

DEMOCRACY IN LATIN AMERICA:
Individuals in Institutional Contexts*

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ORGANIZED BUSINESS, ECONOMIC CHANGE, AND DEMOCRACY IN LATIN AMERICA. Edited by Francisco Durand and Eduardo Silva. (Miami, Fla.: North-South Center Press at the University of Miami, 1998. Pp. 297. \$23.95 paper.)

PRESIDENTIAL INSTITUTIONS AND DEMOCRATIC POLITICS: COMPARING REGIONAL AND NATIONAL CONTEXTS. Edited by Kurt von Mettenheim. (Baltimore, Md.: Johns Hopkins University Press, 1997. Pp. 303. \$45.00 cloth, \$15.95 paper.)

PRESIDENTIALISM AND DEMOCRACY IN LATIN AMERICA. Edited by Scott P. Mainwaring and Matthew Soberg Shugart. (New York: Cambridge University Press, 1997. Pp. 493. \$64.95 cloth, \$22.95 paper.)

RETHINKING PARTY SYSTEMS IN THE THIRD WAVE OF DEMOCRATIZATION: THE CASE OF BRAZIL. By Scott P. Mainwaring. (Stanford, Calif.: Stanford University Press, 1999. Pp. 390. \$60.00 cloth, \$22.95 paper.)

TECHNOPOLS: FREEING POLITICS AND MARKETS IN LATIN AMERICA IN THE 1990s. Edited by Jorge I. Domínguez. (University Park: Pennsylvania State University Press, 1997. Pp. 287. \$55.00 cloth, \$13.95 paper.)

WHAT KIND OF DEMOCRACY? WHAT KIND OF MARKET? LATIN AMERICA IN THE AGE OF NEOLIBERALISM. Edited by Philip D. Oxhorn and Graciela Ducatenzeiler. (University Park: Pennsylvania State University Press, 1998. Pp. 270. \$45.00 cloth, \$17.95 paper.)

The return of democracy to Latin America has been greeted with a wealth of new scholarship in which theoretical approaches and specific research questions have varied widely. Comparative political scientists recently have begun to think about democracy in terms of rational individuals operating in institutional contexts. From an institutional approach, democracy is more than a series of legal documents. Understanding how democracies work requires that political scientists study not only constitu-

*The authors would like to thank Kurt Weyland for his comments on an earlier draft of this review essay.

tions and electoral laws but also the preferences of actors and how the institutional context influences their relative strengths and strategies. The six works to be reviewed in this essay do not all adopt a new institutional approach and will not be evaluated on how closely they adhere to its theoretical assumptions. We will evaluate these works on the social-scientific principles that are not unique to a particular perspective, including case selection, data-gathering techniques, and data analysis. In the process, however, we will use them to assemble evidence for building a new institutionalist vision of democracy and to point out areas where further research is necessary. We do not claim that a rational-choice institutionalist approach is the only or necessarily the best means of studying democracy in Latin America, but we think it holds great promise. We will therefore try to advance that research agenda through the review of these solid works from a variety of theoretical approaches.

Taking a rational-choice institutionalist perspective means recognizing that formalized structures and rules form a strategic context within which political actors make decisions. Moreover, institutional structures condition the preferences and capabilities of individual actors. These structures can influence the relative strength of actors by valuing some resources over others (as in valuing economic weight over electoral might). In addition, an institutional perspective entails being aware that past choices constrain future options. Once a particular decision-making process is in place, certain policy choices are more likely than others because the process itself will influence what information gets heard and how seriously it is taken. Finally, adopting an institutional perspective means acknowledging that institutions do not immediately reflect social or economic changes. Institutions and the actors and policies that they privilege may continue to hold sway because their formal practices have a force of their own—usually codified in the legal system or constitution (see March and Olsen 1984). This approach does not deny the importance of individual actors. Individuals do matter. But it is vital to understand the way in which institutions constrain the choices and preferences of key actors in this new democratic context.

More particularly, in terms of democratic rule, rational choice institutionalism highlights how party structures affect the kinds of candidates chosen and their behavior once in office. Electoral rules influence not only these choices but the number of parties and the partisan control of branches. Such control will interact with the constitutional allocation of powers to help determine the policy-making process. The size and cohesiveness of partisan delegations affect whether presidents might have to assemble coalitions of small parties and the undisciplined factions of larger ones or whether the president's party is likely to control a majority of seats and is disciplined enough to serve as a base of support. Presidents vary in their ability to initiate legislation they want, veto legislation they find disagreeable, and decree laws without congressional involvement. The bureaucracy, typically under

the control of the president (if under control at all), does not simply execute policy but plays a key role in its formation, especially in economic matters. Most prominently, the president's cabinet is a primary source of political programs, and the relationship among ministers, the executive, and the legislature will influence the content of policy. The relationships among branches can influence how interest groups and social movements seek to influence policy outcomes, which branch merits greatest attention, and if the legislature is worth lobbying, whether they focus on individual legislators or party leaders and entire parliamentary factions. In terms of the interest groups themselves, institutional variation includes how they choose their leaders, how they establish the collective preferences of their members, and whether their relation to the national government is primarily formal or informal. Like party systems, interest-group and social-movement "systems" can vary across countries in terms of the plurality of groups within a particular sector (for example, the number and relative strength of labor unions). As all these factors make clear, a new institutional approach must reveal how democratic governments are chosen and how the policy-making process works, but it must extend beyond these areas to encompass the content of policy itself. For example, analysts must ask whether institutional characteristics are systematically related to the extent of market-oriented reforms adopted across the region.¹

