

UNIVERSITY OF CALIFORNIA, SAN DIEGO

Bully pulpits:

Posturing, bargaining, and polarization in the legislative process of the Americas

A dissertation submitted in partial satisfaction of the requirements for
the degree of Doctor of Philosophy in Political Science

by

Eric Magar

Committee in charge:

Professor Gary W. Cox, co-chair
Professor Paul W. Drake, co-chair
Professor Elizabeth R. Gerber
Professor Matthew S. Shugart
Professor Carlos Waisman

2001

Copyright

Eric Magar, 2001

All rights reserved.

The dissertation of Eric Magar is approved, and it
is acceptable in quality and form for publication on
microfilm:

Co-chair

Co-chair

University of California, San Diego

2001

To Lorena Ruano, Juan Navarrete, and Federico Estévez

Duel, *n.* A formal ceremony preliminary to the reconciliation of two enemies. Great skill is necessary to its satisfactory observance; if awkwardly performed the most unexpected and deplorable consequences sometimes ensue. A long time ago a man lost his life in a duel.

Ambrose Bierce, *The Devil's Dictionary*, 1911.

CONTENTS

List of Tables, Figures, Boxes, and Game Trees	viii
Preface	x
Acknowledgements	xiii
Vita.....	xvii
Abstract of the dissertation.....	xix

Chapter 1 Inter-branch quarrel: electoral sound or genuine fury?

Separation of power in comparative perspective	1
1 What is separation of power?	4
2 Two principles of decision-making under separation of power	5
3 Unilateralism overlooked: the pressure boiler and the safety valves	9
4 The legislative process as a game of strategy	12
5 The SETTER sub-game	18
6 The CONDITIONAL DECREE sub-game	24
7 The VETOES IN THE SHADOW OF DECREES sub-game	31
8 Synthesis: towards a theory of motivation in the legislative process	35
9 A research design	38
10 Plan of the dissertation	41

Chapter 2 Strong agenda-setting, position-taking, and the incidence of executive vetoes

	43
1 Purely outcome-oriented politicians (with no uncertainty)	46
2 Position-taking politicians (with no uncertainty)	59
3 Predicting the number of vetoes	68
4 Position-taking and uncertainty as sources of executive vetoes	83
5 Conclusion	92
Appendix	94

Chapter 3 The incidence of executive vetoes in comparative perspective: The case of U.S. state governments

	97
1 Bills, vetoes and event counts	101
2 Poisson regression as an analogy for event occurrence	106
3 A negative binomial regression model of veto incidence	111
4 Interpreting the results	126
5 Conclusion	138
Appendix 1	141
Appendix 2	144

Chapter 4 The elusive authority of Argentina's Congress: decrees, statutes, and veto incidence, 1983-1994	147
1 The setting	151
2 The decree and statutory processes in isolation from each other	164
3 Decrees and statutes cohabiting: an analysis of observed paths of play	182
4 What does exchange look like?	199
5 Conclusion.	203
 Chapter 5 Seeking robust policy under time pressure: The case of the pensions reform in Argentina, 1992-1993	 205
1 The context of reform	207
2 The pensions system in Argentina as of 1992	215
3 The path to reform	220
4 Conclusion	227
 Chapter 6 Making sound out of fury: The advertising use of vetoes in Chile and in Mexico	 230
1 A fly bumping against the window? Mr. Frei's twice attempted labor reform	232
2 Shifting positions in the chain of production of pork	263
3 Conclusion	286
 Chapter 7 Unifying theories of separation of power	 288
1 A push towards a more general theory of the legislative process	291
2 Democracy, its failure, and publicity stunts	299
3 The perils of position-taking	303
4 Conclusion	323
 References	 327

LIST OF TABLES, FIGURES, BOXES, AND GAME TREES

TABLE NUMBER

0	Executive signatures and vetoes	xi
1.1	The mechanisms of concurrent consent and unilateralism.....	8
2.1	Veto incidence in comparative perspective, selected cases	58
2.2	Effects of key independent variables on the incidence of vetoes.....	89
3.1	Bills vetoed in U.S. state legislative sessions, 1983-93	98
3.2	The institutions of veto politics in the constitutions of the U.S. states	113
3.3	Expected sign of the coefficients of key variables	118
3.4	A model of the incidence of vetoes in U.S. state legislative sessions.....	119
3.5	The expected number of vetoes per 100 bills passed.	128
3.6	Estimate for Alabama, Arkansas, Indiana, Kentucky, and Tennessee	135
3.7	Summary of results from key hypothesis tests.....	139
3.a1	Description of the variables (n=798 sessions).....	141
3.a2	Descriptive statistics for sessions in states with $Q = \frac{1}{2} + \frac{1}{2} \alpha$	143
3.a3	Two alternative specifications of the model.....	145
4.1	A longitudinal cut of parties in the branches of Argentina, 1983-1999.....	153
4.2	Outcomes of the decree sub-game in Menem's first presidency	173
4.3	Bilateral veto game	174
4.4	The standard legislative process in Argentina under Menem	176
4.5	The standard legislative process in Argentina under Alfonsín	180
4.6	Conflict in the AMPLIFIED SOP game	185
4.7	Accordance of paths of play to H_0 and H_A	187
4.8	Observed paths of play in Argentina, 1983-1994	192
4.9	Proactivity and the reactivity of selected Latin-American legislatures.....	202
5.1	The Argentine economy in numbers	210
5.2	Partisan composition of Congress (Menem's first term, 1989-95)	212
6.1	Composition of Chile's <i>Cámara de Diputados</i> , 1990-2002	242
6.2	Concertación's vote in upper and lower house elections, 1989-97.....	243
6.3	The legislative success of the executive in Chile, 1990-99.....	247
6.4	The legislative misfortune of Chilean congresspersons, 1990-99.....	248
6.5	Bill breakdown in Chile by affinity with Concertación, 1990-1999.....	250
6.6	Players' likely preference orderings in reforming Chile's labor code	253
6.7	Partisan composition of Mexico's Congress, 1997-2003.....	269
6.8	Party cohesion in Mexico's Chamber of Deputies, 1998- 99	273
6.9	Observed coalitions in the 57 th Congress, 1998-99.....	274
6.10	Partisan vote on LDR in Mexico's Chamber of Deputies.....	279
7.1	Party systems and the object of position-taking.....	312

FIGURE NUMBER

2.1	The location of players' cutting points and preferred-to sets.....	51
2.2	The Legislator's choice of an optimal bill in the outcome-oriented setter....	55
2.3	Predicting the number of vetoes.....	72
2.4	Predictions on veto incidence from three different models	81
3.1	Three Poisson distributions	105
3.2	Frequency of vetoed bills in U.S. state legislative sessions	109
3.3	Vetoes and the election cycle	131
3.4	The effect of uncertainty on executive vetoes.....	132
4.1	Authority and exchange relations	148
5.1	The age pyramid in Argentina.....	216
6.1	Concertación slowly capturing Chile's Senate.....	239
7.1	Motivation as the link between existing theories.....	299
7.2	Some causal relations between position-taking and democratic stability....	301
7.3	Party systems and voter loyalty to party labels	305
7.4	Floater and core partisan supporters in one dimension	309

GAME TREE NUMBER

1.1	The big tree of separation of power: the AMPLIFIED SOP game	14
1.2	The SETTER sub-game	19
1.3	A LINZIAN game of absolute veto	22
1.4	The CONDITIONAL DECREE sub- game	25
1.5	The VETOES IN THE SHADOW OF DECREES sub-game	32
1.6	The SETTER-IN-THE-SHADOW-OF-DECREES game	34
1.7	AMPLIFIED SOP and its sub-games	36
2.1	Extended form of the OUTCOME-ORIENTED SETTER game	50
2.2	The mixed-motivation SETTER game.....	79
4.1	A stylization of Argentina's article 99	166
4.2	The paths of play of the AMPLIFIED SOP game.....	183

BOX NUMBER

2.1	The OUTCOME-ORIENTED SETTER game.....	49
2.2	The POSITION-TAKING SETTER game.....	62
2.3	Auxiliary assumptions.....	69
3.1	A negative binomial regression model veto incidence.....	112

PREFACE

This is a dissertation about the legislative process under separation of power, employing presidentialism as a case study. A president and an assembly that are formally independent from one another govern twenty-four out of every twenty-five citizens of the American continent. Yet studies of how government decisions are made under such arrangement are confined, almost entirely, to the case of the United States. A small number of studies are now attempting to generalize this single-case wisdom by adopting an explicitly comparative perspective. This is the scheme that I follow in contrasting the presidential systems of the Americas in search of regularities in the way policy is made.

The work centers on two features rendering separation of power effective and workable. First is the veto power conferred to presidents and assemblies in the process of writing legislation. These veto gates equip representatives with teeth to protect the interests of their constituents. Second is the unilateral power to overcome a veto. Unilateralism offers a way to unclog inter-branch imbroglios and stalemate, usually becoming effective only when special conditions are met (typically a super-majority, though not always).

This structure for decision-making is then studied along with one key feature of any democracy, namely periodical elections. The electoral connection meets politicians and their parties head on with the need to inject drama into their campaigns in order to make them more visible and effective in getting votes. Instances of inter-

branch conflict such as vetoes and veto overrides offer a special opportunity to advertise one's ideals in contrast to those of the opponents, and to do so not merely with words but with observable actions. I claim that, often, politicians engage in veto politics in pursuit of votes in the next election.

Presidentialism is a special case of separation of power. My study of decision-making and posturing in the presidential systems of the Americas can be easily extended to the study of bicameral negotiations, of judicial-legislative and judicial-executive relations, and of bargaining between the different levels of a federal government.

Table 0
Executive signatures, vetoes, and summary statistics
(cases sorted by average yearly vetoes)

	Bills signed by president into law in the period	Number of bills vetoed by the president	Bills- signed-to- vetoed ratio	Average vetoes per year observed
California (1983-1993)	17,094	2,953	6:1	268
Brazil (1985-1996)	n.d.	870	n.d.	72
New York (1983-1993)	8,899	643	14:1	58
Texas (1983-1993)	7,253	258	28:1	23
Florida (1983-1993)	5,742	176	33:1	16
Argentina (1983-1997)	1,703	212	8:1	14
Brazil (1946-1964)	n.d.	260	n.d.	13
U.S. (1945-1992)	17,198	434	40:1	9
Uruguay (1985-1995)	954	50	19:1	5
Chile (1990-1994)	440	16	28:1	3
Argentina (1862-1976)	9,308	188	50:1	2
Venezuela (1959-1989)	850	20	77:1	0.5
Mexico (1997-2000)	n.d.	0	:1	0
Sources: Archivo de Diputados (various years); Cameron 2000; CSG (various issues); <i>La Jornada</i> , Mexico City (various years); Marcano 1995; Molinelli 1991; Morgenstern 1996; Smok 1994.				

