²⁴ Voters have a base price at or above which they will trade their votes for an excludable benefit and become a client. This base price is driven by what voters can easily obtain based on their own action, rather than based on a trade with politicians: the base price will be just in excess of what voters can easily substitute based on their own action. This definition of the base price follows from the fact that the costs of an incorrect voting choice will loom largest when voters can obtain goods from politicians that they cannot readily obtain themselves. Base prices rise, therefore, with clients' ease of substitution of excludable goods. Typically, social and economic modernization lead to diversification, which provides voters with greater opportunities, and will thus lead them to raise their base price. Finally, we have *politicians*, who may be the agents of either citizens or patrons.

Under some conditions economic agents act as patrons and delegate to politicians to maintain property rights and adopt policies that allow them to extract from clients. Under these same conditions voters sell their votes for an excludable benefit and become clients. Under other conditions, voters delegate to politicians to provide collective goods, and politicians thus enforce a mix of efficient property rights and rents/pork which force most economic agents to profit-seek in the market most of the time. The principal-agent relationships characteristic of the two equilibria can be represented as in the figures below:

economic agent and shields this producer from market discipline. The latter is akin to mercantilism except that the conferment of production rights may not be through an official license but may be an artifact of a development program in which only those producers with access to highly subsidized foreign exchange for essential capital goods imports can effectively compete. *Inefficient* property rights misalign individual and social rates of return, rewarding economic agents for actions which deplete social wealth. Such policies do not preclude economic growth, but they typically fail to produce growth in income per capita. Economic growth under such policies typically stems from simply bringing more resources into production, rather than increasing the efficiency with which such resources are used. Economists have labeled this extensive growth (Furtado 1970; North 1991). In developing countries, the initial conferment of production rights was usually established under colonial regimes which distributed land in a highly concentrated fashion based on political rather than economic criteria. Compare, for example, the case of the US in which land grants were available to almost anyone who agreed to live on the land, and make it productive. These large landowners were typically shielded from market discipline through various price support schemes, either indirectly through exchange rate manipulation, or directly through subsidies. Industrialization policies continued the practice, where engaging in production of most goods was possible only for those with access to subsidized inputs, loans at negative real interest rates, and protection which shielded them from any kind of market discipline, whether domestic or international. The degree to which these policies eliminated not just international but also domestic competition has been overlooked but is documented in the literature (on Brazil, see Bergsman (19??), on India, see ??). *Efficient* property rights align individual and social rates of return, rewarding economic agents for choices that increase social wealth. Market discipline achieves this by rewarding with profits those producers who discover ways to produce more and better products with fewer resources. The result is greater social wealth as the society as a whole can produce more with less. Economic growth produced under efficient property rights typically increases income per capita and economists have labeled this intensive growth (North 1991). It should be emphasized that employment of technology is not what differentiates extraction from profit-seeking. Extraction may employ existing domestic technology or the most advanced imported technology (whose cost is typically subsidized); the critical difference between policies which reward extraction and those which reward profit-seeking is that in the former case, there is no neutral mechanism which continually selects out those who fail to adopt the most efficient methods available.

²⁴ I include here cases in which voters actually delegate to individual politicians, but in which their choice between politicians is substantially driven by the content of his party label. An example is Great Britain (see Cox 198x).

FIGURE 1: THE PROGRAMMATIC EQUILIBRIUM

Voter A →
Voter B → (delegate to) Legislator X or Party X (procure mix of collective/particularistic by
Voter C → enforcing some mix of efficient property rights and rents/pork)

(Voter A, B, C form a collective principal but each can act as single principal = Citizen)

FIGURE 2: THE CLIENTELISTIC EQUILIBRIUM

Voter A (Patron) → (delegate to) Legislator X or Party X (adopt property rights and policy to extract from voters
B and C, the clients)

(Voter A is privileged subset of collective principal = Patron)

(Voter B and C are clients who relinquish their claim on overall policy by trading their vote for excludable good)

What are the conditions under which one or the other of these equilibria will emerge? Economic agents can either extract or profit seek; above some lower income threshold I , they prefer to extract because the marginal return on their time investment is higher.²⁵ Below this threshold I , economic agents will be willing to trade leisure for effort in order to increase their income. $C(x)$ is the baseline cost of voter x 's vote, and EC is the baseline cost of the election. W is the amount of wealth extractable under a given set of property rights. For the clientelist equilibrium to prevail, W must be greater than the sum of I and EC . In symbols: $W > I + EC$.