Parties and Elections

If parties and elections are taken as the starting point for understanding democratic rule, Scott Mainwaring's *Rethinking Party Systems in the Third Wave of Democratization: The Case of Brazil* develops key concepts relevant to all cases with a wealth of historical detail on Brazil. Similar to his earlier edited volume with Timothy Scully (1995), this work develops several dimensions of party-system institutionalization. Most deal with parties' relationship to the population—the stability of their share of the vote, their roots in society, and public perception of their legitimacy. Of most interest from the perspective of new institutionalism is the fact that Mainwaring highlights the role the state plays in shaping party systems and the importance of parties' internal structures. A party system cannot be institutionalized until individual parties have internal structures, rules, and procedures capable of outlasting their founders. Personalist electoral vehicles may come and go in an uninstitutionalized party system. Where party organization

1. Our emphasis is on formal rather than informal institutions. We are concerned that the outcomes (including norms and patterns of behavior) that institutions are intended to explain often get labeled as "informal institutions" themselves. Informal institutions often remain poorly defined, and their informality or latent nature leads to circular arguments in which behavior becomes evidence of the institution itself.

matters, parties “acquire an independent status and value of their own” (p. 27). Parties with explicit internal structures can marshal resources, commit to at least a minimal set of collective goals, and survive leadership succession.

After developing a theoretical framework for studying party systems in the first part of the book, Mainwaring devotes four chapters in the second part to illustrating that the Brazilian party system is very weakly institutionalized. Two chapters of interest primarily to specialists on Brazil detail the historical evolution of Brazilian parties between 1822 and 1996. Two other chapters elaborate on the manifestations of a weak party system in the contemporary setting. They develop features of interest to a wider audience, including the low level of party discipline, the widespread use of patronage, and the clientelistic and patrimonial roles of parties in this weakly institutionalized system. Mainwaring also shows how procedures for selecting candidates constitute an incentive structure for sitting politicians. The inability of political parties to deny the use of their label to incumbents makes it difficult to enforce party discipline. Legislators know that any defection from the party line, even on important issues, cannot lead to expulsion or denial of the party label in the next set of elections. This effect is exaggerated by the fact that legislators have worked to remove all laws that might encourage party discipline. We will return to the importance of discipline when we examine legislative-executive relations.

In the third part of *Rethinking Party Systems*, Mainwaring attempts to explain why, despite Brazil’s relatively lengthy experience with democracy, the party system has remained uninstitutionalized. He acknowledges the difficulty of testing multivariate explanations with just a single national case, but he tries to increase his number of observations by looking at the Brazilian party system at multiple points in time. The failure to become institutionalized can stem from late industrialization that hinders the establishment of workers’ parties, a process of state formation in which state building precedes party formation, an anti-organizational political culture, military interruptions including party repression and the creation of new parties, mass media that allow for direct appeals to the electorate, and the delegitimizing effect of repeated economic crises.

The conceptual development of party-system institutionalization, the empirical indicators of relative institutionalization, and the proposed causes, if kept explicit and applied systematically, could serve as the framework for a rich exploration of party systems across Latin America and beyond. Mainwaring’s book should be read by scholars seeking to study political parties and their role in democratic rule. We will return later in this essay to the fourth part of this work on the effects of party-system institutionalization.

Mainwaring and Matthew Soberg Shugart’s edited volume, *Presidentialism and Democracy in Latin America*, focuses less on the connection between parties and their supporters and looks instead at electoral rules as incentives for voters and the effect of voters’ choices on government formation and

executive-legislative relations. The book opens by revisiting the debate about the relative merits of parliamentary and presidential democracies and by outlining some differences across presidential systems based on the constitutional allocation of powers to issue decrees, veto legislation, and initiate bills. The stability and efficiency of presidential systems can vary widely depending on institutional arrangements. Mainwaring and Shugart advance the institutional debate beyond the merits of presidential versus parliamentary systems by examining crucial institutional differences within presidential systems. In the conclusion, the editors explore how the use of constitutionally allocated powers varies depending on the president's partisan powers—the degree to which presidents can rely on disciplined majorities in the congress. They demonstrate that partisan power is a function of electoral rules and procedures. Data from across the region are used to show that the likelihood of majority government is largely determined by the electoral cycle (honeymoon, concurrent, or counter-honeymoon), the format for presidential elections (plurality or majority runoff), and the effective district magnitude in legislative races. In other words, rational voters respond to the institutional incentives embodied in the electoral system and in the process determine the partisan control of branches. The size of the president's contingent in congress is one aspect of partisan power, but equally important is the degree of discipline among his or her copartisans. We will return to the theme of disciplined, majority government in the next section on interbranch relations.