Consider executive veto incidence in selected systems (in Table 0) to get a preliminary impression of the frequency and cross-sectional variance in executive-legislative conflict. The variance in the number of bills vetoed is substantial, a minimum of zero vetoes per year in Mexico, 1997-2000 to a maximum of nearly 270 in California, 1983-93. In between are systems with high veto incidence (e.g. Brazil, 1985-96), systems with medium incidence (e.g. Florida, 1983-93 or Argentina 1983-97) to systems with close to nil veto incidence (e.g. Venezuela). I offer an appraisal of some factors to explain part of the variance.

ACKNOWLEDGEMENTS

I financed this dissertation with a portfolio of diverse research grants. The University of California, San Diego most kindly provided the body of my funding. The Center for U.S.-Mexican Studies offered me a Research Assistantship from 1995 until 1998, disbursing my tuition and fees and allotting me a monthly stipend. The Department of Political Science gave me a second Research Assistantship under similar conditions from 1998 until the end of my residence at UCSD in year 2000. A Friends of the International Center scholarship was granted to me in 1998. The Center for Iberian and Latin American Studies Field Research Grant, in combination with a Dean's Social Science Travel Research Fund Grant, helped fund field research in the Fall of 1999. I am grateful to all these branches of UCSD for their generosity.

I also acknowledge Mexico's Consejo Nacional de Ciencia y Tecnología partial scholarship/credit for living expenses (*media beca-crédito CONACYT de manutención para estudios de posgrado sin beca-crédito para la colegiatura*) from 1995 until 1999. The Ford and McArthur foundations jointly complemented my stipend with another living-expenses grant for graduate studies from 1995 to 1997.

I am also indebted to the faculty and peers at the Department of Political Science at UCSD for the invaluable support I received. First and foremost I express my deepest gratitude to Gary Cox. His continual guidance led my transformation from a student of politics to a professional researcher in Political Science. Gary supported me since the very beginning at UCSD, patiently reading countless iterations of all my

work with an incredible speed and incomparable clairvoyance. Gary also gave me the privilege of being his co-author, and inspired my other major publication.

I am also in debt with Mat McCubbins, whose seminars and workshops I attended year after year provided a fertile ground to develop the ideas that crystallized into this thesis. Inseparable from this environment were Mat's students: Chris Den Hartog, Jamie Druckman, Andrea Campbell, Jenn Kuhn, and Greg Bovitz.

The input of my dissertation committee members was no less pivotal in shaping amorphous ideas into a feasible research project. My thanks and appreciation go to Paul Drake, Liz Gerber, Matthew Shugart, and Carlos Waisman.

Wayne Cornelius turned the staff of the Center for U.S.-Mexican Studies into an invaluable resource at my reach throughout my residence at UCSD. I acknowledge the confidence Wayne always had towards me. My thanks also go to Kevin Middlebrook.

Graduate school remains a highly communal endeavor despite the countless hours of solitary work. Distinguished members of the community were Neal Beck, Gary Jacobson, Arend Lijphart, Victor Magagna, and Sam Popkin among the faculty; and Matt Baum, Emily Edmonds, Guadalupe González, Priscilla Lambert, Pablo Pinto, Marc Rosenblum, Dave Samuels, Jorge Schiavon, Dru Scribner, and Rafa Vergara among my student peers.

Participants at the First International Graduate Student Retreat for Comparative Research, organized by the Society for Comparative Research and the Center for Comparative Social Analysis, UCLA gave me confidence that my project could fly

outside UCSD. Octavio Amorim Neto, Roberto Bavastro, Chris Den Hartog, Natalia Ferretti, Valeria Palanza, Pablo Pinto, Federico Estévez, and Jeff Weldon suggested ways to improve some part of my argument. Alejandro Poiré offered me a space for 2000-01 at ITAM with a decent stipend and a reduced teaching load to complete the dissertation. Gaby Cuevas, Vanessa Leyva, and Juan Navarrete provided research assistance for chapter 4.

Fieldwork in Argentina and Chile would never have been as fruitful hadn't I received the disinterested help from a number of people. Pablo Pinto's contacts became key coordinates to the political communities of Argentina. Gisela Sin guided me through Buenos Aires and its academic and research milieu; she and Valeria Palanza kindly introduced me to the legislative process in Argentina. Mariano Tommasi offered me a place to work at the Centro de Estudios para el Desarrollo Institucional; the research crew at CEDI rendered research in Buenos Aires much more pleasant and productive. Mark Jones offered precise and decisive advice for the logistics of fieldwork in Buenos Aires (as well as incredible feedback for preliminary versions of chapters 4 and 5). Gustavo Aparicio kindly provided me with a roof and a family throughout my stay in Buenos Aires. Roberto Bavastro and Mario Maurich generously shared their data on rejected executive bills and on executive decrees, respectively. I am also indebted to the personnel of the Argentine Congress' Departamento de Investigación Parlamentaria, who compiled for me much of the primary source evidence in chapter 4; Renée Silva, Alberto DiPeco, and María Isabel Giménez merit special mention. Carlos Alberto Giacobone furnished me with the list

of bloc leaders in the chamber of deputies. My recognition also goes to Florencia Azubel and Carlos Toffoli, Julio Caviglioni, Constanza and Jorge Di Masi, Alberto Fohrig, Emilia and Edgard Mihailovitch, the late Guillermo Molinelli, Ana María Mustapic, Pablo *Pebe* Pinto and María Susana Murgier, Ariel Puebla, Carlos Riera Cervantes, Catalina Smulovitz, and Federico Storani.

In Chile I am grateful to Juan Enrique Vega, who generously allowed me to base my operations in Santiago and Valparaíso at Corporación Tiempo 2mil. Verónica Kulczewski simplified the process of data collection and did a couple of key telephone calls on my behalf. Peter Siavelis kindly offered me basic pre-field trip information. Reynaldo Núñez Estrada, recommended me with the personnel of the Oficina de Partes of the chamber of deputies, which provided me with an electronic roster of bills in Chile. Maya Fernández Allende guided me through Santiago, offering warm company. I am also indebted to Isabel Allende, Neville Blanc, María Inés Bussi, Karin and Dennis Burnett, Francisco Geisel, and Alfredo Rehren for their help at one or another point.

Thanks to family members for all their support: Val, Manuel, Jürgen, mother and father. Last but not least, I declare my friendship to all those who made my years in San Diego enjoyable: Chavón and Cris; Big Red Abraham; Paulit; Emilushka and Gustavillo Amarillo; Maga and Quique; Daniela and Dwight; Arturo Gálvez; Pablísimo, Dolores, Paloma, and Joaquín; Marc, Kathie, Hazel, and Isaac; Sasa *und* Robert; Iván and Simone; Pedro Villegas; and Arunabh Lath.

VITA

- 2001, Ph.D.
Department of Political Science, University of California, San Diego.
- 2000-, Assistant Professor,
Department of Political Science, Instituto Tecnológico Autónomo de México, Mexico City.
- 1995-2000, Graduate Student Researcher,
Department of Political Science and Center for U.S.-Mexican Studies,
University of California, San Diego.
- 1994, Consultant to the Director of Political Parties,
Instituto Federal Electoral, Mexico City.
- 1994, B.A. (*licenciatura*) in Political Science,
Department of Social Sciences, Instituto Tecnológico Autónomo de México, Mexico City.
- 1992-1994, Research and Teaching Assistant,
Department of Social Sciences, Instituto Tecnológico Autónomo de México, Mexico City.

PUBLICATIONS

Articles in refereed journals:

“How Much is Majority Status in the U.S. Congress Worth?” with Gary W. Cox, *American Political Science Review* vol. 93, num. 2 (June 1999), pp. 299-309.

“On the Absence of Centripetal Incentives in Double-Member Districts: The Case of Chile,” with Marc R. Rosenblum and David Samuels, *Comparative Political Studies* vol. 31, num. 6 (December 1998), pp. 714-39.

Chapters in edited volumes:

“National Election Results for Argentina, Brazil, Chile, Colombia, El Salvador, Peru, and Venezuela during the 1980s and 1990s,” with Kevin J. Middlebrook, Statistical Appendix in *Conservative Parties, Elite Representation, and Democracy in Latin America*, edited by Kevin J. Middlebrook (Georgetown: Johns Hopkins University Press, 2000).

“Medios y democracia,” with Juan Molinar, in *Elecciones, diálogo y reforma: México 1994*, edited by Jorge Alcocer and Jorge Carpizo (Mexico: Centro de Estudios para un Proyecto Nacional Alternativo, 1996).

Book review:

“Nested Games: Rational Choice in Comparative Politics de George Tsebelis,” *Perfiles Latinoamericanos de FLACSO* vol. 2, num. 3 (December 1993).

FIELDS OF STUDY

Substantive interests:

Comparative Political Institutions; the Legislative Process; Electoral Systems and Partisan Politics.

Gary Cox, Arend Lijphart, Victor Magagna, Mathew McCubbins, Samuel Popkin, and Matthew Shugart.

Regional specialization:

Latin American Politics with special emphasis in Mexico, Argentina, and Chile. Paul Drake, Wayne Cornelius, and Federico Estévez.

Methods:

Formal Theory; Advanced Statistics.

Gary Cox, Elizabeth Gerber, and Nathaniel Beck.

ABSTRACT OF THE DISSERTATION

Bully pulpits:

Posturing, bargaining, and polarization in the legislative process of the Americas

by

Eric Magar

Doctor of Philosophy in Political Science

University of California, San Diego, 2001

Professors Gary W. Cox and Paul W. Drake, Chairs

I study the legislative process under the presidential form of separation of power (SOP). Three themes converge in my study. First I ask why vetoes occur in SOP systems? In the U.S. the conventional answer is that vetoes are tactical maneuvers of normal democratic politics. Vetoes are not harbingers of imminent democratic breakdown, nor evidence of gridlock. Vetoes are part of everyday policy bargaining.

Second, I ask whether the U.S. is an exception among presidential systems. Does this logic apply to other cases such as those in Latin America? Is it applicable to sub-national levels of government? If vetoes are bargaining tactics then their use should vary with the institutional context.

