

4/5/2004 2:58 PM

**MODELING THE EFFECT OF EXECUTIVE-LEGISLATIVE RELATIONS
ON DEMOCRATIC STABILITY**

Terry D. Clark, Creighton University

and

Raivydas Šimėnas, Creighton University

MODELING THE EFFECT OF EXECUTIVE-LEGISLATIVE RELATIONS ON DEMOCRATIC STABILITY

Abstract

An important debate in the literature on the role of institutions in democratic consolidation focuses on the choice of executive-legislative relations. The key issue in the debate is whether parliamentary or presidential systems are to be preferred. We contribute to the theoretical debate by formally modeling the assumptions laying behind each of the respective positions. Our model reveals that majoritarian parliamentary systems are as unstable as presidential systems and that the most stable design for executive-legislative relations is premier-presidential, particularly when it is attended by power sharing arrangements such as federalism or bicameralism.

Regime Type: Presidentialism versus Parliamentarism

A number of scholars have argued that presidentialism creates less stable conditions for democratic consolidation than does parliamentarism.¹ The most problematic aspect of presidentialism cited by these scholars is that it induces a zero-sum, winner-take-all contest for a single political office, the presidency. Possessing a mandate separate from that of the legislature, the president is in essence constitutionally empowered to engage in a tug-of-war with the assembly over control of policy. The president will likely attempt to end the political gridlock by usurping some substantial

¹ Juan J. Linz, "Presidential or Parliamentary Democracy: Does It Make a Difference?" in Juan J. Linz and A. Valenzuela, eds., *The Failure of Presidential Democracy*, pp. 3-87, Baltimore: Johns Hopkins University Press, 1994; Juan J. Linz, "Transitions to Democracy," *The Washington Quarterly* 13, no. 13 (Summer 1990): 143-164; Scott Mainwaring, "Presidentialism, Multipartyism, and Democracy: The Difficult Combination," *Comparative Political Studies* 26 (1993): 198-228; Alfred Stepan and C. Skach, "Constitutional Frameworks and Democratic Consolidation," *World Politics* 46 (1993): 1-22.

portion of the assembly's prerogatives, in particular control of the legislative agenda. Given that the president is protected from the assembly by a constitutionally mandated fixed term and that the government with its resources is accountable to him/her, the contest will almost certainly be resolved in favor of the chief executive. Consequently, political elites in presidential systems will increasingly focus on the presidency as the one office worthy of occupying.

The hypothesis has been challenged by a number of scholars, among them Matthew Soberg Shugart and John M. Carey who argue that it is overly simplistic to categorize executive-legislative relations as either presidential or parliamentary.² In their view, a dichotomous typology fails to recognize three distinct types of presidential systems: US-style presidentialism, French-style premier-presidentialism, and president-parliamentarism. It is the latter which is the most problematic form of democratic governance owing to the ambiguous position of the cabinet, which must enjoy the confidence of both the president and the legislature to continue to govern. As a consequence, such systems are subject to frequent conflict between the executive and legislative branches.

Shugart and Carey further argue that the other two types of presidential systems (presidentialism and premier-presidentialism) can in fact overcome what they view as the most serious problem associated with parliamentarism, the trade-off between representativeness (insuring a voice to as many interests as possible) and policy efficiency. Indeed, both systems permit a larger number of political parties in the legislature while retaining policy efficiency in the office of the president. Premier-

² Matthew Soberg Shugart and John M. Carey, *Presidents and Assemblies: Constitutional Design and Electoral Dynamic*. Cambridge: Cambridge University Press, 1992.

presidentialism offers even greater advantages as it overcomes the rigidity of the presidential system (neither the government nor the legislature having fixed terms) as well as the problem of a dual mandate between the president and the legislature (the competing mandate being transferred to one between the president and the prime minister, the latter representing the parliamentary majority).³

As yet there has been no systematic effort to formally model the assumptions in the debate. We propose to do so in this article. Our purpose is to clarify the assumptions in the debate, reveal internal inconsistencies in theoretical propositions, and uncover conclusions that might not otherwise be apparent. We develop a model of legislative-executive relations depicting the political "game" in a presidential system as Linz views it. In order to focus on the problem of a zero-sum, winner-take-all game in which victory for one side is defeat for the other, we recast the debate within the broader framework of an explicitly rational choice definition of democratic consolidation focusing on the likelihood of a stable equilibrium resulting from the interplay between self-interested political actors. We then extend the model to parliamentarism. In the final section, we further extend it to Shugart and Carey's president-parliamentarism and premier-presidentialism.

We find that majoritarian parliamentary systems are as unstable as presidential systems and that the most stable design for executive-legislative relations is premier-presidential, particularly when it is attended by power sharing arrangements such as federalism or bicameralism. Further, the most stable conditions attain in presidential and

³ Matthew Soberg Shugart and John M. Carey, *Presidents and Assemblies: Constitutional Design and Electoral Dynamic*,. Cambridge: Cambridge University Press, 1992.

majoritarian parliamentary systems in the absence of overwhelming electoral support for any one party.