The regionwide analysis presented in the conclusion of *Presidentialism and Democracy in Latin America* is made possible only by the nine richly detailed country chapters that precede it. Each chapter deals with the interplay of constitutional and partisan powers in a particular country. They almost uniformly cover the themes that the editors have raised in the introduction or will tackle in the conclusion. Many of them go a step or two beyond the common themes of the volume to provide a more nuanced understanding of the country under study. For example, Mainwaring's contribution on Brazil and Mark Jones's on Argentina elaborate on the importance of federalism and the impact of powerful governors and mayors on national politics. Ronald Archer and Shugart's essay on Colombia points out that recognition of shortcomings in the institutional design does not always lead to effective institutional reform. John Carey's piece on Costa Rica deals with the impact of relatively uncommon legislative term limits. Jeffrey Weldon's contribution on Mexico shows how *presidencialismo* has varied over time within a one-party regime and gives additional weight to the loss of majority control in the Cámara de Diputados by the Partido Revolucionario Institucional. Peter Siavelis's essay on Chile highlights the importance of pre-electoral coalitions and how electoral rules can make several parties behave as two. Despite the fact that the chapters on Chile before Pinochet and Bolivia are slightly less centered on the main themes, this edited volume

holds together well. The editors define the research questions at hand in their introduction, the country cases take them up explicitly and systematically with a common vocabulary, and the impressive conclusion capitalizes on the conceptual framework and case studies to advance significantly scholarly understanding of presidentialism.

Rethinking Party Systems in the Third Wave of Democratization and *Presidentialism and Democracy in Latin America* provide insights into how party structures and electoral institutions influence the functioning of democratic politics. Parties as institutional structures can play a key role in linking citizens to governments and maintaining the legitimacy of democratic rule. Their absence can have the deleterious consequences that Mainwaring details in the conclusion to *Rethinking Party Systems*. Electoral rules constitute a set of incentives for voters that help determine the partisan control of branches, a key determinant of democratic stability and efficiency.

Interbranch Relations

As noted, *Presidentialism and Democracy in Latin America* covers voters' incentives but also the incentives of elected officials. Mainwaring and Shugart claim that the partisan discipline of a legislative delegation is a function of two electoral characteristics: vote pooling and intraparty competition.² Interbranch relations may be heavily influenced by the partisan control of branches, but a president whose disciplined copartisans control 51 percent of the seats in the legislature will have much more authority than a president with a copartisan delegation of the same size that finds it difficult to work together. For example, Colombian and Venezuelan presidents may have similar constitutionally allocated powers, but Colombian presidents find it difficult to pursue national programmatic issues because undisciplined legislators are more interested in pork-barrel bills. In contrast, party discipline was so strong in Venezuela that reformers became concerned about the absence of a link between voters and legislators bound by the ironclad authority of their party leaders.

Presidents must decide when to initiate bills, when to veto legislation, and when to exercise their decree authority. Presidents with the exclusive right to introduce bills in a given area might not tamper with the status quo when their party controls few seats or when their copartisans are unreliable allies (because they are undisciplined). A president with a high level of partisan power is likely to use the constitutional right to initiate bills much more freely. Likewise, the decision to resort to presidential decrees with the force of law will be a function of the legislature's likelihood of supporting the president's program. Constitutions may provide the bulwark of presi-

2. For a complete definition of these terms, their measurement, and the rationale behind them, see *Presidentialism and Democracy*, 421–29.

dential powers, but the exercise of those powers will vary greatly across the institutional incentives provided by electoral systems.

Kurt von Mettenheim's edited volume, *Presidential Institutions and Democratic Politics: Comparing Regional and National Contexts*, ambitiously expands the investigation of presidential democracy and its consequences for interbranch relations across regions and levels of development by covering cases outside Latin America. Yet beyond the goal of regional variation, the choice of regions and national cases is never justified, and the contributors evidently were not provided with an explicit theoretical framework or common set of research questions. Some contributors concern themselves with why certain institutional arrangements were chosen, as in Michael Bernhard's essay on Poland, while others focus on the possible impact of institutional design on policy outcomes, as in Charles Jones's contribution on the United States. A good many of the essays, especially Bernhard's on Eastern Europe and Jonathan Harris's on the Russian Federation, would make good contributions to a volume on democratization and how institutional designs are chosen. But it is difficult to find their common ground with essays on how democratic institutions work in established regimes. The presidential versus parliamentary debate is one common thread in much of the volume, but it fails to distinguish consistently between purely presidential and hybrid systems when comparing them with parliamentary systems.