Third, I inquire about different explanations of veto incidence. Are vetoes the product of incomplete information in bargaining hence mistakes by somewhat

shortsighted politicians? Are vetoes *bargaining ploys* meant to build a reputation of toughness in light of asymmetric information? Or are vetoes better understood as *publicity stunts*, maneuvers aimed towards the public in search of support? Incomplete information and position-taking compete to explain veto incidence.

This dissertation reviews strands of literature that share the topic (SOP) but not the audience (Anglo- and Latin-Americanists), offering a bridge over the gap. I extend a formal model of executive-legislative bargaining (the agenda-setter model) to include a posturing motive for politicians to provoke vetoes. The extended model is put to a test covering state-level governments of the U.S. I then expand my research to Latin America, studying veto incidence in Argentina and three case studies of inter-branch bargaining in Argentina, Chile, and Mexico.

Studies of presidentialism in the last decade have shifted attention from the dysfunctionality of gridlock (e.g. Linz, Sundquist) to a wide range of tactical maneuvers that SOP offers politicians (e.g. Kernell, Cameron). I follow the recent literature in analyzing a richer, livelier breed of executive-legislative relations. Bully pulpit veto politics involve the presidency *as well as* Congress.

Chapter 1

Inter-branch quarrel: electoral sound or genuine fury?

Separation of power in comparative perspective

Abstract. This chapter provides a birds-eye view on how I study the legislative process in systems of separation of power (SOP). Two decision-making principles coexist in SOP: one requiring the powers to concur on new policy, another establishing exceptions to concurrent consent. There is a tendency in the literature to overlook exceptions (unilateralism), biasing appraisals of SOP systems. The chapter also incorporates these principles into an abstract framework – the *amplified game of SOP* – which represents the essential rules of policy-making. The components of this game are isolated to get a sense of the substantive claims that can be produced with each. The chapter also introduces a discussion on the motivation that guides politicians in choosing their actions. Motivation will be the clue to begin constructing a unified model of the legislative process in systems of SOP.

There is a classic distinction in comparative politics between two forms of democratic government, the parliamentary and the presidential. The primary attribute of parliamentarism is that the legislative and executive powers of government are fused; under presidentialism there is a separation of these powers (Lijphart 1984). There has been much controversy over the pros and cons of fusion and separation of power.

Debate has taken place mostly at the theoretical level, with claims remaining, for the most part, unaccompanied by convincing empirical evidence. But even on the theoretical front the state of the discussion is inconclusive, due in great part to the difficulty of isolating the independent effect that broad governmental forms have on government performance from those of a myriad of smaller institutional details. Asking whether fusion is better or worse than separation of power may be too broad a question.

My research branches out of this intellectual tradition. I shall not, however, engage in a discussion of pros and cons. In this thesis I focus, instead, on *how the legislative process operates in systems of separation of power* in the Americas. Policy is, for the most part, written as a set of pieces of legislation. The legislative process is consequently the primary arena where governmental actors make decisions affecting the citizenry.

In this chapter I present an outline of my argument. The chapter is divided into 9 short sections that are organized in the following fashion.

Separation of Power. Section 1 situates decision-making in a presidential or “separation of power” system in the context of the establishment of checks and balances in government, highlighting the dilemmas this raises for constitutional designers. A definition of separation of power will be found in this section. Section 2 introduces two principles of decision-making that, I argue, characterize any system of separation of power. The principles are concurrent consent and unilateralism. Section 3 offers a quick critical assessment of the relevant literature; I argue that there is a tendency, especially acute in the comparative literature, to omit the institutions of unilateralism in their conception of the legislative process.

The Legislative Process. Next, I concentrate on sketching the conceptual tools for the study of the legislative process in a generic separation of power polity. Section 4 introduces a general or macro framework – the *amplified game of separation of power* – knitting together the theoretical parts of my thesis (as well as theoretical extensions that I will develop in the near future). I then break the big framework into

three smaller, analytically tractable, subsidiary models, all of which branch off from the encompassing frame (they are *sub-games*). Sections 5, 6, and 7 provide outlines of the subsidiary models: the SETTER sub-game; the CONDITIONAL DECREE sub-game; and the VETOES IN THE SHADOW OF DECREES sub-game. These sketches introduce the basic building blocks with which my succeeding arguments are constructed, and in each of these three sections I also discuss the interesting substantive claims that are made based on this sort of model, foreshadowing what I will do in subsequent chapters or future extensions of the work.

Actors' motivation. Section 8 begins by synthesizing the stylized structures in which politicians interact in my model. I then introduce a discussion on motivation: what is it that moves politicians who play these stylized games of the legislative process? This brief discussion will anticipate the contents of the final chapter of the thesis, an attempt to synthesize two literatures on the legislative process (one in Anglo-American politics, another in comparative politics) that do not communicate despite dealing with essentially the same issues.

Section 9 concludes by summarizing my approach to the study of the legislative process into a research design, presenting the questions that guide the thesis, defining the dependent and main independent variables, establishing a null hypothesis, and offering a general description of the methodology.¹

¹ As will be evident, I have written this introduction in such a way that it addresses the contents of a large research agenda. Some parts of the argument are not developed in chapters to follow; I do indicate, nonetheless, which pieces of argument are developed in subsequent chapters and which are projects.

1 What is separation of power?

In framing a government which is to be administered by men over men, the great difficulty lies in this: you must first enable the government to control the governed; and in the next place oblige it to control itself
—Madison (1788, *Federalist* 51).

Political theorists for at least two and a half centuries have been seeking institutional devices to constrain the capacity of government to violate the rights of the citizenry. Three eminent figures in this school of thought, Locke (1690), Montesquieu (1748) and Madison (1788), favored the separation of policy-making power as an effective way to curb the all-too-human inclination of rulers to exploit the ruled – “*il faut que le pouvoir arrête le pouvoir*” suggested the second (p. 163), which the third translated almost literally as “ambition must be made to counteract ambition” (p. 322). Yet these thinkers were also the first to recognize what their detractors have subsequently been emphasizing (e.g. Bagehot 1867; Wilson 1884; Romero 1893): if separation of power results in an increase in the *representativeness* of policy it also implies an inevitable loss in the government’s *decisiveness* – perhaps, in the spirit of Madison, the central dilemma in democratic theory.

Constitution-writers in the independent nations of the American continent, by following the example set forth by the U.S. at the end of the 18th century, seem to have valued increased representativeness more than they feared the possibility of governmental indecisiveness. In drafting the institutions of government they chose to include checks and balances in some or all of four common modalities: (1) separation of legislative and executive powers; (2) separation of legislative power between two chambers representing different constituencies; (3) breaking policy into national and

sub-national jurisdictions; and (4) separation of the enactment from the interpretation of law (see Cox and McCubbins 2001; Tsebelis 1995).

In this thesis I will be studying separation of power in the first modality only: the disjunction between the ability to write policy and the ability to turn it into law. Constraining attention in this manner results in a narrow definition of separation of power throughout the thesis: *by separation of power I will always mean separation of the legislative branch from the executive branch of government*. In this sense, I am following the classic distinction I introduced at the opening of the chapter.

By this definition, a separation of power system becomes synonymous with a presidential system. I prefer the term “separation of power” (which I will often abbreviate as SOP) because “presidential” is a term open to ambiguous meanings.² In reviewing the literature, however, I retain the common term to make it easier to recognize original arguments.

2 Two principles of decision-making under separation of power

The rules of separation of power are a mixture of two principles of decision-making that, in their pure form, are antithetical. The principles in question are

² Thus for example, it is not uncommon for the literature to refer to a system with an abnormally strong or imperialist president as an excessively “presidential” one, or “hyperpresidential”. The literature, for example, refers to the centrality of Mexico’s president as *presidencialismo* (Carpizo 1978; Weldon 1997c). Yet by hyperpresidential, it could also be understood that the system in question boldly separates the authorities of the branches in a way that actually renders the president rather weak. SOP avoids this confusion; I thank Matthew Shugart for pointing this out to me.

concurrent consent and unilateralism. The principle of *concurrent consent* prescribes that new policy requires the approval of the two branches of government: any change in policy sought by the executive branch can be rejected or “vetoed” by the legislative branch; symmetrically, the executive can veto any proposal by the legislative. The principle of *unilateralism*, on the other hand, allows one branch to overcome a rejection by the other: unilateral powers effectively entitle each branch to establish new policy by itself (under certain circumstances).

In their pure form, it is easy to see that unilateralism and concurrent consent are mutually exclusive maxims. Yet constitutional engineers over the last centuries have devised hybrid forms of these principles which can actually coexist. This hybridization results in a mixture that may well be called concurrent consent with restricted unilateralism. Below I argue that much of the debate on separation of power has failed to recognize the presence of elements of unilateralism in the structure of decision-making.

Concurrent consent is incorporated into a SOP constitution by empowering the legislative and the executive with an authority to veto new policy. This gives rise to the *executive veto* and the *congressional veto*, faculties giving each branch the power to enforce the status quo ante before any new decision becomes law. This mutual veto power is the feature of SOP constitutions that is recognized by all scholarly literature, both of Anglo-American and comparative politics.

Restricted unilateralism, on the other hand, is less often acknowledged as part of separation of power. Restricted unilateralism is incorporated into a SOP constitution in two main modalities, overrides and decrees.

The *override* authority is the legislative branch's means of setting aside an executive veto in order to clear the way for new policy. An override mechanism becomes a restricted form of unilateralism by requiring the legislative assembly to reveal extraordinary strength before it is effective: if normal passage of policy requires a plurality of votes, overriding an executive veto typically requires a larger degree of consensus, some super-majority. The larger the super-majority required, the more restricted becomes this form of unilateralism.

The *decree* authority is the executive branch's means of circumventing a congressional veto. Executive decrees permit the president to set new policy without the need of a statute written by the legislative assembly (cf. Carey and Shugart 1998a, p. 9). A decree is a restricted form of unilateralism because, after some time, the legislative branch may decide the fate of any executive decree. The easier it is for the assembly to rescind or amend a decree, the more restricted becomes this form of unilateralism.