Recasting the Debate: A Rational Choice Perspective

The debate between presidentialism and parliamentarism is imbedded within the broader research agenda focusing on the conditions necessary for a consolidated democracy. There is substantial scholarly consensus regarding Linz's definition of a consolidated democracy as a political system in which democracy is "the only game in town."⁴ In essence democratic procedures and norms have become so deeply internalized in social, institutional, and psychological life that no salient political groups seriously consider pursuing their goals outside of these procedures. As a consequence, elected governments are no longer dominated by the problem of how to avoid democratic breakdown.⁵

We contend that this definition is highly problematic on a number of dimensions.⁶ For our purposes, the most troubling feature is that it focuses on the *values* of political elites and the public. When both hold to democracy as a value in and of itself, then a democratic system is held to be stable. While such a definition has a normative appeal, it

⁴ See Juan J. Linz, "Transitions to Democracy." *The Washington Quarterly* 13, no. 13 (Summer 1990): 143-164; Juan J. Linz, and Alfred Stepan. *Problems of Democratic Transition and Consolidation: Southern Europe, South America, and Post-communist Europe*, Baltimore: The Johns Hopkins University Press, 1996; Scott Mainwaring, Guillermo O'Donnell, and J. Samuel Valenzuela, eds., *Issues in Democratic Consolidation: The New South American Democracies in Comparative Perspective*, Notre Dame: University of Notre Dame Press, 1992; and Adam Przeworski, *Democracy and the Market: Political and Economic Reforms in Eastern Europe and Latin America*. Cambridge: Cambridge University Press, 1991.

⁵ Linz and Stepan, *Problems of Democratic Transition and Consolidation: Southern Europe, South America, and Post-communist Europe*, Baltimore: The Johns Hopkins University Press, 1996.

⁶ For a concise review of these difficulties see Andreas Schedler, "What is Democratic Consolidation?" *Journal of Democracy* 9, no. 2 (April 1998): 91-107.

defies theorizing. How and why does loyalty to democracy develop? Why would ruling elites in authoritarian systems suddenly adopt a democratic ethos? How much time does it take to do so? What are the theoretical concepts that give these ideas coherence? Once a value is established, how does it erode? Can it erode?

In our view, a rational choice reformulation of the definition of consolidated democracy offers a better approach. More importantly, it offers the potential to construct a formal model. We begin with the assumption that political actors are drawn into the political market place by more than the lure of electoral victory. While they seek political office, they do so because of the control it affords them over policy. Policy control is the very reason for entering into elections. The assumption that elites are satisfied merely by political office fails to account for the source of democratic instability, the likelihood of attempts to seize political power by other than electoral means.

Given our assumption of policy-maximizing behavior, it follows that every player would prefer a system in which he/she is assured her/his most favorable outcome. Short of a dictatorship or an idealistic scenario in which all parties desire precisely the same outcomes, this is impossible. Hence, by using elections to determine who has control over policy decisions, democracy gives rise to an inherent instability. Some set of actors is invariably denied access to the policy process, as a consequence of which they have an incentive to defect from democracy altogether. The problem can be dampened, however, by the degree to which parties to an election are unsure of the outcome. The greater the

degree of uncertainty, the more likely it is that all potential candidates will judge their prospects of victory as acceptable.⁷

Przeworski's criterion of uncertainty of outcomes permits us to focus on whether or not the design of a given democratic system is conducive to players agreeing to accept the rules. In other words, to what extent do certain executive-legislative relations favor the institutionalization of democratic rules? If those relations provide players with an incentive to accept the rules because they judge their prospects of electoral victory to be relatively high, then the rules become more certain. We agree that a consolidated democracy is one in which all salient political parties adhere to these rules. However, contrary to the currently dominant view, our rational choice reformulation contends they do *not* do so because they are habituated to democratic values in a normative sense. Instead, they do so because they calculate that they can do no better under any other set of rules. That is, manifestly self-interested political actors view the costs of attempting to break the rules as too high in comparison to the gain to be had by continuing to play by the rules. In essence, democracy is "the only game in town" because no one can think of any other set of rules or norms under which they would achieve a better outcome. From the standpoint of all salient political actors, it is the *best* game in town.

⁷ The notion of political uncertainty is at the heart of Adam Przeworski's definition of democracy (Adam Przeworski, *Democracy and the Market: Political and Economic Reforms in Eastern Europe and Latin America*. Cambridge: Cambridge University Press, 1991). In his formulation a democratic political system must meet two criteria: certainty of rules and uncertainty of outcomes. Certainty of rules requires that democratic institutions, to include elections, act in accordance with norms that are certain in their application (that is some other set of rules may not substitute for them, unless the rules themselves permit and then only in the manner outlined by the rules). That their application must result in uncertainty of outcomes (that is no institution or set of political actors may pre-determine or force a preferred outcome on the process), is particularly critical to our argument. The greater the uncertainty of political outcomes (to include electoral contests), the greater the likelihood that political elites will operate within the confines of the democratic rules and the greater the likelihood of regime consolidation.

In our reformulation, political actors are willing to adhere to the democratic rules only as long as they calculate there is a potential for a higher payoff (policy control afforded by political office) by doing so than by defecting. This can be captured in the simple cost-benefit calculation in equation [1], in which the *total* outcome of a political contest to each player i , T_i , is the difference between the gain from successfully *defecting*, D_i (defecting from democratic rules, as in a coup attempt), and the sum of the gain from continuing to *cooperate*, C_i (playing by the democratic rules), and the loss from a *failed defection* effort, L_i .

$$T_i = (C_i + L_i) - D_i \quad [1]$$

If and only if the cost-benefit calculation T_i is greater than or equal to zero will the given player choose to continue to cooperate. Otherwise, the best strategy is to seek to overturn the democratic rules in a bid to gain complete political control.

The challenge of democratic consolidation is to achieve an equilibrium in which no salient political force can calculate with any acceptable degree of certainty that it can gain more by defecting from the negotiated constitution than continuing with the rules that it establishes. This, of course, means that democracy is likely to collapse when the equilibrium is disrupted, a theoretically appealing possibility as it permits us to consider democracies much more dynamically than do explanations relying on changing social values. Linz has argued that institutional design - the choice of presidentialism or parliamentarism - is important to achieving such an equilibrium. We begin with a consideration of the essential instability of presidentialism as argued by Juan J. Linz.