With the exception of Bert Rockman's contribution on presidents versus prime ministers and Valerie Bunce's on democratic transitions in Eastern Europe, the individual essays deal with single national cases where institutional factors are held constant. This approach is not problematic if at some point their findings are compiled so that institutional variables of interest are indeed allowed to vary. Instead, the country cases seek to explore variations while holding institutions constant. For example, U.S. presidencies are classified in the Jones piece by factors that include presidential popularity and vote totals; and based on an examination of the single case of Bolivia, Eduardo Gamarra claims that the president must be powerful for market-oriented reform to occur.

With widely diverging concepts and themes covered in each essay and institutions often held constant, it is not surprising that von Mettenheim and Rockman conclude in the final essay, "outcomes arise less from the institutional frame per se than from the nature and context of political problems" (p. 238). For a book about presidential institutions, this would seem to be a damning critique of institutional factors as possible explanatory variables, but it is not. Von Mettenheim and Rockman go on to point out, "presidential institutions provide opportunities and risks for democratic politics, depending on their regional and national contexts" (p. 238). In other words, policy makers and scholars are concerned with different aspects of presidential democracy across regional and developmental contexts, and because the contributors to this volume did not address the same issues across contexts,

it is impossible to evaluate the interaction of region or level of development with presidential design.

Despite a lack of common purpose in *Presidential Institutions and Democratic Politics*, some of the individual chapters highlight features of interest as analysts try to construct a comprehensive vision of democratic politics in Latin America. For example, Rockman picks up on a theme covered by Mainwaring and Shugart: the presidential versus parliamentary debate is overstated given the institutional variation within each of these regime types, and social scientists would do well to look at the systematic effects of institutional variation within these two broad labels. Rockman identifies the relative diffusion of power as one dimension that with further conceptual development could help analysts understand the importance of institutional design.

The books edited by von Mettenheim and by Mainwaring and Shugart both highlight the importance of interbranch relations and the ability to design presidential systems that avoid stalemate (despite what the supporters of parliamentary government say). Short of promoting the breakdown of fragile democratic systems, interbranch stalemate means the failure to deliver well-designed policies and a loss of legitimacy for politicians and political parties. *Presidentialism and Democracy in Latin America*, with its careful attention to constitutionally allocated powers and their interaction with the prospects for disciplined partisan support of the president in the legislature across a variety of institutional configurations, greatly advances understanding of democratic politics in Latin America. A similarly well-structured volume comparing presidential regimes in other regions of the world would provide a much-needed contribution to comparative political science. Not all presidential regimes are alike, and differences in efficiency and stability are systematic results of institutional choices. While interbranch relations clearly have a significant effect on policy outcomes, institutional features within the executive branch can also play a significant role.

Cabinets and Bureaucracies

Technopols: Freeing Politics and Markets in Latin America in the 1990s, edited by Jorge Domínguez, directs attention to an often neglected part of democratic governments: the president's team assembled in the cabinet and bureaucracy. Perhaps because bureaucracies are not unique to democratic rule, new institutional efforts to examine Latin American democracies have not treated them systematically. Although cabinet formation is not as critical in presidential regimes as in parliamentary regimes, given that there is no requirement for mutual confidence between the two branches, it too merits more attention. Domínguez highlights the role that presidential appointees play in implementing key economic policies and maintaining democratic legitimacy, while other contributors provide case studies of five individual

policy makers across four countries (Argentina, Brazil, Chile, and Mexico). *Technopols* places the ideas and the preferences of rational individuals squarely into analysis. Institutions provide incentives and constraints, but actors respond to those signals differently according to their own backgrounds and goals. For example, educational and religious backgrounds influence ideologies, and ideologies affect how individuals respond to institutional incentives.

The opening essay by Domínguez in *Technopols* introduces the possibility of many interesting causal connections. For example, he posits a list of factors that are instrumental in the formation of individual technopols in “The Making of Technopols” and “The Making of Democratic Technopols.” He also elaborates on the factors that explain the relative success of technopols. Success is conceived of in terms of implementing market-oriented neoliberal reforms but also behaving in such a way as to promote the consolidation of democratic rule. Unfortunately, these important causal connections are not adequately explored in this volume. First, “success,” whether economic or political, is never explicitly defined. Thus despite interesting country cases, readers are never told explicitly whether a given technopol succeeded or not. Domínguez reports that Domingo Cavallo, economy minister in Argentina, “chose to act through congressional action, rather than by decree, and in the future to require prior congressional authorization for any change in the rate or printing of more money” (p. 32). But Domínguez then comments, “Cavallo’s continued reliance on government by decree to sidestep the Congress because Congress might overrepresent those most resistant to change” was institutionally worrisome (p. 42). Did this technopol act to consolidate democracy in Argentina or not? Stephanie Golob’s contribution on Pedro Aspe of Mexico highlights his technical training, meteoric rise through government posts, and success in renegotiating debt and stabilizing the inflation rate. She also points out that he was frequently overconfident and dictatorial and that the entire economic team was disgraced by the peso crisis of 1994–1995. Without a clear indicator of the effect—the relative success—it is difficult to evaluate the possible causes.