Table 1.1 summarizes how the two hybrid principles of decision-making are combined into the concept of separation of power that I use throughout this research. Note that in this framework executive decrees are to legislative vetoes what veto overrides are to executive vetoes. Both are concrete mechanisms by means of which

Table 1.1
The mechanisms of concurrent consent (top boxes) and
unilateralism (bottom boxes) in a SOP constitution

		Branch in question	
		Executive	Legislative
Authority by which the branch in question...	Rejects a change proposed by the other branch	EXECUTIVE VETO	CONGRESSIONAL VETO
	Overcomes a (real or anticipated) rejection by the other branch	EXECUTIVE DECREE	VETO OVERRIDE

concurrent consent and unilateralism are allocated, more or less symmetrically, to the branches of a separation-of-power government.

Different separation of power systems can be thought of as mixtures of different proportions of concurrent consent and restricted unilateralism among the branches. A sweeping literature documents the numerous dimensions over which the formal institutions of SOP vary from one constitution to another (Carey and Shugart 1998b; Mainwaring and Shugart 1997a; Shugart and Carey 1992). So, for example, unilateralism is quite limited and lopsided towards the legislative branch in certain systems. This is the case, for example, in the U.S., Mexico, and Costa Rica, where the executive has no formal decree authority to overcome a congressional veto, and where overrides of executive vetoes become effective only after two-thirds of each house of the assembly has voted favorably. Other systems of SOP have less limited and more symmetric unilateral provisions. Examples of this are Brazil (since 1988) and

Colombia (since 1991), where the executive is explicitly granted a decree-making authority and the legislative assembly is entitled to override vetoes more easily, by absolute majority only. Still other systems tilt the balance of unilateral power towards the executive branch. Such is the case in Argentina (since 1994), where the executive holds a decree power while the assembly's override power requires a two-thirds vote (see Shugart and Carey 1992, pp. 150-5).

3 Unilateralism overlooked: the pressure boiler and the safety valves

As I mentioned above, there is a remarkable tendency in the literature to ignore the presence of the restricted unilateralism principle in separation of power. This tendency is milder and easier to account for in some works than in others. The Anglo-American literature falls on the mild end: it does take one form of unilateralism into consideration but disregards the other. Models of inter-branch relations in the U.S. typically feature the veto-override faculty of the assembly (e.g. Lee 1975; Rohde and Simon 1985); they omit executive decree authority (exceptions are Sala 1998; Moe and Howell 1999). Given that the U.S. constitution grants no formal decree authority to its executive, and that Anglo-American politics research focuses solely on the case of the U.S., it becomes easy to elucidate the omission of this form of unilateralism – it's simply not needed to account for the case of the U.S.

The tendency to neglect restricted unilateralism is starkest in the *Perils of Presidentialism* literature in the field of comparative politics. This literature, largely derived from recent work by Juan Linz, has hypothesized the highly destabilizing potential of any presidential constitution. Presidential systems, it is argued, by electing

the branches of government separately and for fixed terms, promote discord between them; at the same time they fail to provide constitutional mechanisms to resolve such disputes (Linz 1990; 1994). Unilateralism, in both its forms, is discarded as part of the Linzian conception of SOP, and this has been inherited by the voluminous research that the framework inspired (Linz and Valenzuela 1994).

The probable explanation behind this neglect of unilateral provisions is the search for parsimony. Linz chose to explicitly ignore the smaller institutional details of SOP, as can be inferred from the following quote:

Without going into the *complexities* of the relationship between the executive and the legislature in different presidential regimes, the relative dangers of predominance of one or the other, and the capacity to veto or stalemate decisions on legislation, there can be no doubt that presidential regimes are based on a dual democratic legitimacy and that no democratic principle can decide who represents the will of the people in principle (Linz 1994, p. 7 – I added emphasis).

But, unlike the literature in the Anglo-American Politics field, the omission is puzzling in a comparative perspective. In fact, the principal claim of those who first took issue with the Linzian argument is that we cannot really understand whether or not this double legitimacy is problematic, and to what extent, without paying attention to the “complexities” of separation of power (Shugart and Carey 1992). The rebuttal to the Linzian literature has, in turn, motivated a voluminous research agenda (Mainwaring and Shugart 1997a).

A good analogy for the system of policy-making portrayed in the Linzian story seems to be a pressure boiler with no safety valve.³ Opposition between the executive and the legislative turns on the gas in the system, putting it under increasing pressure. Pressure keeps accumulating as long as the branches maintain a disagreement about legislation. In the absence of constitutional safety valves – i.e. mechanisms to shut off or depressurize the system in case the barometer approaches the red zone – the only way to bring pressure back to normal is by reaching an agreement between the branches – turning off the heat. If recalcitrance between the branches prevails and no such agreement is reached, the whole system eventually blows up in a democratic meltdown.⁴

The truth is, however, that the institutions of restricted unilateralism in fact equip SOP systems with different sorts of devices to avoid explosions. Legislative overrides, executive decrees, and other “complexities” that the Linzian story overlooked need to be brought back in: they constitute the very safety valves of the

³ This evocative analogy was suggested to me by Gary Cox.

⁴ Linz’s terms are, actually, pretty suggestive of this pressure boiler with missing safety valves:

who, on the basis of democratic principles, is better legitimated to speak in the name of the people: the president, or the congressional majority that opposes his policies? [C]onflict is always latent and sometimes likely to erupt dramatically; there is no democratic principle to resolve it... It is therefore no accident that in some of those situations the military intervenes as “*poder moderador*” (1994, p. 7).

On the contrary, when executive-legislative pressure becomes sizeable in a parliamentary system, a government crisis reunifies policy purpose between the executive and the legislature, ‘depressurizing’ the system. This constitutional safety valve avoids the breakdown of democracy.

SOP pressure boiler.⁵ In the following sections I introduce an alternative framework that takes the safety valves of presidentialism into consideration; this represents one important deviation from the Linzian structure.

4 The legislative process as a game of strategy

How are decisions made under separation of power? How do the institutions translating the principles of concurrent consent and unilateralism, described in previous sections, interplay? In particular, how do the congressional and the executive veto powers, the veto-override provision, and executive decree authority determine policy outcomes? What patterns can we expect from arrangements combining these institutions differently among the branches of government? Answering these and related questions brings us straight into the realm of the legislative process. The legislative process includes a wide range of actions leading to and including the enactment of statutes, passage of resolutions, issuing of decree-laws, nominations and confirmations, and so forth.

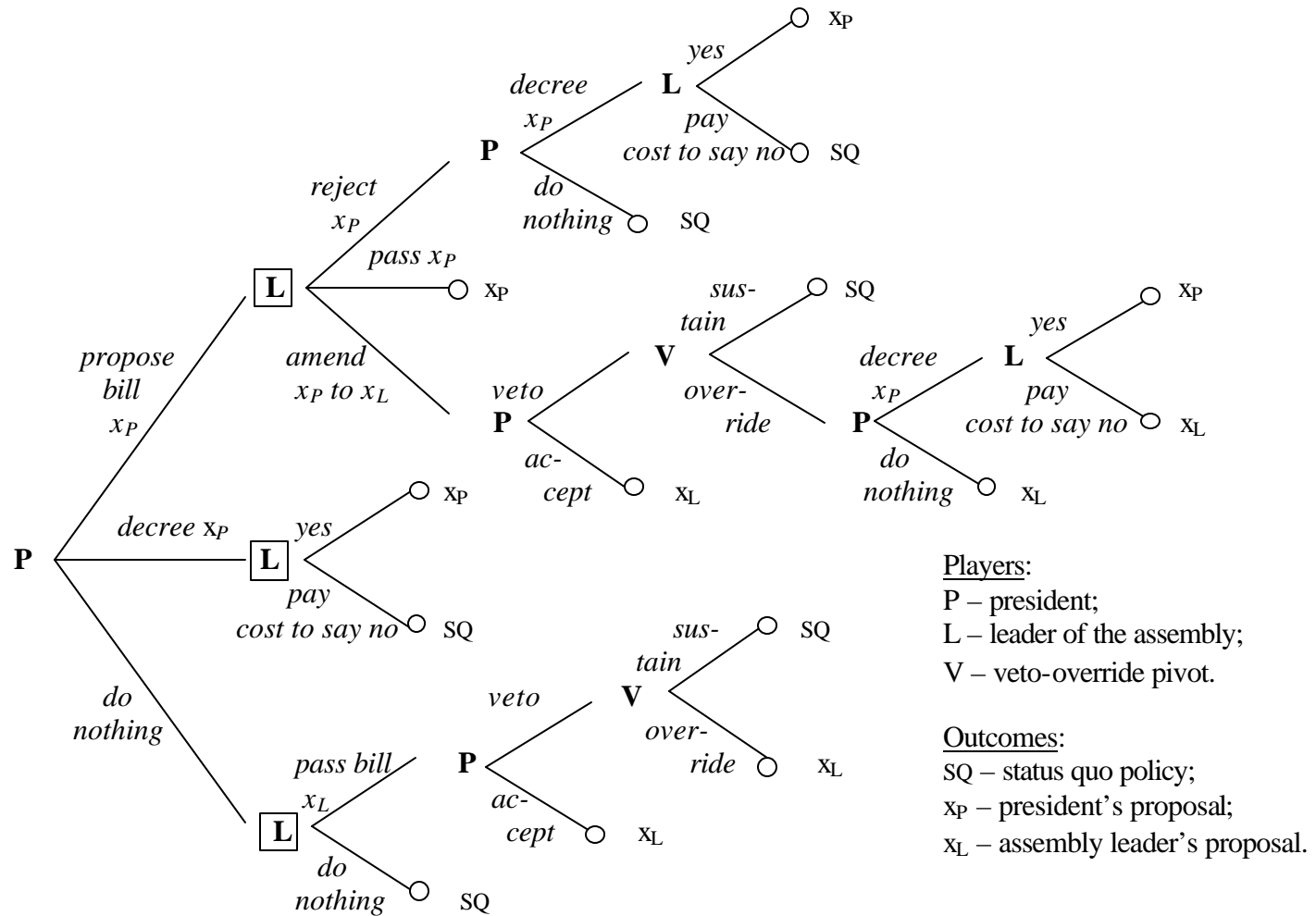
I construe the legislative process as a game of strategy played by politicians. I will call this stylized framework the AMPLIFIED GAME OF SEPARATION OF POWER (or the AMPLIFIED SOP game for short). Representing decision-making with the tools of game

⁵ Domingo and Morgenstern (n.d.) list at least a dozen of other formal and informal “road-clearing devices”, such as congressional monopoly on constitutional amendment (as in Colombia); budgetary bills subject to no executive veto (as in Mexico); agenda-setting tools like the urgency provision in the hands of the executive (as in Chile); etc.

theory is standard procedure in analyses of U.S. politics (e.g. Cameron 2000; Cox and Katz 1999; Ingberman and Yao 1991; Krehbiel 1996; McCarty 2000; Shepsle 1979). It is a much less common research strategy in comparative studies, though it is gaining popularity (e.g. Baron 1998; Cox 1997; Diermeier and Feddersen 1998; Huber 1996; Londregan 2000). I choose the game theoretic approach to the structure and process of policy because it is a particularly useful one. It forces the analyst to think systematically about who makes collective choices, what actions are available to “players” at different stages of the “game”, and which actions should be chosen in light of pre-defined goals. Such representation, when used creatively, generates some non-evident and even counter-intuitive conclusions from a set of explicit primitives. Moreover, deductive reasoning – inherited to game theory by its mathematical formalization – facilitates appraisal of the consequences of altering a model’s premises, while assuring that the argument remains logically sound.