The clientelist equilibrium will hold under these conditions for two reasons. First, the voter is receiving at least his base price, and thus, due to the strategic risks associated with the voter's dilemma, under these conditions he will always prefer the excludable benefit to the uncertain rewards of collective goods. Second, the patron is able to receive at least his threshold income, and thus given the greater marginal return on time investment, he prefers to extract rather than seek profits in the market. *The consequence of the voter's dilemma, then, is that despite the fact that programmatic regimes generate much greater social wealth overall, strategic considerations make it impossible for some societies to delegate to politicians to achieve such gains.*

Once the sum of patrons' income and election costs exceed total extractable wealth, then it becomes impossible to both maintain the patron's income and buy off the client. At this point attempts to continue with the patron-client strategy will mean either shifting resources to maintain the patron's threshold income and losing the election, or winning the election by paying EC , but this will be a pyrrhic victory since all resources will have been expended in buying off clients, and the patron's income will fall below his lower threshold. As long as $W > I + EC$, the clientelist politician enjoys the advantage over the programmatic politician. But when the

²⁵ Extraction requires simply utilizing resources to create output, whereas profit-seeking requires the much more difficult task of utilizing resources to create output *more efficiently* than current practice.

system reaches the tipping point of $W = I + EC$, the relative advantage of the two types of politicians is reversed.

As the cost of the election (EC) increases above $W - I$, the programmatic politician has the advantage over the clientelistic politician because the rewards to economic agents and to voters in the programmatic equilibrium are not zero-sum. Whereas in the case of extraction there is a finite limit to what can be extracted from a given endowment of resources, and what one economic agent receives another economic agent loses, the profits one economic agent reaps from innovation does not preclude the profits of others based on new innovations. Similarly, when elections are bought with excludable goods, what one voter receives another voter necessarily loses, whereas when votes are won with the provision of collective goods, this zero-sum problem is avoided, since collective goods are jointly supplied, meaning one person's consumption of the good does not reduce the amount available to others.

It should be emphasized that it is *only* when $W < I + EC$ that programmatic politicians will become competitive and a switch to the programmatic equilibrium is possible. At this point a programmatic agent can campaign on the promise of replacing extractive property rights with market-driven property rights, providing profit-seeking opportunities for former patrons now willing to trade leisure for income, while simultaneously generating jobs for former clients that are no longer receiving at least their base price.

The most important implication of the preceding argument for the question of reform considered here is that as long as the clientelist equilibrium holds ($W > I + EC$), then any "reform" to address a policy crisis will be constrained by the fact that all politicians' support is mutually exclusive, and by the fact that politicians who provide excludable benefits will always defeat those attempting to provide collective goods. Under these competitive conditions, it may be possible to address policy crises and maintain continuity of the regime if at least one of two conditions are met: more resources for distribution can be found, or an organization which encompasses all "ins" has institutionalized rules for adjudicating mutually exclusive support. If more resources can be found, then agreements for how to address the policy crises may be possible without threatening any players' exclusive constituent support. **EXAMPLE** If an encompassing organization exists, then it may be possible to strike credible deals in which each player cedes some of their resources in order to address the fiscal crisis without facing the threat that those resources will merely be used to outbid them and alter their status from an in to an out.