Readers also cannot determine what factors lead to the formation of technopols because the book examines only technopols: cases are selected based on a single value of the dependent variable. A more thoughtful set of selection criteria might have included subsequent or prior ministers from the same countries to get time-serial variation within a national context and ministers who were less clearly committed to economic reform or who had traditional political backgrounds. Delia Boylan’s essay on Evelyn Matthei, an opposition legislator in Chile, highlights the lack of explicit criteria for case selection. It is difficult to know who does not qualify as a technopol. Hypothesis testing is inherently difficult with political biography because the premise is that the individuals under study are unique. The personalized and often laudatory accounts provided here too frequently emphasize the individual over the category of technopol.

Technopols highlights the need to put individuals and their preferences in institutional contexts. Institutional structures and incentives are pointed out frequently in the country cases. Jeanne Kinney Giraldo's contribution on Alejandro Foxley in Chile shows how the pre-electoral coalitions promoted by the electoral rules led to intracoalition bargaining over the composition of the economic team and the content of President Patricio Aylwin's policy proposals. João Resende-Santos's essay on Fernando Henrique Cardoso points out the difficulties of dealing with several undisciplined parties in the Brazilian legislature. Javier Corrales elaborates on how and when President Carlos Menem invoked his decree authority in Argentina. These and several other references locate policy-making individuals in their institutional contexts. Unfortunately, however, the institutional features covered across cases are not consistent, and the volume contains no conclusion to pull them all together. A new institutional approach draws scholarly attention to institutional features that need analysis: procedures of appointment and dismissal or censure are key in assessing the cabinet-level heads of major bureaucratic agencies. These features would undoubtedly interact with the constitutional and partisan powers discussed previously, and they merit further investigation. Bureaucratic agencies also deserve more attention than they are currently receiving because of their frequent interaction with civil society during policy formation and execution.

*Interest Groups, Social Movements, and Mechanisms
for State-Civil Society Interaction*

Another area relatively neglected by new institutionalists examining Latin America has been the internal structure of interest groups and social movements and any mechanisms constructed for their interaction or linkage with the state. One work that provides some of the details necessary for filling that gap is *Organized Business, Economic Change, and Democracy in Latin America*, edited by Francisco Durand and Eduardo Silva. The editors and their contributors examine the factors that lead to the formation and consolidation of encompassing business associations (umbrella organizations grouping together businesses across economic sectors), the role of these organizations at various points in the policy-making process, and business owners' support for democracy.

Durand and Silva and their contributors conceptually develop the possible forms that business organization can take in a national setting that ranges from no organization above the firm level, to sectoral or industry-wide organization, to unconsolidated or dormant encompassing business associations, to consolidated encompassing business associations (EBAs). The national cases selected vary widely in the extent of business organization. Based on essays covering eight national cases, Durand and Silva conclude that common threats from labor or the state helped spur the forma-

tion of EBAs and that the development of internal rules and procedures, professionalization (especially in producing sound technical reports), a modicum of intersectoral conflict, and quality leadership help explain variations in consolidation. In their individual contributions on Chile and Peru, Silva and Durand conclude that all these factors were present and resulted in consolidated EBAs. In Mexico, Nicaragua, El Salvador, and the Dominican Republic, EBAs formed but then weakened. In Nicaragua, for example, Rose Spalding points out that the perceived threat of the Sandinistas galvanized a business community that previously had been unable to sustain organization, but the EBA's activities declined as other groups emerged and preferences for neoliberal reforms split its membership. In Argentina and Brazil, EBAs failed to emerge. Carlos Acuña argues that an EBA has not emerged in contemporary Argentina because neither organized labor nor the Peronist party has been particularly threatening since the return of democratic rule, and thus business owners have no incentive to organize.

While Durand and Silva elaborate categories useful for characterizing business organization for an entire national setting, they are less explicit about conceptual dimensions for studying the internal workings of EBAs. The importance of sectoral groupings within EBAs emerges as one critical distinction, but to get a more complete picture of business organizations as institutional structures, future work will need to devote greater attention to how members are admitted, how leaders are chosen, and how policy positions are decided within individual associations. There would have been room for such conceptual elaboration if Durand and Silva's introduction had been split into an introduction that developed concepts and stated hypotheses and a concluding chapter that summarized findings. *Organized Business* holds together well, but in its current form, conceptual development is slighted and findings are summarized in the introduction.