AMPLIFIED SOP is a game for three players. It begins with a pre-established policy, the status quo (denoted by SQ), which players “P”, “L”, and “V” jointly decide whether or not to change under rules that I portray in Game Tree 1.1. **Player P** represents the president; **player L** represents a unitary-actor legislature; and **player V** is the veto-override pivot (whose identity I clarify below).

Game Tree 1.1: The big tree of separation of power: the **AMPLIFIED SOP** game
Squares indicate the sub-games I analyze



Player P starts the AMPLIFIED SOP game by choosing one of three available actions: P can *propose a bill* to the assembly; P can establish new policy by *decree*; or P can choose to *do nothing*. The first choice represents an attempt by the president to make policy by statute (a change from the existing policy SQ to a new one denoted x_P).⁶ The second choice represents an attempt by the president to establish the new policy x_P unilaterally. The third option represents a president who chooses to retain the status quo.

AMPLIFIED SOP ramifies into distinct sub-games depending on the action chosen by P in his or her first move. I do not describe the sequence of action. Instead I break exposition into some of the sub-games of AMPLIFIED SOP, devoting the following sections of the chapter to an outline of each (sub-games that I isolate from Game Tree 1.1 have a square in their starting node.) Before doing so, however, a couple of comments are in order.

Note first that the model involves an extremely simplified representation of the assembly. I make collective choice in the AMPLIFIED SOP game analogous to choice by an individual, ignoring lessons against such a practice from the social choice literature (Plott 1967; McKelvey 1976; Schofield 1983; Riker 1980). There are several ways of circumventing this problem. One is to make feasible policies fall along a single dimension and then appeal to the median voter theorem to predict collective choice

⁶ For clarification, no assumption is being made so far about the kind of bill proposed by player P; this will be the subject of subsequent chapters. The subindex P in x_P should only be interpreted as referring to the author of the policy proposal, in this case player P. In the same fashion x_L refers to a policy proposal by player L.

(Black, 1958; see also Tsebelis and Money 1997, p. 75). Another is to appeal to the presence exogenous restrictions that limit the social choice mechanism in a way that brings a stable and predictable equilibrium, such as transaction costs (Lupia and McCubbins 1997; Sloss 1973) or the division of labor (Shepsle 1979). A plausible restriction to rely on is political parties as binding constraints that bring enough discipline among their members to render behavior by the collective body predictable (Cox and McCubbins 1995; Lupia and McCubbins 1997). The elaboration of subgames in chapters to follow involves unidimensionality; within this assumption, I leave it open for the reader to choose whether player L represents the leader of the party or coalition controlling a majority of seats (cf. Cox and McCubbins 1999), or the median member of a unicameral legislative assembly (cf. Krehbiel 1998).⁷

Second, let me tell what I *will not* be doing with this framework. The principal object of a stylization of the legislative process such as the AMPLIFIED SOP game is to put the analyst in a position to generate interesting logical predictions. This operation involves finding a game's equilibria, something analogous to "solving" the game. An equilibrium in the game is a set of mutual best-reply strategies (one for every player); stated differently, in equilibrium each player is responding optimally to what the others are doing. Equilibria are obtained by logical deduction: they follow from a set of

⁷ If there is an advantage in having the majority in government then there exist good reasons to behave like a party. There is evidence that majority status is valuable even in a system such as the U.S., where there is a consensus that parties are less meaningful than average. Democrats lost between \$36,000 and \$60,000 *per member* in contributions from business PACs only upon losing grip of the House majority in 1994 (Cox and Magar 1999; n.d.).

premises describing the game's rules, a definition of what motivates every player in the game, and other elements of a more technical nature.

So far I have provided some of the elements to obtain equilibrium strategies for the game. I do not intend to solve the AMPLIFIED SOP game in this thesis. The abundance of ramifications in Game Tree 1.1 yields countless possible combinations of moves, making their analysis a most burdensome task that I leave for the future; I have more modest goals at present. Despite this, there are at least two good reasons why presenting the AMPLIFIED SOP game has been a useful exercise.

One is that the richness of AMPLIFIED SOP is putting together several echelons of the legislative process that the literature has treated on a piecemeal basis, providing a useful synthesis. The proactive and reactive legislative powers of presidents (Mainwaring and Shugart 1997b); executive decree authority (Carey and Shugart 1998a; Remington, Smith, and Haspel 1998); and decision-theoretic approaches to presidential legislative choices (e.g. Amorim Neto 1998) are all encapsulated in a single picture. This encompassing frame follows almost literally the lines set forth in Cox and Morgenstern's (1998) characterization of executive-legislative relations in Latin America as a distinctive sub-family of bilateral veto games (see especially pp. 3-4). The tree also facilitates an extension into previous and posterior stages of the legislative process. I do not carry this, but it seems easy to include the coalition-building process (Amorim Neto 1998; Deheza 1998) as taking place right before P's first choice in AMPLIFIED SOP; the implementation of policy stage (Den Hartog 2000;

Rosenblum 2000) can also be easily added as delegation following terminal nodes in Game Tree 1.1; popular initiative of legislation (Gerber 1996) is another development.

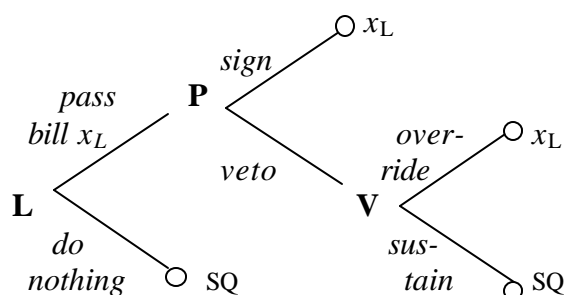
Of more immediate value is the fact that I use the structure of AMPLIFIED SOP as an organizational tool for my thesis and some extensions that stem from it. As pointed out, I break AMPLIFIED SOP into analytically-tractable sub-games, each of which serves as the basis to generate a set of interesting substantive claims. Chapter 2 will actually consist of a full analysis and solution of the SETTER sub-game in which players are motivated by dual goals. Chapter 4 contains the embryo of what will be a full analysis of the CONDITIONAL DECREE sub-game; the chapter also presents evidence about the observed paths of play of AMPLIFIED SOP in Argentina. The VETOES IN THE SHADOW OF DECREES sub-game will be a natural extension of this dissertation. I outline what the full development of each sub-game will look like in the three sections to follow.

5 The SETTER sub-game

I start with a description of the sub-game of AMPLIFIED SOP located at the bottom of Game Tree 1.1. This is the ramification that develops after a *do nothing* choice by player P the first move. I refer to this sub-game as the SETTER sub-game, and portray its rules in Game Tree 1.2.

SETTER is a (sub-)game for three players that starts with policy set at SQ. The first move corresponds to player L, who faces a binary choice: he or she can opt to *do nothing* (thereby retaining SQ as the outcome of the sub-game; circles at the end of branches indicate terminal nodes in all game trees), or can *pass a bill* setting new policy at x_L . In case of bill passage, the next turn corresponds to player P, whose

Game Tree 1.2: The **SETTER** sub-game



Players: **P** – president; **L** – leader of the assembly; **V** – veto-override pivot.
 Outcomes: SQ – status quo policy; x_L – assembly leader’s policy proposal.

concurrent consent is necessary for the new policy to become law. P can *accept* L’s new proposal (ending the game with a new policy x_L as the outcome) or attempt to retain the status quo by means of a *veto*.

I wrote ‘attempt to retain’ in the previous sentence because, in case of an executive veto, the rules of SETTER give the assembly a second chance. Bill x_L (the assembly’s original policy proposal) becomes law if a pre-specified supermajority supports it a second time, successfully overriding the president’s veto. In accordance with the discussion in previous sections, the legislative branch is thus granted a restricted unilateral capacity. The SETTER sub-game portrays this final step (the veto override) in the standard way (cf. Kiewiet and McCubbins 1988): as a choice by another member of the assembly – the so-called override pivot player V – between the status quo (the outcome ensuing if the veto is *sustained*) and the new bill x_L (the outcome ensuing if the veto is *overridden*). Player V is pivotal for an override because

he or she represents the last member needed to form a coalition of the pre-specified size in the assembly, without whose consent the coalition fails to attain the critical size.

Those acquainted with the Anglo-American literature will have recognized Romer and Rosenthal's *setter model* (1978; Rosenthal 1990) in the sub-game described above. The setter model was originally devised to study the decisions of school boards which had been given strong agenda-setting power over policy in a single dimension – hence the name agenda-setter model, or setter model for short. Yet the Romer and Rosenthal model proved sufficiently general to represent the interaction of any player with strong agenda-setting power – the ability to make a final take-it-or-leave-it offer to another player (whose approval is nonetheless necessary for a successful decision). Generality has made it a much relied-upon analytical tool for the study of inter-branch relations in Anglo-America (e.g. Baron and Ferejohn 1989; Cameron 2000; Kiewiet and McCubbins 1988; Krehbiel 1998). I do the same. The structure of SETTER corresponds to the legislative process in the case of the U.S., where the executive lacks both a faculty to initiate bills in the assembly and a constitutionally mandated decree authority.

From the standpoint of much of the received wisdom, SETTER may be judged to be too simplistic in representing the legislative process. After all, the interaction of three players, each with a binary choice, can hardly capture many actions known to be available to presidents and legislators in their quest for policy influence. So, for example, the president's efforts to persuade other politicians (Neustadt 1990) are completely ignored in the model; so are *going public* strategies, directed at changing

the preferences of legislators by mobilizing their constituents (Kernell 1991; 1993); the richness of congressional procedure (e.g. McCubbins and Sullivan 1987) as well as the logic of congressional action (e.g. Arnold 1990) are thrown into oblivion by condensing the legislative branch into a pair of unitary actors; inter-chamber negotiations and the resolution of differences (Hammond and Miller 1987; Tsebelis and Money 1997) are left out of the picture; and so forth.