The Problem with Presidentialism

Linz's argument is that the fundamental problem with presidentialism is that it substantially reduces the number of *relevant* players in the policy process by concentrating power in the hands of a single player, the president. Investing the full resources of the bureaucracy in the hands of the president, who is constitutionally empowered to shield the government (the executive power) from accountability to the legislature, presidential systems favor the chief executive in any political situation. The powers of the office permit the occupant not only to determine (by force if necessary) the outcomes of political contests, it can even permit her/him to do away with the rules altogether. This is precisely what occurred in Peru when President Fujimoro disbanded the Congress in that country or in Russia where President Yeltsin did likewise. While Shugart and Carey do not concur with Linz's analysis of the problems of presidentialism, they nonetheless identify a similar problem in president-parliamentary systems, such as those in Russia or Ukraine. The powers of the president permit her to largely determine outcomes. Given the degree of policy control exercised by the office, very strong presidential systems create a zero-sum, winner-take-all electoral contest for the presidency in which electoral victory brings with it virtual control over all policy decisions.

Linz's argument can be formally modeled. We begin by noting that the payoff to any political party in a winner-take-all contest is dependent on its capturing or failing to capture the salient political office in an election. Linz argues that this office is the presidency. If we assume that fifty percent of the votes cast in an election is required to

accomplish this (the threshold for victory), then the party receiving the majority vote wins the presidency, and with it policy control. Theoretically, in a contest determined on the basis of plurality rules, this percentage could be less than fifty percent; however, the logic of the competition for power will push the threshold to fifty percent. Whatever the threshold is (we will call it z), the payoff in presidential systems is a function of the proportion of the vote. Hence, for any player i the payoff C_i is zero when the percentage of the vote, x , ranges from 0 to z (where $z = .5$ in a contest determined on the basis of majority rules). It follows that the payoff C_i is one for all x greater than z . Since the game in presidentialism is also zero-sum (each side's gains coming at the direct expense of the other, and the sum of the payoffs for both sides always equal to one), the other player in the winner-take-all game necessarily receives a payoff of 0 when the first player receives a vote total greater than z .

[Place Figure 1 here.]

This highly unstable situation is demonstrated in the graphic representation of the relationship between the payoffs from cooperation for both players in Figure 1. (Majority rules with a z equal to fifty percent are assumed.) One player will always be greatly enticed to disengage from the democratic process by very low payoffs from defection. Fortunately, this attains under assumptions of perfect information, which violates our assumption of uncertainty in electoral contests. (The idea that any side knows with a one hundred percent certainty that it will achieve a given electoral outcome is highly improbable in any political system, particularly a transitioning one.)

To incorporate the assumption of electoral uncertainty (imperfect information) into the model requires us to consider payoffs as calculations dependent upon the probability that each side assesses it has of achieving a given vote outcome. Hence, the payoff from electoral success C_i can be expressed for each contestant as the product of the probability of success, p_i (winning the presidency), times the *benefit from success*, B_i . In a zero-sum, winner-take-all contest, the benefit is one (expressed as a proportion of the total possible benefit). Hence,

$$C_i = p_i B_i = p_i(1) \quad [2]$$

If we assume that the probability of electoral success, p_i , is normally distributed about some point k (the vote outcome most expected by a political player), then the probability of achieving a given vote outcome (x), p_{ix} , is

$$p_{ix} = \frac{1}{\sqrt{2\pi}\sigma} e^{-\frac{1}{2\sigma^2}(x-k)^2} \quad [3]$$

In the winner-take-all, zero-sum game the payoff from cooperation on the left side of z is zero. By substitution,

$$C_i = 0 \times \int_0^z \frac{1}{\sqrt{2\pi}\sigma} e^{-\frac{1}{2\sigma^2}(x-k)^2} dx + 1 \times \int_z^1 \frac{1}{\sqrt{2\pi}\sigma} e^{-\frac{1}{2\sigma^2}(x-k)^2} dx = \int_z^1 \frac{1}{\sqrt{2\pi}\sigma} e^{-\frac{1}{2\sigma^2}(x-k)^2} dx \quad [4]$$

C_i is a function of two variables: a party's best estimate of the electoral outcome (the percent of the vote it will receive), k , and the relative certainty of its estimate, σ . A low σ indicates high certainty; a high σ indicates low certainty. Hence, equation [4] accounts for imperfect information.

Figure 2 graphically displays the relationship between the payoff C_i versus the vote outcome (x) under conditions of imperfect information for presidential democracy. The graph assumes a vote threshold $z = .5$ required for electoral victory and a political contestant whose probability of vote outcomes is distributed about k . In contrast to the perfect information game depicted at Figure 1, there is now a range distributed about the threshold, z , within which a political contestant estimates less than a one hundred percent gain from victory, but more than zero. The range increases as the degree of uncertainty, σ , increases.

[Place Figure 2 here.]

This is the most stable area for a presidential democracy since both sides are estimating a gain from playing by the democratic rules, C_i . Since the payoff from cooperation is a function of the degree of uncertainty, σ , and the estimated vote outcome, k , in equation [4], it follows that as uncertainty increases, the range about the threshold, z , within which both sides estimate a gain from cooperation increases.

Whether or not either player will defect, however, depends on the calculation of T_i at equation [1]. To calculate T_i we must estimate both the payoff from defection, D_i , and the cost of a failed defection, L_i . Like the contest for the presidency, a defection

attempt is a zero-sum, winner-take-all game. The goal of a coup attempt is the seizure of all political power, while the cost of failure is the loss of any hope of achieving political power in future political contests. Since the payoff from a successful defection is all power, $D_i = 1$.