This edited work also highlights the need to develop further understanding of the institutional mechanisms established for interactions between the state and civil society. They illustrate that conceptually, corporatism alone is not a sufficient tool for explaining state-business relations. Kurt Weyland's contribution on Brazil shows that the failure to form an umbrella or peak association revealed not corporatist attempts by the state but more the lack of a perceived threat. In contrast, Ricardo Tirado's essay on Mexico shows that business organizations emerged and gained influence in Mexico within or despite the confines of the state's corporatist intentions. The essays gathered in *Organized Business* distinguish state-civil society interactions by the stage of the policy-making process, the formality or institutionalization of the interactions, the level at which talks occurred, and the diversity of groups acknowledged by the state as legitimate voices for the sector. Dimensions such as these deserve further attention in order to capitalize fully on the potential of new institutionalism to help analysts understand democratic rule. Comparative studies of actors other than business will also be necessary. To

our knowledge, no works on social movements or other interest groups have as yet done as much as *Organized Business* to elucidate the institutional and organizational links between the state and civil society in Latin America.

Editors Philip Oxhorn and Graciela Ducatenzeiler make an effort to clarify state-civil society linkages in the new democracies of Latin America in *What Kind of Democracy? What Kind of Market? Latin America in the Age of Neoliberalism*. They and the contributors highlight the impact of structural adjustment on civil society and democracy. In conceptual terms, however, the attempt does not succeed. They are clearly unsatisfied with the quality of democracy. The delegative, merely political, and unaccountable democracies of Latin America are frequently contrasted with some never clearly defined but somehow truer democracy (see the introduction and conclusion), based on a conceptually and empirically fuzzy "social contract" (see the essays by Luiz Carlos Bresser Pereira and Yoshiaki Nakano). The culprit in this drama is neoliberalism, although it remains more of a "ghost in the machine" than an empirically observed independent variable. Oxhorn's contribution on "neopluralism" does not clarify the concepts at hand or formalize testable hypotheses. He claims to be determining whether corporatism, pluralism, or neopluralism characterizes Latin America, but given that neopluralism as a concept is nothing more than his description of the current situation, the answer is a foregone conclusion.

Despite empirically unsubstantiated references to hyper-presidentialism, some of the individual essays in *What Kind of Democracy?* take institutional variation seriously. For example, the editors point out the importance of institutionalizing business access to the state. Based on the contributions on Argentina, Brazil, Chile, and Mexico (two essays), the editors conclude that institutionalized access to the state helps consolidate democracy, while uninstitutionalized, informal interactions between the state and business impede accountability. Manuel Barrera shows how labor is attempting to fortify its internal structures in Chile to compete better with the already organized and institutionally privileged business class (especially under the authoritarian regime). The essays by Francisco Zapata and by Jean-François Prud'homme on Mexico examine the incorporation of civil society, especially workers and business, into the decision-making process. Zapata argues that the state's constant effort to maintain a formal dialogue with both business and labor was key to economic adjustment, while Prud'homme shows how those institutions must undergo reform as Mexico moves toward a multiparty system. The contribution by Werner Baer and Claudio Paiva on Brazil demonstrates the importance of interbranch relations (the constitutional and partisan powers defined by Mainwaring and Shugart) in pursuing economic policies, but it does not deal with interest-group access. These essays can be contrasted with Jorge Schvarzer's on Argentina, which seems to indicate that the only actors necessary for understanding domestic politics and economics are international financial institutions.

Policy Outcomes

Thus far we have focused on the structures that comprise the decision-making process in democratic regimes and how those institutions provide incentives for a wide variety of actors, including voters, presidents, legislators, cabinet members, and groups in civil society. This area is the domain of rational-choice institutionalism, and while a great deal of work remains to be done, the framework appears to have great potential. Missing in the literature thus far is a systematic endeavor to connect variations in institutional structures to variations in policy outcomes. If this framework is to be of value, it must help explain not only how decisions are made but also the content of those decisions.

Several of the works reviewed here discuss policy outcomes, especially the adoption of structural adjustment policies, but none of them contain a systematic effort to measure policy outcomes and explain their variation. In the fourth part of *Rethinking Party Systems*, Mainwaring offers a compelling argument as to how weak parties make it difficult to pursue economic adjustment. A large number of parties in the legislature, two powerful chambers, and the constitutional guarantee of economic resources to state governments under federalism all decrease the prospects for coherent economic packages. Individual contributions to *Presidentialism and Democracy in Latin America* touch on policies adopted, but a conceptual typology of policy outcomes is not part of the book's structure. Already nearly five hundred pages long, it accomplishes a great deal. Yet future work would do well to use the conceptualization of partisan and constitutional powers to help explain variations in goals pursued and policies adopted. *Presidential Institutions and Democratic Politics* points out the temporal coincidence of democratization and structural adjustment, but it does not treat economic policy as a variable (as opposed to a constant) within the region.