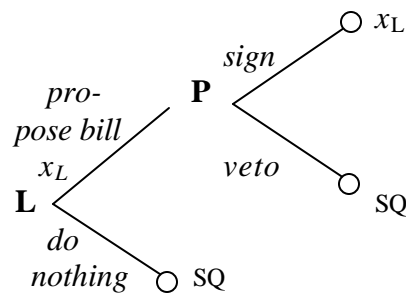
Yet, from another standpoint, SETTER is more elaborate than other, widely used frameworks, such as the Linzian. This is a good opportunity to refine the claim I made in section 3 that the conception of separation of power on which the *Perils of Presidentialism* approach is based omits any form of unilateralism. Linz does not elaborate the institutional foundations of his model,⁸ leaving tacit most of the premises driving his conclusion that executive-legislative deadlock is endemic in SOP systems and there are no means to overcome it within the confines of democracy. It is not difficult to flesh out what is implicit without too much danger of making a strawman out of the original argument.

Detractors of presidentialism seem to have in mind a sort of *pure dual veto game* between the executive and the legislative branches of government, such as the one between players P and L depicted in Game Tree 1.3.⁹ Note that the only

⁸ I use “model” in a broad sense. Linz may not present a “formal model” of the legislative process, but he certainly relies on some simplification – a model – of process.

⁹ Another conceivable game reverses the order of play.

Game Tree 1.3:
A **LINZIAN** game of absolute veto



Players: **L** – leader of the assembly; **P** – president.

Outcomes: SQ – status quo policy; x_L – assembly leader’s policy proposal.

differentiating feature between the SETTER sub-game and the LINZIAN one is that the latter drops the last move by player V. Those who might suggest that SETTER is simplistic will also acknowledge that the *Perils* framework is even more so.

Furthermore, the model has a good mileage record in the U.S. despite its simplicity. The SETTER sub-game is the logical foundation of the *asymmetric influence* thesis for which convincing evidence has been presented (Kiewiet and McCubbins 1988). We thus have learnt that the negative power of the veto places conservative presidents in a much better position to extract concessions on legislation from the assembly than more liberal ones (vis-à-vis the status quo). SETTER has also supported an empirically substantiated investigation of the correlates of veto overrides in the U.S., which has taught us that, under conditions of split control of a bicameral assembly, the effect of the executive veto is to strengthen the hand of the chamber more in line with the president (Cameron 2000, chapter 5).

I shall put SETTER to work on a different, but related, research question in chapter 2. Why do executive vetoes occur? What is a president trying to accomplish by killing a piece of legislation? What factors explain the variance in veto incidence? Two answers have been suggested to this set of questions, one by Linz (1994), another by Cameron (2000). I sketch a third answer.

Answer 1. From the Linzian perspective, deadlock and its observable manifestation – vetoes – are the product of acute polarization between the executive and the legislative branches in a SOP system. Returning to the analogy of SOP presented above, the pressure-boiler would simply not overheat if players were capable and willing to reach accommodatory deals. Implicit in the *Perils* interpretation of inter-branch conflict is a presumption that the president and the assembly have such opposed preferences (a single dominant line of conflict) that they have absolutely no room for agreement between them; there is nothing else to do but fight.¹⁰ They are engaged in a zero-sum game.

Answer 2. From a Cameronian perspective, the factors driving veto incidence are a combination of uncertainty and players' stratagems when bargaining in such an environment. The introduction of uncertainty about the degree to which adversaries are willing to compromise changes the informational structure of the game, adding a bit more realism to the bargaining that takes place in SETTER. Under circumstances of incomplete information a president resorts to a veto in order to invest in a reputation of

¹⁰ Magar 1998 formalizes this claim.

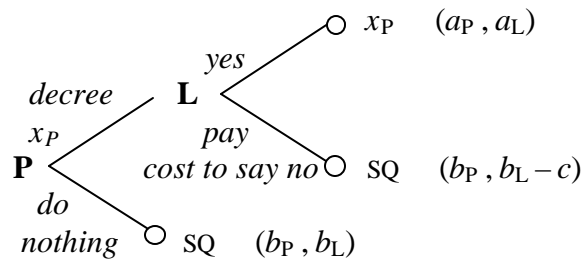
toughness which may return larger concessions in policy from the other players in future rounds (cf. Hicks 1932, p. 146; McCarty 1997).

Answer 3. A perspective that has been suggested in the descriptive literature on executive-legislative relations in the U.S., is that the factors driving the incidence of vetoes are elections and the pressure for elected representatives to advocate policy dear to their constituents (Lee 1975; Rohde and Simon 1985; Copeland 1983). With the exception of Groseclose and McCarty (2001) this route has not been formalized. My main task in chapter 2 will be to modify the premises of SETTER in a different direction than that undertaken by Cameron. I thus add a complementary dose of realism to the game by conceiving actors as pursuing dual – instead of single – goals: players will be both policy- and vote-seeking (cf. Strom 1990). The result is players who, from time to time, need more than policy results to show they are responsive to voters, and a little conflict with an obstructive branch (such as a veto to policy concocted by opposing political forces) brings notoriety, while showing what each side advocates in practice. From this perspective, vetoes are valued not just for their impact on policy but also for the opportunity they provide to stake out political positions – i.e. vetoes are also position-taking maneuvers or publicity stunts.

6 The CONDITIONAL DECREE sub-game

I now move to a description of the sub-game of AMPLIFIED SOP that is situated in the middle of Game Tree 1.1, the one developing after player P has opted for policy by decree in the first move of the larger game. The actual sub-game appearing in Game Tree 1.1 consists of a unique node on which player L is situated. In this section

Game Tree 1.4:
The **CONDITIONAL DECREE** sub-game



Players: **P** – president; **L** – leader of the assembly.

Outcomes: SQ – status quo policy; x_P – president's policy proposal.

Payoffs: a_i = player i 's value of x_P ; b_i = i 's value of SQ; c = cost of rescinding a decree.

I will present a slightly more elaborate version of the sub-game, which I call the **CONDITIONAL DECREE** sub-game. Its rules are portrayed in Game Tree 1.4. The elaboration consists of importing part of player P's previous node of decision as part of the sub-game at hand, an alteration rendering **CONDITIONAL DECREE** of more substantive interest than the actual one. Below I will recompose **AMPLIFIED SOP** so that it reflects this alteration in its actual sub-games.¹¹

The revised sub-game is still quite elementary. **CONDITIONAL DECREE** departs with policy set at SQ, beginning with player P's choice of whether to change this policy unilaterally to x_P , or end the game by doing nothing (and thus retain SQ as the outcome). The new policy x_P , nonetheless, necessitates the approval of player L, who

¹¹ I chose not to draw the extended form of **AMPLIFIED SOP** with this alteration from the beginning in order to avoid rendering the extended form of the super-game more ponderous than it already is.

in fact gets the upper hand in this stage of the decision-making process by choosing whether or not to re-impose SQ in case of disagreement with P's decree. The consequence of this intervention by player L is to effectively constrain player P's unilateral power. There are studies of executive decrees that fail to consider the assembly's possibility to mitigate executive power, a point I will develop in chapter 4.

It is important to indicate that if it were not for the cost associated with rescinding a decree, the rules of the sub-game would leave no room for measure x_P to survive against the assembly's opposition (Power 1998; Shugart 1998). In the absence of a cost, all what player P would get is an opportunity to voice his or her disgust with the present state of affairs while showing that he or she attempted to change SQ. The presence this cost c that L has to pay for picking *no* attenuates the constraint on P's unilateral influence on policy. The larger is c , the more leverage is given to player P to obtain policy results when using his or her unilateral provision.

A high-enough cost c can actually make player L acquiesce to a policy that he or she dislikes. This is the case when the difference in payoffs between SQ and the new measure x_P is smaller for player L than the cost of rescinding a decree. Formally, letting a stand for the payoff from the new decreed policy and b for the payoff from the status quo, and subscripting these terms with players' initials to differentiate them, whenever $a_L < b_L$ but $c > a_L - b_L$ ($a_L, b_L, c > 0$), player L will actually okay a measure he or she would otherwise rather reject in favor of the status quo.

The presence of a cost c makes the use of decrees more interesting, while keeping the AMPLIFIED SOP game simple. The simplicity of the sub-game's structure is

not so much relative to the other sub-games of the parent super-game – though this surely is the case – than relative to other conceivable structures of formal executive decree authority. I will devote part of chapter 4 to sketch an alternative model of executive decree authority, more in line with the processes of decree-writing, amending, and erasing actually mandated by the Argentine and other constitutions. A more elaborate model should also include some parameter to make policy by decree less desirable for the executive than the exact same policy issued by statute – perhaps, as I will argue in chapter 5, because decrees are less robust than statutes.

The CONDITIONAL DECREE model is implicitly assumed by Carey and Shugart when they claim that, “more frequently than is commonly acknowledged, executive decree is tolerated – or even preferred – by legislative majorities” (1998a, p. 2). Despite its simplicity, CONDITIONAL DECREE can contradict the common belief that a high incidence of executive decrees is tantamount to usurpation of power by the president (e.g. O'Donnell 1994).

Why include cost c in CONDITIONAL DECREE? What determines the size of $c > 0$? This cost, as pointed out, simplifies what may be a more elaborate structure of policy by decree. Other reasons, however, support the costliness of rescinding a decree from congressional perspective. The literature inspires five general classes of factors that affect this parameter. I briefly outline them.

1. Policy made by the executive may have higher *valence* vis-à-vis that made by the assembly. As Londregan (2000) points, building on work by Stokes (1963), congressional staffs in Latin-America dwindle when compared to

the bureaucracy supporting the executive branch. The assembly may well obtain better policy by delegating its preparation to the president. Especially when the president belongs to the same party in control of the congressional majority (Carey and Shugart 1998a).