We might simply assume that failure entails the loss of all political power and that $L_i = 1$. However, such an assumption carries with it the further assumption that the contestant assesses that she has a one hundred percent probability of electoral success. If such were the case, she would not be likely to consider defection in the first place. Further, the logic of our assumption that political power is tied to electoral success renders the notion of even including L_i in the equation meaningless if political contestants are only concerned with the electoral contest immediately confronting them since $L_i = 0$. (By definition, electoral defeat brings with it a zero payoff.) Therefore, in order to estimate L_i , we must assume that players consider future elections in their calculations. Indeed, the fact that political contestants are likely to be concerned about their electoral fortunes in future elections when making their decision as to whether to play by democratic rules argues strongly that a proper estimate of the loss from a failed defection attempt (L_i) must take this into account. In essence, our model must incorporate an assumption of multiple games, not a single-shot game, in which L_i is the sacrifice of potential political power in future elections, $C_{\text{isubsequent}}$ (a calculation that excludes the gain of political power in the first election, C_{ifirst}).

While we might assume that players weight each political contest equally, it seems more likely that what will matter most to each player is the nearest political contest. In essence, every election outcome is not equally important to the player.

Instead, players discount subsequent political contests. Hence, it makes sense to add or subtract from a player's predicted vote outcome in the first outcome based on what she estimates future elections have in store. For example, if player i predicts that she has a thirty percent probability of winning the first electoral contest, but estimates her chances in subsequent contests at forty percent, then the subsequent contests should enhance her initial estimate (thirty percent in the first election).

Another way of thinking of this is that each player will estimate an average probability of victory by way of long term, m -game overall payoffs. Future games either enhance or diminish C_i . If a player has a low expectation of victory in the first electoral contest, but expectations for electoral victory in future contests exceed that of the first, then they enhance C_i . If on the other hand, future expectations are less than that of the first election, this should decrease C_i . This is expressed as,

$$C_i = w(C_{i_{first}}) - [(1-w)C_{i_{subsequent}}] \quad [5]$$

where w is the weight assigned to the first electoral contest and $(1-w)$ is that assigned to all the future electoral contests in relation to the first contest. Given C_i is a function of the uncertainty of election outcomes, σ , equation [5] has the added benefit of permitting us to consider the impact of the high likelihood that estimates of future elections are a good deal less certain than are those for the most immediate.

If we assume that the probability of a successful coup, D_i , is q_i then the probability of a failed coup, L_i , must be $(1-q_i)$. This is so since the gain from a successful defection, D_i , and the cost of a failed defection, L_i , are related; the sum of the probability

of a successful defection and that of a failed defection must be equal to “one.”

Therefore,

$$L_i = (1 - q)(1 - w)C_{i\text{subsequent}} \quad [6]$$

and by substitution,

$$\begin{aligned} T_i &= wC_{i\text{first}} + (1 - w)C_{i\text{subsequent}} + (1 - q)(1 - w)C_{i\text{subsequent}} - q_i = \\ &= w \int_z^1 \frac{1}{\sqrt{2\pi}\sigma} e^{-\frac{1}{2\sigma^2}(x-k)^2} dx + (1 - w)C_{i\text{subsequent}} + (1 - q)(1 - w)C_{i\text{subsequent}} - q_i \end{aligned} \quad [7]$$

To illustrate how we might estimate T_i , let us suppose that one party in an electoral contest estimates its prospects of victory as fifty-five percent. (The estimate of the second party is therefore forty-five percent.) Further, contestants estimate their electoral chances in the initial contest within a margin of error of five percent. Reflecting the uncertainty of future contests, they estimate their chances at roughly equal to one another within a margin of error of fifteen percent. The benefit from cooperation to the first party would be less than one hundred percent, let us say eighty percent. The benefit for the second party would be the mirror of the first (in this case, twenty percent). Finally, we assume that each party considers the first election to be twice as important as all subsequent elections combined. (That is the first election is weighted .67, and the sum of the remaining elections is weighted .33.)

Given these assumptions, the presidential democracy would remain stable as long as the second party does not calculate a better than sixty percent chance of a successful defection. Unfortunately, however, a gain for the second party, is a loss for the first, a consequence of the zero-sum presidential system. As the maximum probability for a coup that can be tolerated by one party increases, it decreases for the other.

In our example, the first party's maximum probability of a successful coup is reduced from one hundred percent to ninety percent. The maximum q for both sides is above fifty percent within the range of vote outcomes distributed about the threshold, z , which is determined by the relative degree of electoral uncertainty. Hence, the winner-take-all, zero-sum game that is inherent in presidential systems can be relatively stable as long as players assess their chances of electoral victory as being close to the threshold (or at least within a range established by the upper limits of uncertainty about the electoral outcome). However, as the size of a possible electoral victory increases, such systems are unstable. This suggests that overwhelming victories may well deliver a mandate for a political party, but they are also potentially de-stabilizing for a presidential system.

The "Game" in Parliamentarism

Linz argues that parliamentarism is the "fix" to the problem of presidential instability. What is missing in Linz's defense of parliamentarism however is the recognition that in order to be effective, the choice of parliamentarism must also be attended by an increase in the number of contestants. Otherwise, the game remains problematic. The logic of the zero-sum, winner-take-all game being the same, our models are those developed for presidentialism thus far in this paper. This is so because

a two-party system is necessarily a majoritarian system. Since the majority party wins control of the government, the outcome is a winner-take-all, zero-sum contest between two parties to gain the legislative majority necessary to form the government.

Consideration of Figure 2 reveals that there are two ways to change this calculus. The first is to increase the area under the curve to the left of k , the expected electoral outcome for any contestant. The second is to reduce the area under the curve to the right of k . The first permits political contestants to win a share of power without winning a majority, or the necessary threshold, z , to assure total power. This is only possible when policy control is no longer concentrated in a single political office, but distributed across several institutions. The second is made possible when elections to these several institutions are decided on the basis of differing electoral laws (perhaps a single constituency, plurality rule for one institutions, a majority rule for a second, and proportional representation for yet a third), therefore requiring a super-majority (pushing z to the right) in order to occupy all of the political offices that are salient in the policy process.