If neither of these conditions are met, however, then it will be exceedingly difficult to address a policy crisis similar to those the ABC countries faced in the 1960's and 70's. The logic can best be illuminated by example. Consider a system in the clientelist equilibrium facing a fiscal crisis. If some majority coalition delegates powers to the executive to balance the budget, what is to stop him from making a deal with the remaining 49% of legislators to balance the budget by cutting out those items which provide resources for the delegating majority to effect direct exchanges with voters? Such a move could at one fell swoop solve the fiscal crisis and consolidate a new set of ins poised to benefit from the "reform". If we also consider the fact that such a "reform" which balances the budget may also be the key to renewing international financial flows, then this new set of ins will have a renewed resource flow for outbidding the new outs and with which to consolidate their new in status. In short, in clientelist systems in which neither of the above two conditions are met, no actor will cede authority to a central agent to find a solution to a policy crisis because it would be tantamount to accepting a change from in to out status. As we have seen, such a move is political suicide when competition revolves around distribution of excludable benefits.

By the same token, once the equilibrium has shifted, then legislators will no longer face the extreme form of Madison's dilemma, and thus can delegate to the executive without fear of being outbid directly. But it is only once attempts to maintain patrons' lower threshold income and continue paying clients' base price are exhausted that legislatures will find it possible to flexibly delegate to executives to address acute policy crises. Given that C , the client's price, represents those goods just out of his reach in terms of substitutability, when the proffered excludable goods dip below this price, then he is being offered something he can easily procure himself, and thus he does not risk much loss in forgoing them and opting for collective goods. It is only at this point that clients will transform into citizens and vote for collective goods and it is only at this point that legislators and executives will not find it necessary to adjudicate mutually exclusive support, and thus both will typically always gain electorally from reform to address the policy crisis.²⁶ The voter's dilemma explains why electoral incentives can sometimes fail to drive executives and legislatures to cooperate to address a policy crisis as expected by the revisionists discussed above. But it also demonstrates why executives and legislatures in some presidential regimes cooperate effectively—the problem does not lie with the institutions of presidentialism as the pessimists argue, but instead with the collective action problem voters face in all democracies.²⁷

4.0 THE INDEPENDENT VARIABLE: THE DISTRIBUTION OF VOTING SUPPORT

How can we determine whether we are in an excludable or non-excludable system? Clearly, there is no formula that could provide an aggregate measure of how extractable wealth stacks up against election costs and patrons' threshold income. The variables which tip the equation are aggregates of millions of individual calculations which are clearly not amenable to empirical measure. Another possible route would be to gather information about the actual voting act itself. Excludable exchanges require monitoring. Yet although we can find allusions to these monitoring activities in the monographic literature, clearly this strategy is problematic since actors will have a number of incentives to conceal this behavior (retaliation, public relations, international reputation, etc.), and thus systematic data gathering of this type is unreliable.^{28,29}

²⁶ Strictly speaking, programmatic strategies should never defeat clientelist strategies, since strictly rational voters should always defect. Moreover, the standard solution to collective action problems—delegating to a central agent to monitor and punish free riders—obviously does not apply to the voter's dilemma. In the absence of a such a solution, the theoretical question of why voters would ever vote for non-excludable goods remains a thorny one that I do not address here. This is no more damning a critique, however, than could be leveled against the entire positive theory of elections, since the question of why voters would vote for collective goods is no different from the standard question of why voters would ever vote in a programmatic system, which remains the Achilles' heel of the positive theory of voting and elections. An important literature, however, suggests that when the costs to cooperation are low, individuals often will contribute, even in the absence of an institutional solution to the free-rider problem. See Barry (1970) and Olson (1982) for discussions of this possibility from different points of view. And empirically, we know that in many democracies voters *do* vote for collective goods.

²⁷ The argument is consistent with the fact that many parliamentary regimes are plagued with policy ineffectiveness and instability as well—voters face the same collective action problems across regime type.