2. Related to the latter, short sessions increase the opportunity cost of devoting time to certain issues (Fenno 1973). Rescinding policy by decree, and especially drafting alternative policy, requires an investment of scarce time from the part of legislators.
3. The more difficult it is for an assembly to form and maintain majorities capable of passing legislation, the more attractive it becomes to delegate responsibility to the executive. Specific examples of situations where decrees may become more attractive are systems where legislative parties have a chronic incapacity to discipline members (as in Brazil), or those bicameral systems where malapportionment typically produces majorities of different parties in each house (see Carey and Shugart 1998a; Cox and McCubbins 2001).
4. Formal requirements, such as a strong executive veto *after* a decree has been issued; may limit the capacity of the assembly to rescind a decree (Carey and Shugart 1998a). This is actually a structural feature of policy by decree that cost c models with more simplicity (chapter 4 expands on this).

5. A judiciary less (more) independent from the executive may render it harder (easier) for Congress to rescind decrees, especially in environments where institutions are ambiguous. In case inter-branch conflict arises over which policy should subsist (that issued unilaterally by the president or that which Congress reverts it to), the Courts have the last word (Carey and Shugart 1998a). The closer the median Justice is to the preferences of the executive, the higher will be the congressional hurdle to amend policy by decree (McNollgast 1994).

A second theme of the CONDITIONAL DECREE game is a discussion of the determinants of executive decrees. The same three determinants of veto incidence I presented with the SETTER sub-game apply to the present one: the logic behind executive vetoes (a concurrent consent institution) extends naturally to executive decrees (a restricted unilateralism institution). This, of course, is a claim of mine because neither two of the arguments that I relied upon for veto incidence – Linz’s and Cameron’s – actually deals with executive decrees.

In the Linzian framework decrees are unconstitutional moves by the executive. In fact, they can be interpreted as symptoms of an advanced case of polarization. Decrees are executive attempts to bypass the legislature, illegal moves to break inter-branch impasse. Presidential unilateralism is tantamount to a democratic system overheating dangerously, perhaps ready to melt into authoritarianism. The factor driving decree incidence is, again, polarization between the branches in a context of SOP (under which, as Linz alleges, “there is no democratic principle to resolve

[conflict]” (1994, p. 7)). Decrees are presidential attempts to circumvent the opposition of the assembly.

Because it pays attention to a single case giving no constitutional decree authority to its president, Cameron’s work remains silent about executive unilateralism. But following the logic of the bargaining approach, decrees should simply represent one additional tool that the president can resort to in his or her quest for influence on policy. The veto power has a “second face” pointing to silent influence through a capacity of players to anticipate each other’s acts; uncertainty reduces that capacity, prompting mistakes and a strategic use of them to gain reputations of toughness in bargaining (Cameron 2000, chapter 4; McCarty 1997). In the same fashion the decree power hides a second face (e.g. Congress makes a slightly larger concession to the president to avoid a decree of his or hers), and to the extent that players have incomplete information, some should occur and be rescinded as mistakes and reputation-building maneuvers.

Decrees can also be construed as part of a position-taking game. It seems plausible that a president decrees some policy knowing, beforehand, that it will be rescinded by the assembly. The intention is to force the assembly to reject policy popular to his constituents, increase the salience of the issue, and subsequently exploit this when campaigning (or give fellow party members a banner to fly in their campaigns). Similarly, the assembly may concoct a bill attempting to avoid an executive decree modifying it; in doing so it may miscalculate and make insufficient concessions to the president, prompting the decree which legislators meant to avoid.

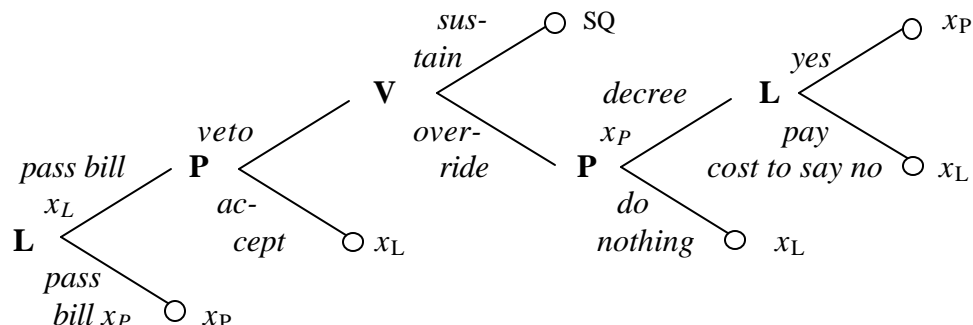
7 The VETOES IN THE SHADOW OF DECREES sub-game

How would statute writing in the SETTER sub-game be affected if player P were given unilateral policy capability, such as that represented in the CONDITIONAL DECREE sub-game? What are the consequences of breaking player L's monopoly over agenda setting? How would the U.S. legislative process change if the constitution were amended, giving the president authority to issue decree-laws similar to that of his peers in Argentina, Brazil, or Russia? This type of question is the matter of the third and final sub-game I isolate from the AMPLIFIED SOP game.

The top sub-game of AMPLIFIED SOP is by far the most elaborate, as is clear in Game Tree 1.1. This sub-game follows an attempt by P to establish new policy by statute in his or her first move. In this section I repeat the procedure of the previous one, presenting a modified version of the actual sub-game. Only this time instead of developing I prune the actual sub-game, in order make it tractable while preserving its capacity to generate substantively interesting claims. In the next section I will reconstitute AMPLIFIED SOP so that the sub-games appear in their modified form.

The result of the simplification is the VETOES IN THE SHADOW OF DECREES sub-game, of which I portray the rules in Game Tree 1.5. Despite the pruning, the resulting extended form is still more elaborate than the previous two. Note that, in fact, the elements of the two previous sub-games are contained in the present one. This notably simplifies the exposition of the present sub-game's sequence of play.

Game Tree 1.5:
The **VETOES IN THE SHADOW OF DECREES** sub-game



Players: **P** – president; **L** – leader of the assembly; **V** – veto-override pivot.
 Outcomes: SQ – status quo policy; x_P – president’s policy proposal; x_L – assembly leader’s policy proposal.

The beginning steps of VETOES IN THE SHADOW OF DECREES match those of SETTER, save one difference: player L’s first move, instead of consisting of a choice between passing a new bill (x_L) or retaining the status quo, is a choice between passing two versions of a bill, one proposed by player P before the start of the sub-game (x_P), the other formulated by the assembly (x_L). If L chooses to pass P’s proposal then the game ends with new policy set at x_P ; in case of an amendment the game proceeds as in SETTER, with a possible executive veto followed by a possible override.¹² A second difference from SETTER ensues in case P’s veto is overridden by player V: the game,

¹² There are two subtle differences between the initial steps of VETOES IN THE SHADOW OF DECREES (VSD) and SETTER: (1) VSD begins with policy set at x_P instead of SQ (call this the ex-ante policy); and (2) in case the executive veto is sustained, policy in VSD does not revert the ex-ante policy (x_P), but to SQ (in SETTER SQ coincides with the ex-ante policy).

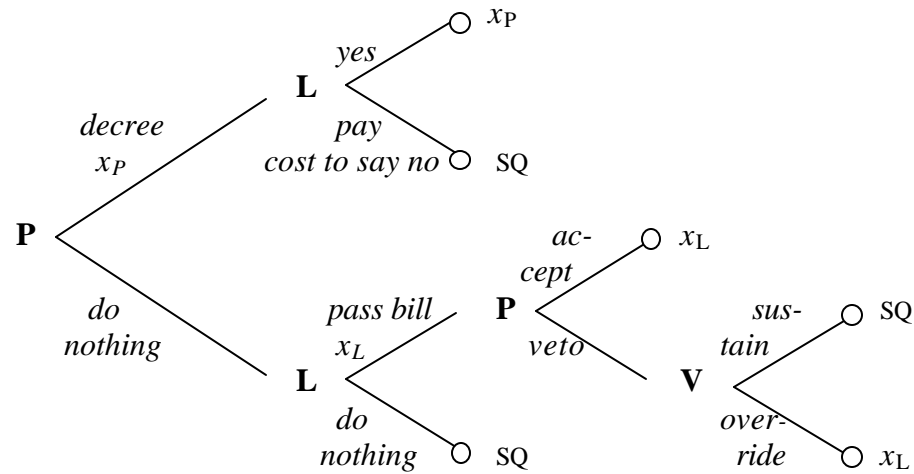
instead of ending with policy set at x_L , offers player P the possibility of going unilateral, as in CONDITIONAL DECREE.

The extended form of VETOES IN THE SHADOW OF DECREES suffices to give a preliminary answer to some of the questions that opened this section. A provision of unilateral power offers the president the possibility of getting statutes more to his or her liking. To see this, suppose that player P has proposed a bill x_P that player L would rather amend into x_L . Suppose moreover that the node where P chooses whether or not to issue x_P by decree has been reached in the play of the game. In this scenario, whenever the differential in L's utility between policies x_L and x_P is not larger than the size of cost c of rescinding a decree (just as in CONDITIONAL DECREE), L will choose to okay P's decreed policy. Thus, in this manner, a large enough c renders player L indifferent between accepting x_P by decree in the last node and simply passing bill x_P at the very first node of the game.

The stronger are P's unilateral capabilities – i.e. the higher is cost c – the easier it will be for him or her to get the assembly's approval on bills that he or she actually designed, and which are not exactly those the assembly would have written. It is also interesting to note that the shadow of decrees affects the play of the setter sub-game in the same fashion, even if the president cannot initiate bills.

To see this consider the SETTER-IN-THE-SHADOW-OF-DECREES game pictured in Game Tree 1.6. This is simply a CONDITIONAL DECREE game followed by a SETTER sub-game in case of inaction by player P. If player P anticipates that a bill vetoed by him or her will be overridden by player V, he or she can opt to decree a more palatable

Game Tree 1.6:
The **SETTER-IN-THE-SHADOW-OF-DECREES** game



Players: **P** – president; **L** – leader of the assembly; **V** – veto-override pivot.
 Outcomes: SQ – status quo policy; x_P – president’s policy proposal; x_L – assembly leader’s policy proposal.

policy in the first place. If the cost c of rescinding this decree is sufficiently high player L might better choose to make concessions to P when writing a statute. The shadow of decrees increases the power of the president’s veto, interpreted as a larger influence on policy.