The first solution is graphed at Figure 3. Contestants obtain a payoff for vote totals less than or equal to z ($z = .5$ in Figure 3). The general form of the curve from zero to z is modeled by equation [8].

$$C_{i\text{left}} = x^n \quad [8]$$

[Place Figure 3 here.]

where x is a given vote outcome less than z , the threshold for total victory, n is some function related to the number of effective political parties in the political system, and C_{left} is the resultant payoff. As a consequence, the left side of equation [4] is no longer zero, and by substitution, Equation [7] is rewritten,

$$T_i = w \int_0^z \frac{1}{\sqrt{2\pi\sigma}} e^{-\frac{1}{2\sigma}(x-k)^2} x^n dx + w \int_z^1 \frac{1}{\sqrt{2\pi\sigma}} e^{-\frac{1}{2\sigma}(x-k)^2} dx + (1-w)C_{\text{subsequent}} + (1-q)(1-w)C_{\text{subsequent}} - q_i$$

[9]

The practical implication is that the range within which contestants receive higher payoffs from cooperation is increased. As a consequence, players are more likely to prefer to play by the democratic rules than attempt to defect.

In order for the area under the curve to the left of k to increase, political contests must no longer be winner-take-all. Control over policy may no longer be achieved by winning a decisive victory in an election to a single institution. This requires some form of power sharing arrangement that is not existent in most presidential systems, particularly president-parliamentary systems as defined by Shugart and Carey. Multiparty parliamentary systems however by their very design make it possible for parties achieving less than a majority vote to gain a slice of the policy pie. Such systems require coalitions to form, the parties to which divide ministerial portfolios among themselves. In essence, such systems permit payoffs to a greater number of parties. Calculations concerning the payoff from continuing to play by democratic rules, C_i , are no longer based on the probability of winning or losing a majority of seats in the

legislature. Instead, calculations reflect the probability of gaining entry into the governing coalition, which is possible even when a small number of seats are gained in an electoral contest.

However, the problem remains, as in presidentialism, that once any party exceeds the right-side limit, the benefit from all others from cooperation is zero and the maximum probability of a successful defection that can be tolerated by any of the losers is fifty percent. Hence, contestants in non-majoritarian parliamentary systems are less likely to defect from democratic rules than are those in presidential and majoritarian parliamentary systems at the same level of probability of success from an attempted defection so long as no player's vote outcome is estimated to exceed the right-hand limit of the range established by the degree of electoral uncertainty.

We can demonstrate the problem by considering the interactive effect in a multiparty (non-majoritarian) parliamentary system. From equation [9] it follows that a stable democracy in such a system is one in which the maximum probability of a payoff from defection (q_{\max}) for any player does not exceed,

$$q_{\max} = w \int_0^z \frac{1}{\sqrt{2\pi\sigma}} e^{-\frac{1}{2\sigma}(x-k)^2} x^n dx + w \int_z^1 \frac{1}{\sqrt{2\pi\sigma}} e^{-\frac{1}{2\sigma}(x-k)^2} dx + (1-w)C_{\text{isubsequent}} + (1-q)(1-w)C_{\text{isubsequent}}$$

[10]

In equation [10], q_{\max} is a function of k . The reader will recall that each player assesses her probability of victory to be at some point k along a range from zero to one hundred percent. In any contest, the sum of the respective k 's must be one. We can

graph the effect on the maximum probability of defection (q_{\max}) that can be tolerated by each player in a non-majoritarian parliamentary system as a function of the estimated proportion of the vote that any one player i will achieve (k_i). The interaction is displayed at Figure 4. The curve showing an increase in q_{\max} as k increases is that for player i . The other curve depicts what happens to the maximum probability of defection for the other players (assuming that they divide the remaining probability of electoral victory among themselves relatively evenly). The optimal point is achieved when all k 's are equal. In a three-party system (which is depicted in Figure 4), this would mean that each player assesses her chances of victory at just over twenty-five percent. The maximum probability of defection that each could sustain in such a case would be above forty percent. However, q_{\max} decreases substantially for the remaining parties as k_i increases. What this essentially indicates is that in a non-majoritarian parliamentary system, players are still likely to have an unacceptably high incentive to defect from democratic rules.

[Place Figure 4 here.]

Premier-Presidentialism as a “Fix”

The problem is best resolved by decreasing the area of the curve to the right of k . This is achieved when z , the threshold for electoral victory is increased. Figure 5 represents this effect. The effect on equation [9] is that the left side of the equation increases for all contestants. The result is that q_i can increase for all players, and democracy is more stable.

[Place Figure 5 here.]

Apart from simply mandating an increase in the threshold for a parliamentary majority to form, not a practical choice given the difficulty of forming governments under simple majority rules, further distributing power over policy across additional institutions elected under distinct electoral laws has the effect of moving z to the right. This is essentially what occurs in premier-presidentialism. In such systems, contestants vie for control of two (instead of one) politically salient institutions, the presidency and the parliament. Since different electoral systems are likely used to determine the winners of each institution, super-majorities are required in order to assure victory to all of the salient political offices and thereby achieve a one hundred percent payoff. This means that z , the vote threshold above which any contestant secures a victory in the contestants to all political positions, increases.

At the same time, given the different election rules for each politically salient institution, the probability of victory for other players at lower vote outcomes increases, and each contestant is more likely to achieve some degree of payoff. In comparison with Figure 3, the slope of the curve at vote outcomes x near zero increases more rapidly. In effect, we are manipulating n in equation [8]. As a consequence, the area under the curve on the side left of $x=z$ of equation [9] increases. The result is a far greater tolerance for an increase in the probability of success from a defection from the democratic rules, and democracy has become more stable.