²⁸ An innovative attempt of this kind is provided by Fox (19xx). He uses the number of polling places that did not have multi-party monitoring in the Mexican elections as an upward bound on the number votes that could be obtained through direct exchanges. This measure would seem to be valid, however, only in a system in transition when new programmatic parties are challenging old clientelist parties as in Mexico today. New programmatic parties have an incentive to punish vote exchanges, whereas in the excludable equilibrium all parties monitor and exchange and thus have no incentive to

Despite the impossibility of measuring voting activity, or the variables determining it, however, an indirect measure of the equilibrium is possible. The two different types of voter-politician delegation relationships lead to quite distinct strategies for efficiently capturing votes, and these distinct strategies are observable in voting distributions. Direct exchanges that require direct distribution of benefits and monitoring can be carried out most efficiently by organizing it into large blocs. Often this means delivery of geographical or functional units as discrete entities, as when mayors align themselves with legislators who then provide resources for the mayor to distribute through access to the budget. In these cases we would expect geographical units to deliver the vast majority of their votes to one candidate, and we would expect the vote totals of leading candidates to be made up primarily of these geographical (or functional) chunks of votes. In contrast, when votes are won based on non-excludable programs, we will expect the voting distribution of leading candidates to be more evenly distributed across the geographical units. Here there is no requirement for monitoring and exchange, and we can expect that programmatic preferences will be more evenly distributed across the geographical unit.

Building on the pioneering work of Ames (2001), I use voting distributions as an indicator of the kind of vote that is being cast and thus the system equilibrium. Currently, I have the data to analyze only the case of Brazil, but the tests of Argentina and Chile would follow almost exactly the same procedure and could be done quite readily as soon as data becomes available. Here I will cite some of the monographic evidence that the Argentinean and Chilean systems were also built around direct exchanges with voters.

Unfortunately, at the present time, municipal-level voting returns are available for only one presidential election in the earlier period in Brazil. The Brazilian Electoral Tribunal published data on municipal vote distributions, the most probable geographical unit for organizing vote delivery, only for the 1954 election.³⁰ The results are presented in the table below

PRESIDENTIAL ELECTION RESULTS BY MUNICIPALITY 1954

	KUBIT	TAVORA	BARROS	SALGADO	TOTAL
# of Muni over 50% of vote (%)	595 (27%)	250 (11.3%)	83 (3.7%)	6 (0.3%)	934 (42.4%)
# of Muni over 60% of vote (%)	263 (11.9%)	98 (4.4%)	13 (0.6%)	2 (0.09%)	376 (17%)
# of Muni over 70% of vote (%)	88 (4%)	28 (1.3%)	4 (0.2%)	0	
# of Muni over 80% of vote (%)	18 (0.8%)	10 (0.5%)	0	0	
% of cand. total vote from muni in which takes over 50%	34.8%	14.6%			
Total Votes (%)	3,077,411 (33.8%)	2,610,462 (28.7%)	2,222,725 (24.4%)	714,379 (7.9%)	9,097,014

punish such action. Multiparty monitoring in this case could simply be designed to prohibit vote-stealing or bidding wars, rather than vote-buying, and thus would not be a sign of prohibition of direct exchanges.

²⁹ On the incentive to conceal clientelist practices see also Kitchelt (2000:869)

³⁰ Presidential elections were held in 1945, 1950, 1955, and 1960.

As the table shows, not only the winning candidate, but also the top losing candidates win a large proportion of their total votes in municipalities in which they have a “concentrated” distribution, meaning they take more than 50% of all votes in the municipality.

For the current period, the Brazilian Electoral Tribunal published data for the 1994 and 1998 elections. The data for the top five presidential candidates from 1994 and 1998 are shown in the tables below. The first three rows provide the percentage of the total municipalities (5019) in which the candidate received more than the indicated percentage of the vote. The fourth row indicates the percentage of the candidates’ total votes that came from municipalities in which he won more than 50% of the vote.