While these three works do not necessarily focus on structural adjustment and any area of policy could have been covered, books about technopols, organized business, and the nature of the market suggest that economic policy is a useful point of departure. *Technopols* might have provided a construct for evaluating policy outcomes if what constituted success for any given technopol had been defined. *Organized Business* focuses on the formation of groups and their incorporation into decision making at various stages of policy making, but it does not systematically look at the consequences of this incorporation in terms of policies adopted or economic results. *What Kind of Democracy? What Kind of Market?* does not answer that question clearly in conceptual terms and makes no systematic effort to answer it in empirical terms. Very recent journal articles, conference papers, and book projects in progress indicate that others recognize the need to take this next step of connecting institutions with outcomes. We look forward to works that will build on the best aspects of the books reviewed here.

*Institutional Design and the Relative Concentration of Power
in Latin American Democracies*

To look for relationships between institutional design and policy outcomes, scholars will need to continue writing works like those reviewed here that develop conceptual categories for understanding governmental institutions (such as presidents, legislatures, and cabinets) and nongovernmental organizations (such as political parties and interest groups). Also needed is a more complete understanding of the interactions among elected officials and especially between elected officials and the representatives of organized groups. Mainwaring, Mainwaring and Shugart, and von Mettenheim show good progress on interbranch relations. Where a great deal of work is still needed is on mechanisms for interacting with civil society. Political scientists need to think about what forms these institutional mechanisms can take (institutionalized versus informal is one distinction highlighted by Durand and Silva and by Oxhorn and Ducatenzeiler) and whether their form is systematically related to electoral systems and interbranch relations. If these institutional aspects of democratic regimes can be integrated, scholars will have a more comprehensive understanding of how decision-making processes work and where power is concentrated.

As a crude first attempt at such a classification scheme, we have classified Latin American cases on three institutional dimensions: the likelihood of disciplined support for the president, the powers allocated to the executive by the constitution, and the nature of participation by business and labor (tables presented in this section were first compiled for Crisp 2000). Capitalizing on the work of Mainwaring and especially Mainwaring and Shugart, we assume that the likelihood of disciplined support for the president is a function of election timing and incentives to cultivate a personal vote. Consequently, we envision Latin American countries falling into one of five categories: systems with nonconcurrent elections but high incentives to cultivate a personal vote (or low incentives for disciplined legislative delegations); systems where the incentives to cultivate a personal vote are diminished and election timing is mixed; systems where the incentives point toward disciplined partisan delegations, but mixed elections diminish the chances that the president's party will have a majority; systems that have moderate incentives for discipline and the concurrent nature of elections increases the prospects of the president's party; and electoral systems that promote high levels of discipline and make it likely that the president's party will have a significant contingent in the legislature (see table 1).

Modifying slightly Mainwaring and Shugart's constellation of presidential powers (p. 49), constitutionally allocated presidential powers can range from potentially dominant to potentially marginal as they are outlined in table 2. Potentially dominant presidents can pursue their own preferences with their decree authority while they stymie the legislature by re-

TABLE 1 *Institutional Incentives to Generate Disciplined Presidential Majorities in Latin America*

<i>Type of Elections</i>	<i>High Incentives for Personal Vote Seeking</i>	<i>Moderate Incentives for Personal Vote Seeking</i>	<i>Low Incentives for Personal Vote Seeking</i>
Concurrent elections	No Latin American cases	Peru, Uruguay	Venezuela ^a , Bolivia ^a , Costa Rica, Dominican Republic, Guatemala, Honduras, Nicaragua, Panama, Paraguay
Mixed elections	No Latin American cases	Chile	Argentina, Ecuador, El Salvador, Mexico
Nonconcurrent elections	Brazil ^a Colombia ^a	No Latin American cases	No Latin American cases

NOTE: Classification is based on the electoral system for the lower of the two houses in bicameral systems.

^aElectoral timing applies to Colombia after 1974 and Brazil before 1994. Bolivia and Venezuela adopted compensatory, mixed-member systems in 1993, slightly diminishing the prospects for high discipline.

fusing to introduce bills in certain areas and vetoing bills that do pass. Potentially proactive presidents, a category of our own creation, have proactive ability based on a more tenuous form of decree authority—authority invoked through some definition of “emergency,” an apparently perpetual state in many Latin American countries.

We draw on our own previous work to include labor among the interest groups to be considered along with business. Business-labor participation takes into account the number of interest groups in each sector and the relative institutionalization of their access. The possible combinations form a continuum ranging from multiple groups with informal access, single peak associations (EBAs) with informal access, multiple groups with institutionalized access, and single peak associations with institutionalized means of access (see table 3).

Combining these three dimensions underscores the diversity of participation and policy-making processes across Latin American democracies.³ Colombia and Brazil seem to anchor the “diffusion” end of the spectrum. If not for their moderately strong presidents, they would epitomize a combination of the lowest levels of concentration or centralization in their electoral and consultative politics. This is not to say that diffusion leads to better pol-

3. Where business and labor from the same country did not fall in the same quadrant of table 3, the country was classified as having the more formal means of access or the more concentrated form of interest-group organization.