The same results attain by introducing either a bicameral legislature or local governments with meaningful responsibilities and sufficient autonomy to exercise them.

In effect, the number of institutions salient in the policy process is increased. Formally this is represented by a manipulation of n in equation [8]. The result is demonstrated at Figure 6. The optimal point is near the same expected vote outcome (k) for all parties, but a higher q_{\max} for the remaining players can be sustained as k_i increases for the first player.

[Place Figure 6 here.]

Hence, contrary to Linz's argument, the best "fix" for presidentialism is not parliamentarism, but premier-parliamentarism, particularly if it is attended by some mix of multipartism, bicameralism, and the introduction of local governments with political powers substantial enough to force the central government to engage in compromise (the latter being the American variant of presidentialism that has proven remarkably stable). By the same logic, these are the same "fixes" for Shugart and Carey's president-parliamentarism. Hence, the choices are either to abandon the essential elements of presidentialism or parliamentarism or modify the existent system by negotiating a "federal bargain" with the constituent elements of the state.

The Calculus of Consent

Our models demonstrate that the logic of the debate concerning the superiority of parliamentarism in actuality undermines the case for parliamentarism as much as it does for presidentialism. The means for resolving the problems of both presidentialism and parliamentarism is to design constitutional relations between institutions so as to increase

the number of salient players in the policy process. Constitutional designers seeking to maximize the incentives for political players to accept democratic rules are best advised to adopt premier-presidentialism. However, if parliamentarism is chosen, the addition of bicameralism and federalism will help to stabilize it.

Empirical evidence seems to bear out these conclusions. Among the states of post-communist Europe, those that have made the least progress toward democratic consolidation - Belarus, Russia, and Ukraine - are all president-parliamentary systems. The parliamentary systems of Bulgaria, Estonia, Hungary, Latvia, and Slovenia are all attended by multiparty systems. Even so, Estonia and Latvia are problematic democracies given their exclusion of their large Russian minorities from national elections, and Bulgaria has lagged behind the rest of the region in the pace of democratization. The premier-presidential systems of the Czech Republic, Lithuania, Poland, Romania, and Slovakia are among the most stable regimes in post-communist Europe. Moldova is the one exception to the rule.

If the choice of constitutional design is important, then the challenge appears to be to design constitutional negotiations so as to enhance the likelihood that the right choices are made. This may prove particularly difficult when one side possesses a clear advantage. Indeed, the same balance of forces that institutional design ideally induces is itself necessary to the negotiation process. In the absence of a rough balance of forces between contending domestic parties, the international community may be the only hope for redressing the imbalance. Its presence can be felt through both political institutions such as the United Nations and international financial institutions such as the International Monetary Fund.

Figure 1

A Graphic Display of the Relationship between the Payoff (c) and the Proportion of the Vote (x^*) for any Contestant in a Presidential or President-Parliamentary System, Assuming Perfect Information

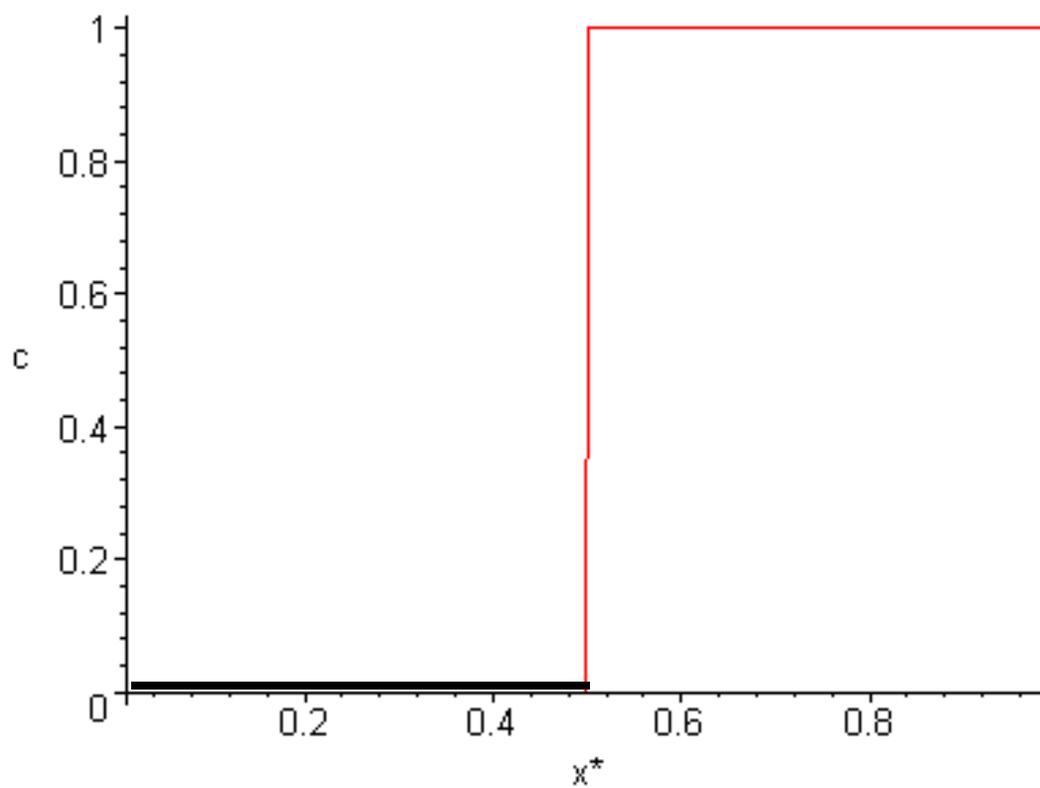


Figure 2

A Graphic Display of the Relationship between the Payoff (c) and the Proportion of the Vote (x^*) for any Contestant in a Presidential or President-Parliamentary System, Assuming Imperfect Information