PRESIDENTIAL ELECTION RESULTS BY MUNICIPALITY 1994

	CARDOSO	LULA	QUERCIA	BRIZOLA	ENEAS	TOTAL
# of Muni over 50% of vote (%)	42.4	0.07	0	0	0	2137
% of Muni over 60% of vote	11.4	0	0	0	0	542
% of Muni over 70% of vote	0.6	0	0	0	0	34
% of cand. total vote from muni in which takes over 50%	45	.0002	0	0	0	NA
Total Votes						

PRESIDENTIAL ELECTION RESULTS BY MUNICIPALITY 1998

	CARDOSO	LULA	CIRO GOMES	ENEAS	TOTAL
# of Muni over 50% of vote (%)	2106 (40%)	42 (0.7%)	5 (%)	0	2063 (41%)
% of Muni over 60% of vote	10.6	0.03	0	0	539
% of Muni over 70% of vote	0.65	0	0	0	33
% of Muni over 80% of vote	0.01	0	0	0	1
% of cand. total vote from muni in which takes over 50%	41	1	.8	0	NA

As can be seen from the tables, these numbers are all insignificant with the exception of the winning candidate in both elections, Cardoso. This is precisely what we would expect when

candidates garner votes based on programs, and the winning candidate takes roughly twice as many votes as the second runner-up, as was the case in both elections. Because the winning candidate took so many more votes than his competitors, we would expect him to win more than 50% in many municipalities. The difference in comparison to when votes are won based on excludable goods is seen in the losing candidates' vote distributions: all had negligible "concentrated" vote distributions which indicates that their appeal was programmatic. If their votes were won based on direct receipt of a benefit in return for a vote, we would expect them to receive a significant proportion of their votes from municipalities in which they take more than 50% of the vote.

5.0 THE DEPENDENT VARIABLE: LEGISLATIVE DELEGATION TO THE EXECUTIVE AND DEMOCRATIC STABILITY

In this section I analyze three instances of executive-legislative relations in the ABC countries. The first section examines the early post-War and shows how the model can explain the types of powers delegated to the executive as the dominant policy program of import substitution industrialization (ISI) was adopted and implemented in Brazil and Chile. The second section discusses the policy crisis of the late post-War and the emergence of inter-branch conflict. It provides a theory of why the legislature blocked executive reforms and refused to delegate new powers to the executive to address the crisis, why the executive responded with extra-constitutional moves, and why the electoral incentives for compromise failed. The third section examines the current regimes and discusses why legislatures were able to delegate powers to the executive, and provides an explanation for the differences in delegation across the three countries.

5.1 Legislative Delegation to the Executive in the early Post-War: Reactive Powers

In this section I discuss the goals that motivated the delegation of power to the president in the early post-War. The discussion will highlight the fact that many possible delegations could achieve the goals, and how the specific powers delegated reflect the extreme form of Madison's dilemma the legislature faced. The argument is that the mutual exclusivity of support circumscribed the delegation to only reactive powers, prohibited the delegation of pro-active legislative powers, and limited the executive's policy instruments for implementing ISI.

There is considerable agreement in the literature regarding the role of the executive in adopting and implementing ISI policies in the ABC countries. Legislatures in all three countries delegated to executives to create and distribute incentives to firms to substitute previously imported manufactured goods. Thus, executives created new agencies to promote industrial development such as the BNDES in Brazil and CORFO in Chile. Two aspects of legislative delegation to the executive deserve examination in this context. First, as seen from table xx in section 2.0, the legislature in all three countries provided the executive with only reactive powers and refused to delegate proactive powers. Second, a longstanding puzzle in the political economy literature has been why these governments chose to transfer resources from the agricultural sector to the industrial sector via the highly distorting exchange rate mechanism, rather than via a general tax on agriculture and subsidy to industry (Hirschman 1985). In other words, legislatures refused to delegate broad taxing power to the executive to transfer resources between sectors and limited its taxing power to exchange rate manipulation. Why were these choices preferred? We can imagine many different powers that could be delegated to the

executive to carry out these tasks, and indeed, political economists have long puzzled over the preference for the far more distortionary tax over a less distortionary one.