TABLE 2 *Presidents' Legislative Powers in Latin America*

<i>Legislative Authority</i>	<i>Configuration of Powers</i>	<i>National Cases</i>
Potentially dominant	decree, strong veto, exclusive introduction	Chile 1980, 1989
	decree, strong veto	Argentina, Ecuador
Proactive	decree, weak veto, exclusive introduction	Brazil 1988 Peru 1993
	decree, weak veto	Peru 1979
Potentially proactive	emergency decree, strong veto, exclusive introduction	Colombia 1968–1991, Guatemala, Uruguay
	emergency decree, strong veto	Bolivia, Panama
	emergency decree, weak veto, exclusive introduction	Colombia 1991
	emergency decree, no veto	Venezuela, Honduras
Reactive	strong veto, exclusive introduction	Brazil 1946, Chile pre-1973
	strong veto	Dominican Republic, El Salvador
Potentially marginal	no veto	Costa Rica, Mexico, Nicaragua, Paraguay

Source: Adapted from *Presidentialism and Democracy in Latin America*, edited by Scott P. Mainwaring and Matthew Soberg Shugart (New York: Cambridge University Press, 1997).

icy or more stable democracy. In practice, these systems may privilege participation to the detriment of governability. Both Brazil and Colombia suffer from centrifugal forces that threaten the unity of political actors at the national level. A high score on all three dimensions would indicate a concentrated form of policy making: powerful presidents with disciplined support in the congress who consult formally with monopolistic interest groups. No countries fall into this quadrant of the three-dimensional space created by combining tables 1 through 3, but several countries come close. Chile falls outside of this area because of its electoral system that moderately discourages high levels of discipline and large contingents for the president's

TABLE 3 *Business and Labor Organization and Access to Decision Making in Latin America*

	<i>Informal Contacts</i>		<i>Formal Access</i>	
	<i>Business</i>	<i>Labor</i>	<i>Business</i>	<i>Labor</i>
Multiple interest groups	Brazil, Colombia, El Salvador, Peru pre-1984	Brazil, Colombia, Ecuador, El Salvador, Peru	Argentina, Ecuador, Nicaragua, Uruguay	Argentina, Dominican Republic, Nicaragua
Single peak association	Bolivia, Peru post-1984 ^a	Bolivia	Venezuela, Chile, Dominican Republic, Honduras, Mexico	Venezuela, Chile, Honduras, Mexico, Uruguay

NOTE: For a list of the sources used to arrive at these classifications, see Brian F. Crisp, *Democratic Institutional Design: The Powers and Incentives of Venezuelan Politicians and Interest Groups* (Stanford, Calif.: Stanford University Press, 2000).

^aBusinessmen in Peru formed the Confederación de Instituciones Empresariales Privados in 1984.

party in congress. Argentina and Ecuador border on this space but have electoral systems and a diversity of interest groups that avoid excessive centralization. The lack of formal access for business and labor peak associations keeps Bolivia out of the quadrant, but it also means that relatively powerful presidents who can expect some support in congress are autonomous from the pressures of groups in civil society.

Venezuela, Honduras, and Uruguay most closely approach the extreme of centralization. They all have presidents who can assume decree authority under exceptional circumstances, which they can define without congressional participation. They have built institutionalized mechanisms for interest-group consultation, and business and labor are represented by single peak associations (except for business in Uruguay, which is still organized along sectoral lines). They all have concurrent elections that promote large copartisan contingents for presidents, and Venezuela and Honduras have electoral systems that encourage very high levels of discipline within partisan delegations in the congress.

To take full advantage of this perspective that puts individuals in their institutional contexts but recognizes their ability to remake these institutions, more complex and nuanced versions of democratic decision making than that presented here will probably be necessary. We hope nonetheless that combining these institutional features as we have done highlights the importance of looking at the interaction among institutional characteristics

rather than considering them individually. Countries that appeared proximate on any single dimension may end up being far apart in the three-dimensional space. Systematic attention to the combination of institutional characteristics across Latin American democracies makes explicit similarities and differences that would otherwise go unnoticed. We also hope that focusing on “interest-group systems” and the institutional mechanisms for state–civil society relations, uncommon ground for rational-choice institutionalists, points out the need for political scientists to move beyond elections and interbranch relations. We believe that this perspective has something to offer in substantive areas that have previously been left to other perspectives.

Future research should account for electoral-system characteristics, constitutionally allocated powers, party and interest-group internal structures, and consultative state institutions when trying to explain policy outcomes. Thus far, rational-choice institutionalists have been content to confine themselves to interbranch relations and the policy-making process itself. But if this theoretical approach is to be valuable, the classification schemes it generates must help explain behavioral patterns and policy outcomes. For example, we might hypothesize that the political rights and civil liberties of minority groups would be least infringed on in systems where power was diffused. Or we might think that difficult development strategy choices, including the adoption of structural adjustment packages, would most likely be adopted where presidents have significant constitutional powers and interest groups are only loosely organized and plugged into the policy-making process. It is to difficult but intriguing questions like these that the proponents of this perspective must turn themselves.

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