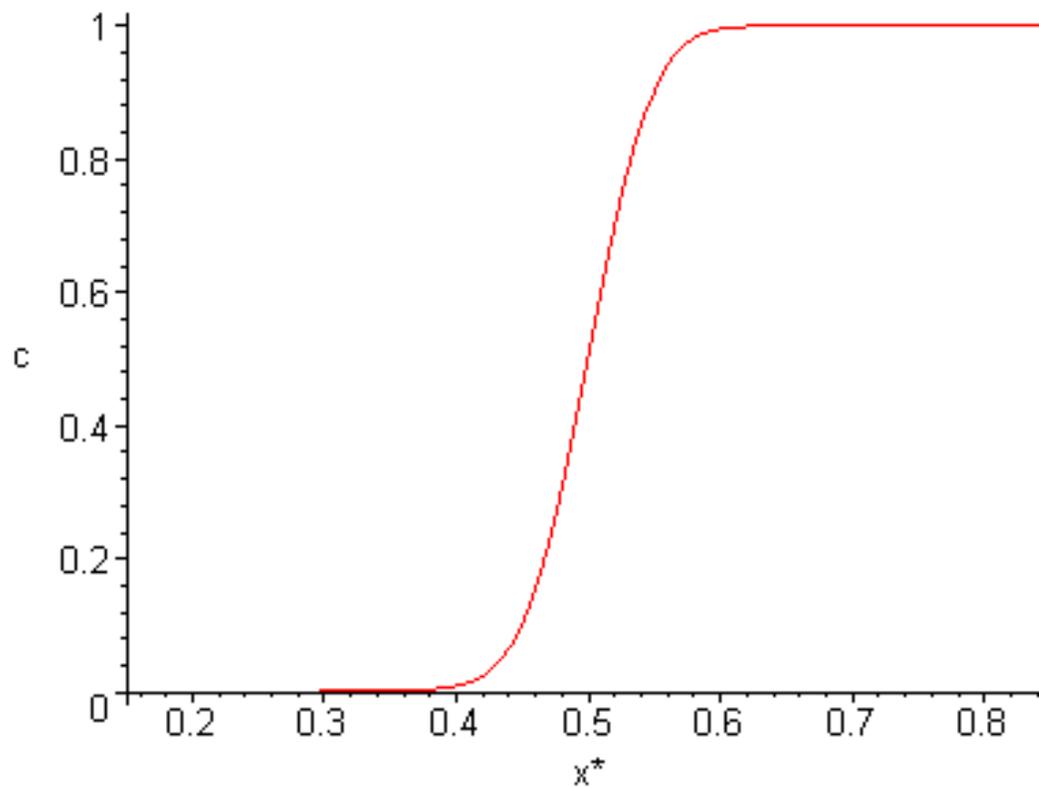


Figure 3

A Graphic Display of the Relationship between the Payoff (c) and the Proportion of the Vote (x^*) for any Contestant in a non-Majoritarian Parliamentary System

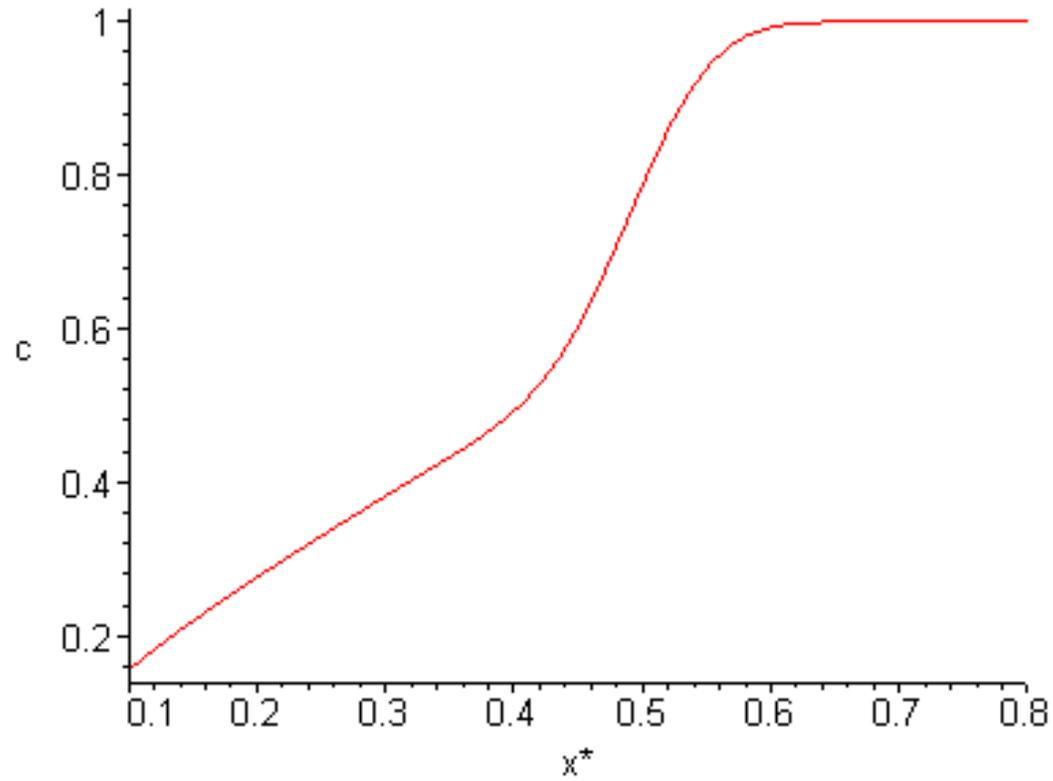


Figure 4
The Interaction of the Maximum Probability of Defection from Democracy (q_{\max}) in a Non-Majoritarian Parliamentary System