I argue that both of these choices stem from the need to adjudicate mutually exclusive support and the need for the legislature to protect itself from the extreme form of Madison's dilemma that it faces when delegating power to the executive. Carey and Shugart have argued that we must examine the degree to which "legislative majorities can be expected to suffer agency losses to executives with decree authority" (1998: 2) in interpreting legislative delegation to the executive. This view is apropos to understanding the reluctance to delegate decree powers in the earlier period. Legislatures avoided delegating proactive powers in order to avoid the possibility of the executive attempting to outbid them in their own bailiwicks. Pro-active powers are particularly dangerous in this regard because they allow the executive to unilaterally alter the status quo, and thus would make it possible for him to determine "in" and "out" status of legislators. Decree powers, for example, would allow the executive to present legislators with a fait accompli of restructured resource distribution, and therefore, constituent support. And as has been discussed, once one becomes an "out" in a system of excludable benefits, it becomes very difficult to make credible claims to deliver, and thus to return to "in" status.

What about the restriction on taxing powers? We can see the same forces at work here. Delegating broad taxing powers would allow the executive to alter the distribution of resources, and would provide him with a tool that could be used for outbidding legislators in their own bailiwicks. By restricting taxing powers to exchange rate manipulation, the resource control this conferred could only be used to provide benefits to industrialists. And this was precisely the group that legislators were delegating to executives to incorporate into the regime with the import substitution programs. In other words, by choosing the much more distortionary exchange rate taxation and subsidy scheme, legislatures were protecting themselves by restricting the executives' ability to attract new supporters outside the group of industrialists. This was a way of adjudicating mutually exclusive support, by placing industrialists in the executive's bailiwick, while eliminating the possibility of incursion into their own bailiwicks.

5.2 Legislative Obstruction of the Executive and Democratic Breakdown in the late Post-War

The breakdown of democratic rule and the executive-legislative conflict that preceded it are now well-told stories. All three countries faced acute crises of inflation, bureaucratic inefficiency, and social security insolvency. Executives in all three countries attempted constitutional reforms and were rebuffed by the legislature, executives then made extra-constitutional attempts to alter the status quo, and finally these executives were removed by the military. Despite the many studies of this process, important questions which echo the unresolved issues in the arguments of the presidential pessimists and revisionists remain answered. Here I address three questions. First, why did legislatures reject the constitutional policy reforms proposed by the executive? Second, why did executives counter with extra-constitutional strategies rather than new legislation closer to legislators' preferences? And three, why did electoral incentives fail to drive executives and legislatures to compromise on reform? Why wouldn't the party or coalition that resolved these problems stand to gain in future elections, and thus serve as an impetus to a compromise solution? In Brazil and Argentina in the current democratic period, the parties which provided the initial reforms won handily in the subsequent elections. And the coalition which took power in 1990 and maintained and deepened the reforms in Chile has been returned to power in two subsequent elections. Why did this

underlying electoral dynamic fail in the earlier period? Most analysts attribute the failure of compromise between the branches either to mistakes or failures of leadership. Valenzuela (1989) sees the breakdown in Chile as a failure of the Christian Democratic Party to compromise. Shugart and Carey (1992) view it as a result of a critical error in institutional choice. I argue that we do not need to posit failures of character, leadership or foresight. These outcomes were a result of rational calculations of electoral imperatives.

The early post-War in the ABC countries was characterized by unique circumstances--an abundance of resources. All three countries had surpluses on their external accounts, and all were in the early phases of import substitution industrialization, with large new middle and working classes eager and able to buy manufactured goods. Thus, the substitution of previously imported manufactured goods provided a strong motor of growth for these programs. As the ISI programs ran their course, and existing demand was completely substituted, however, resources became scarce. As testimony to the power of the electoral imperative, all of these governments borrowed as much as international lenders would provide at exorbitant interest rates, and all heavily inflated their currencies before anyone attempted to address the growing inadequacies of the ISI program. But eventually these additional resources were exhausted, and this is when the adjudication of mutually exclusive support became much more difficult. This is the period in which the zero-sum feature of politics becomes manifest rather than managed.

It is important to establish first that at least according to parties' stated programs, they supported macroeconomic stabilization, bureaucratic reform and social security reform. In Brazil, the UDN, the second largest party for most of the period, had a longstanding commitment to a stable currency (Benevides 1981), while the PSD, the largest party, made it an official plank of the party platform in 1958 (Hippólito 1985). The UDN also supported social security reform. Why couldn't these two parties, who could have formed a governing coalition with a majority at any time throughout the period, have struck a compromise on stabilization and social security reform? Similarly, in Chile after 1965, the Christian Democrats held a majority in the lower house and close to majority in the Senate, but president Frei's attempted reforms were opposed as much by factions in his own party as by the opposition parties that could block legislation in the Senate (Valenzuela 1978). And once again, it is difficult to see why some kind of compromise with opposition parties could not have been possible, given Chile's long history of coalition governments. Why then were compromises impossible?

A surprising aspect of the historiography of the period is that legislatures were suspicious of, and opposed, executives' *constitutional, legislative* programs for reform. Although it is often overlooked, *even the constitutional attempts at reform* were seen as a sinister move on the part of the president. Thus, these reforms were seen as much more than a program designed to redistribute some of the fruits of the growth of the heyday of import substitution--they were viewed as a thinly veiled and cunning attempt to radically alter the balance of political power. Santos (1986) argues that suspicions that the overthrown president of Brazil, Goulart, was interested primarily at achieving the latter was what led to the evaporation of support for his reforms in congress. Skidmore argues that Goulart's program of reform aroused "deep fears on the part of established social sectors and classes" (1967:237). At the same time, he argues that a majority of public opinion, which was centrist and which favored some type of moderate reform "lacked any clear party expression" (ibid.:246).

Once we understand that electoral competition would reward only a reorganization of the distribution of excludable benefits, it becomes clear why even the constitutional attempts at "reform" were so threatening--they were policies that were designed to redistribute excludable

benefits, and thus exclusive bases of support, from one group to another as resources became scarce. As long as voters respond to the voters' dilemma by opting for excludable benefits, the only kind of "reform" that will be rewarded at the polls is one that re-organizes resources and exchange relationships. I argue that legislators did not miscalculate or lack a spirit of compromise, but rather that they understood these electoral incentives and thus feared that any delegation to the executive to promulgate reform might be done at their expense, by eliminating their resources or bureaucratic appointees or social security beneficiaries.

This understanding of the situation can be seen clearly in of some of the Brazilian deputies' response to proposed land reforms. As one UDN politician put it: "Constitutional reform [regarding agrarian reform] is not intended to expropriate land, *but rather to expropriate voters!*... The electorate of the UDN and the PSD. This is a coup of electoral magic, *tout court...*" (Benevides 1981:193). Or, as another UDNista put it: the constitutional amendment on agrarian reform would give the president a very powerful political armament through the "discretion to choose who to expropriate," as part of a "trap in which half of the governing class wants to stab the other half in the back. This will liquidate the PSD and bankrupt the UDN" (ibid.:193). It is noteworthy that many observers concluded that "bureaucratic reform" in the Kubitschek and the Goulart government had the same intentions of directly transferring jobs and votes from one politician to another (Benevides 1989).

If legislatures merely did not like the particular kind of reform that executives proposed, why would the executive choose to mobilize extra-constitutional support rather than propose a new bill more likely to gain legislative support? Why wouldn't he find it possible to use some of his "patronage powers" to reward legislators that would sign onto a reform bill that could address the acute policy crises of the day? And why wouldn't legislators who must develop both a party reputation for providing collective goods, and a personal reputation for delivering "pork" sign onto such a program? Certainly any reputation for providing collective goods that could have existed would have been wearing thin by the early 1960's in all three countries. And wouldn't both the executive and the parties that signed onto such a reform become the new winners? Wouldn't both institutional actors receive what was necessary for them to compete electorally with such a bill?