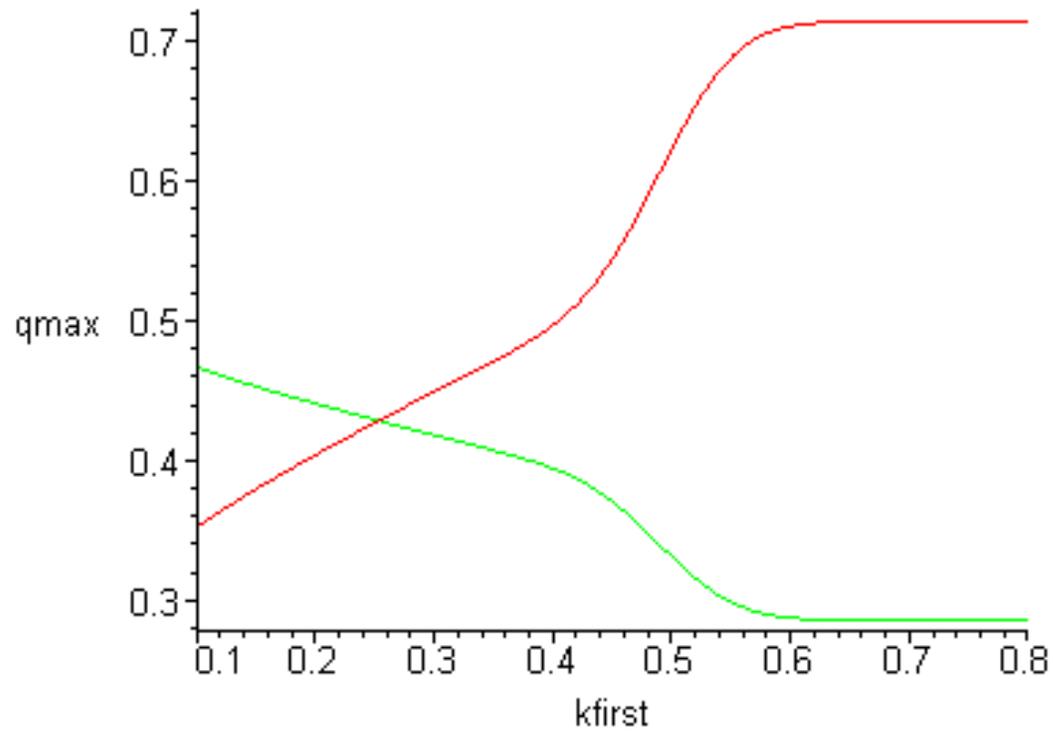


Figure 5

A Graphic Display of the Effect of Requiring Super-Majorities ($z \gg .5$) for a One Hundred Percent Payoff ($y^* = 1$) on the Relationship between the Payoff (c) and the Proportion of the Vote (x^*) for any Contestant in a Premier-Presidential or non-Majoritarian Parliamentary System

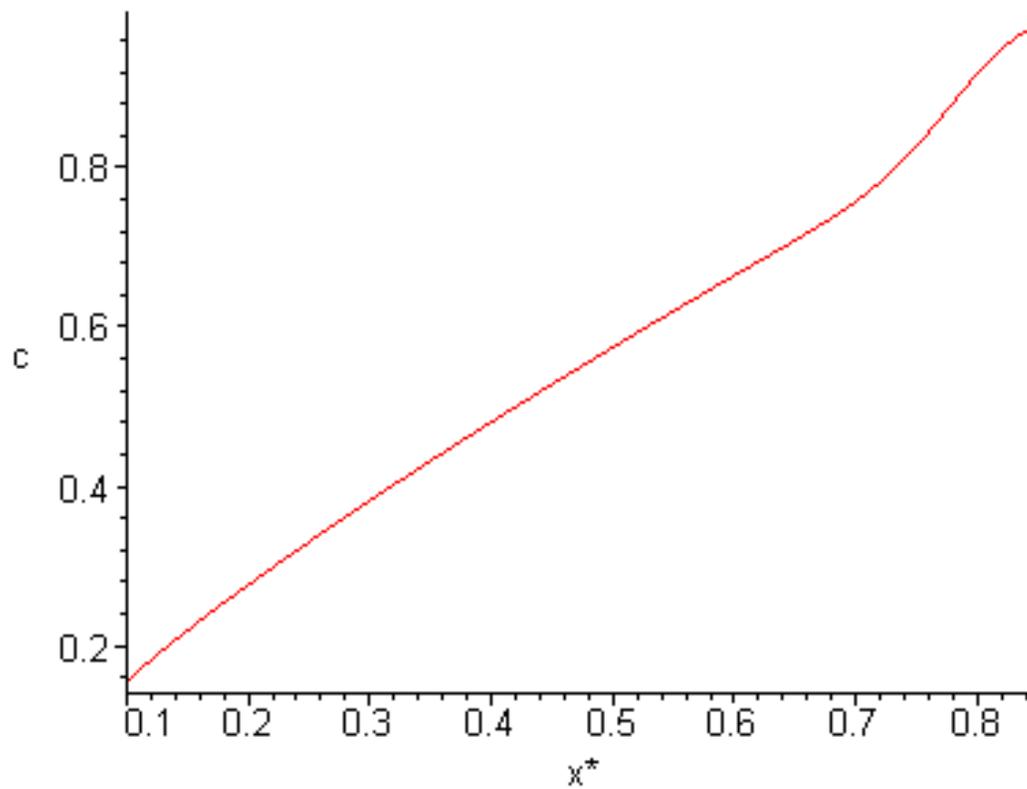


Figure 6

The Interaction of the Maximum Probability of Defection from Democracy (q_{\max}) in a Presidential or President-Parliamentary System with Local Government Autonomy or Bicameralism