Once again, I argue that electoral incentives when voters choose excludable goods provides the answer. The executive understood the prevailing electoral incentives as well as legislators and realized that constitutional reforms would continue to be rejected. His only hope of maintaining his position and the regime in the face of an extreme resource scarcity was to attempt an end run around the mutual exclusivity of support problem. If he could achieve a unilateral reorganization of resources and exchange relationships that could relieve the immediate crisis, renewed international resource flows or other options might have been possible to breathe new life into the regime. Legislators once again understood this incentive that was driving the executive, and this led to his removal.

Finally, electoral incentives failed because it had become impossible to adjudicate mutually exclusive support. Legislators refused to cede power to a central agent, by delegating decree powers, for example, because this would be tantamount to surrendering one's mutually exclusive support and accepting a change to "out" status.

5.3 Legislative Delegation to the Executive in the Current Democratic Regimes: Reactive and Proactive Powers

Once voters' choices shift, the problem of mutual exclusivity of support, and the extreme form of Madison's Dilemma disappear. Politicians who attempt reform by maintaining a

strategy of direct exchange and eliminating some groups' resources will be unable to capture elected office, so legislatures need no longer fear this outcome in delegating to the executive. The other side of this coin is that executives that offer programmatic solutions will now be the electoral winners. Legislatures have everything to gain from delegating proactive powers to the executive once electoral incentives shift, because voters will now reward parties and politicians that have a reputation for addressing collective ills such as inflation or provide collective goods such as a professionalized bureaucracy. An executive and a legislature which cooperate, either under majority party or coalition rule, to address policy crises will both receive credit. "Normal" agency losses, such as executive encroachment on legislators' pork, or attempts to impose programmatic policies dramatically different from legislators' preferences of course are still a danger, and we can expect legislatures to protect themselves from these, as has been amply discussed in the literature (Kiewiet and McCubbins 1991; Epstein and O'Halloran 1999; Carey and Shugart 1998). But the shift in electoral incentives will eliminate the extreme form of Madison's dilemma that led legislatures to prefer regime collapse to delegation of proactive powers to the executive.

Finally, Shugart and Carey and Mainwaring and Shugart's classification provides insight into the variation in legislative powers across the three countries once the system has shifted to collective goods provision. Brazil and Chile's presidents receive urgency powers as a means to address collective action problems associated with agenda setting in multiparty presidential regimes. Argentina and Brazil's presidents are delegated strong decree powers because they inherited regimes in the throes of crisis, whereas in Chile the major crises were resolved before the transition to democratic rule. Finally, it could be argued that the Brazilian president has been delegated the widest range of powers because he must build multiparty coalitions based on parties in which the leadership lacks the strong powers of ballot control for disciplining rank and file. The amplification of the line-item veto, for example, can be used by the president to bring aberrant members of his coalition in line.

6.0 CONCLUSION

I have argued here that if we consider the strategic problems voters face, we can develop a theory of electoral competition that can account for the two widely differing views of presidentialism articulated by the pessimists and the revisionists. It is not the institutions of presidentialism that drive the differences, but instead the electoral incentives as driven by voters' response to the voters' dilemma. The argument provided explanations for the choices in both periods that are rooted in political actors' rational calculations, rather than mistakes or lack of compromise (in the earlier period), or voluntarist ideas about learning or inoculation to bad habits (in the current period).

Ironically, many of the analysts who idealized parliamentarism are now averse to presidential regimes with the same crucial feature: delegation of great legislative powers to the executive. They view the solution adopted in these presidential systems, delegation of legislative powers to the executive, as undemocratic and portending dire consequences for these regimes (Valenzuela, Siavelis). But this institutional solution makes these presidential regimes look much like the parliamentary regimes these analysts originally praised as the superior choice. Why is a similar solution so detrimental in presidential regimes?

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