This framework can shed more light on the patterns that Remington, Smith, and Haspel’s (1998) empirical work on Russia has uncovered, where president Yeltsin and the Duma seem to have been playing some bargaining game similar to VETOES IN THE SHADOW OF DECREES. Moreover, VETOES IN THE SHADOW OF DECREES underlies Carey and Shugart’s claim that executive decree authority, when combined with a strong executive veto, opens room for the executive to act against the interest of a majority in the assembly (1998a, p. 18). They are actually talking of a executive veto *after* an

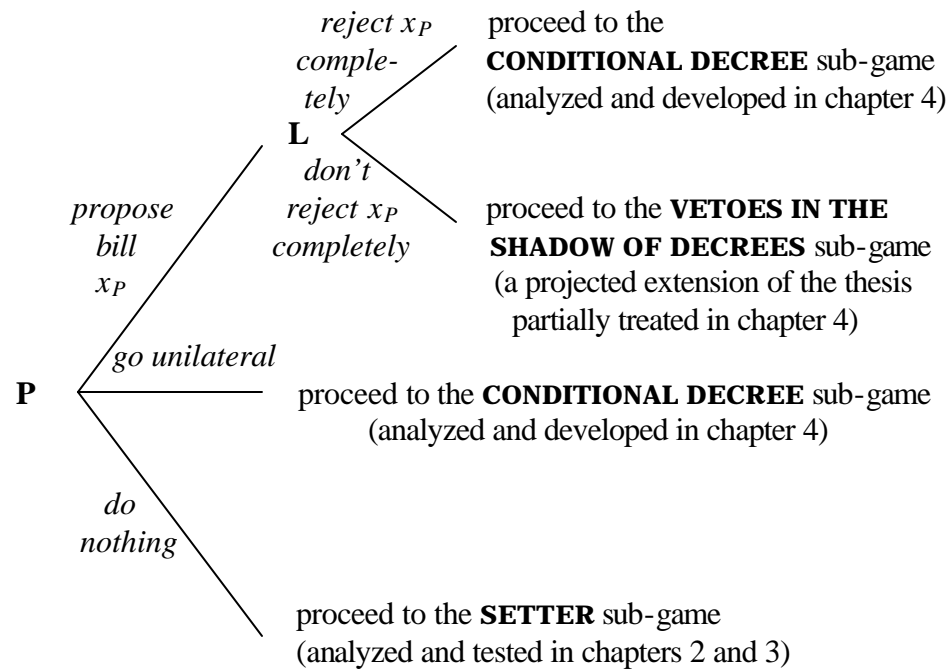
executive decree has been issued – to protect unilateral policy against amendment by L – but it is easy to see that this is a special case of this sub-game. As mentioned in the previous section, a veto power after a decree is one of the factors affecting the size of cost c . The larger is c , the more policy change can depart from the assembly's ideal policy.

8 Synthesis: towards a theory of motivation in the legislative process

In this chapter I have accomplished several things. I identified two principles of decision-making that characterize any system of SOP (concurrent consent and unilateralism) and chose to concentrate my attention in two concrete institutional expressions of each principle (presidential and congressional vetoes; legislative overrides and executive decrees). I then presented the AMPLIFIED SOP game, a model that incorporates these institutions into a general framework for the study of decision-making under separation of power. Next I broke this super-game into some of its component sub-games, which are analytically tractable. While the first I isolated – the SETTER sub-game – faithfully reflects the lower branch of the parent game, I undertook slight modifications to the other two – the CONDITIONAL DECREE and the VETOES IN THE SHADOW OF DECREES sub-games – so as to render them of more substantive interest.

As I said above, symmetric and reciprocal modifications to the super-game are practicable, so that its actual sub-games are identical to those presented in the previous sections. This slight alteration to AMPLIFIED SOP is portrayed in Game Tree 1.7, which also compresses the extended form by substituting the proper sub-games, where

Game Tree 1.7:
AMPLIFIED SOP and its sub-games



Players: **P** – president; **L** – leader of the assembly.

appropriate. This representation serves as a bird's eye view of the forthcoming theoretical parts of the thesis and extensions that I intent to develop in the near future.

One theme appeared in the discussion of the sub-games: motivation. When we see a chess player take the white knight with the black rook it is not hard to infer what motivated black's move. Black's intention is unlikely to be the knight in question, but to reduce the offensive capacity of the white player while increasing the assault on the white king. In the legislative process games I sketched above, such inferences are harder to come up with. Or, more precisely, there are alternative plausible rationalizations of the motivation behind players' moves.

In particular, what can we infer from observable instances of conflict between the executive and the legislative branches of a SOP government? If we are to take conflict as a symptom of something taking place in the system, what should that something be? What can be inferred from watching a president veto a bill or an assembly kill an executive initiative? In my elaboration of the sub-games I discussed three conjectures on motivation: conflict as a symptom of acute polarization (à la Linz); conflict as a bargaining ploy in search of policy payoffs (à la Cameron); and conflict as a publicity stunt in search of electoral payoffs (my contribution to the debate).

In chapter 7 I will elaborate a discussion on motivation around three major points. First, motivation provides testable clues about the determinants of inter-branch conflict. Why do presidents and legislatures struggle? Second, different interpretations of motivation have different implications for the performance of SOP systems. If polarization is the major cause of inter-branch quarrels, then conflict should be taken with alarm; if, on the other hand, bargaining is the motive, then conflict is a sign that the system is working as intended. Third, by underlying motivation it becomes possible to bridge a major gap between two literatures that have been treating with the same topic (the legislative process under SOP) in near isolation from each other. Comparative politics and Anglo-American politics literature, when seen through the lens of motivation, are not that stranger to each other. A unified model of the legislative process under SOP is conceivable, very much in the spirit of Strom's (1990) unified theory of competitive political parties and of many others (e.g.

Cox and McCubbins 1993; Kingdon 1977; Schlesinger 1984). Cameron's bargaining approach and Linz's polarization approach will become special cases of a more general theory of motivation in the legislative process.

Last, the unified model will also provide some leverage to connect the literature on the legislative process with another prominent literature in Comparative politics, that on democratic breakdown (Linz and Stepan 1978; O'Donnell 1973).

9 A research design

I will adopt an empirical approach to the legislative process in SOP systems. The guiding idea is the following: To the extent that vetoes and unilateral moves are a mixture of *bargaining ploys* (in search of policy payoffs) and *publicity stunts* (in search of electoral payoffs), and *not* evidence of Linz's *irreconcilable differences*, then there should be systematic patterns in their use. The detection of such patterns would be important evidence that Latin-American systems of SOP operate "within the rules".

Traditional Latin-American area studies have often argued that the region is a land with a strong man tradition, and this trait is the origin of many political peculiarities. One such peculiarity, the literature suggested repeatedly, is a propensity for the executive to annul the separation of power provisions written in the constitution (see Dealy 1992; García Hamilton 1990; Meyer and Reyna 1989; Segovia 1975; Wiarda 1992). "No appraisal of the democratic and liberal character or operation of a regime of this nature should be based on the effectiveness of congressional checks on the president's broad powers. Such a criterion, which is valid for the United States, is not for Latin America" (Lambert 1971, p. 19; see also Tena Ramírez 1949; Jorrín

1953; Mecham 1959; Anderson 1967; Carpizo 1978; O'Donnell 1994). Stories of executive predominance are abundant in textbooks and research published thirty five years ago – some do not hesitate in depicting Latin-American presidents as “viceroys” (Scott 1958, p. 291), “monarchs” (Edelmann 1969, p. 410), or even “czars” (Pierson and Gil 1957, p. 225).

One way of making sense of the research to follow is by means of the following questions. Is separation of power a real, functioning, part of Latin-American political systems, or is it just for show? If this part is real, what effects does it produce? If the fundamental constitutional provisions serve more than “a decorative function in a *caudillo*’s palace” (Lambert and Gandolfi 1987, p. 399) then inter-branch conflict should follow systematic patterns produced by the necessity of bargaining and position-taking between an executive and a legislature that are independent from each other. Ample evidence of these systematic patterns has been found in other systems of separation of power: the U.S. and its states (see, e.g., Alt and Lowry 1994; Cameron 2000; Cox and Kernell 1991; Poterba 1994). Is Latin-American separation of power fundamentally different from the system that inspired it 180 years ago? To what extent can we consider Anglo- and Latin-American political systems to be alike?

My approach to answering these research questions is to explicitly model the separation of power, predict patterns of conflict under different conditions, and test with evidence from relevant empirical referents. The dependent variable throughout the thesis is *the incidence and nature of executive-legislative conflict*. Using the framework that I outlined in this chapter, I pay attention to three classes of explanatory

factors of this phenomenon. Firstly, the formal rules of the legislative process in different systems of separation of power, in particular the rules that govern the rejection of legislative proposals made by the other branch (legislative and executive vetoes) and rules that establish means to overcome such rejections (executive decrees and veto overrides). Secondly, the alignment of preferences among those who play by these rules, particularly the partisan composition of the branches. Thirdly the impetus of elected officials towards position-taking, in particular the urgency raised by nearing elections to advocate and loudly voice policy palatable to constituents. I will be interested in testing the extent to which these three classes of factors shape the occurrence of executive-legislative conflict in systems of SOP in the Americas. Formal rules, the partisan alignment, and the electoral timetable thus become the specific details of strategic game forms allowing me to draw testable predictions.

The *Systematic Effects Hypothesis*. Presidents should veto a bill when that veto might be sustained, or to stake out an electorally advantageous position; otherwise, the assembly gets its way, through threatened or actual override. Assemblies should veto when they might succeed, or to stake out an electorally advantageous position; otherwise, the president gets his way, through threatened or actual decrees. Vetoes should vary systematically with unilateral requirements, with the strength in the incentive to advertise a position, with the partisan profile of the branches of government, with each side's uncertainty about the other's preferences, and so forth. All of these sorts of patterns have been found in the U.S., where democracy is the 'only game in town' (Przeworski 1991) and politicians for the most part abide by its

rules. Does ‘real politics’ in Latin-American systems flow around or behind the separation of power, so that the sort of careful and systematic navigating around vetoes that one observes in the U.S. is unnecessary, hence unobserved?

To the extent that the Linzian perspective on irreconcilable differences is correct, and that separation of power is pure democratic window-dressing, the Systematic Effects Hypothesis should fail miserably. My research is an attempt to determine this controversy empirically.

10 Plan of the dissertation

Chapter 2 extends Romer and Rosenthal’s (1978) *agenda-setter* model to players with dual motivation (to bring home *policy* desired by constituents and to advocate and *publicize positions* dear to them). The revised *position-taking setter* model supports a positive incidence of vetoes in equilibrium. Chapter 3 places deductive predictions from the revised model against the empirical record. Data on executive veto incidence in U.S. state governments serves to put the revised model to a thorough test, which it passes quite successfully. Chapter 4 follows Argentina’s legislative process longitudinally. The chapter synthesizes dispersed evidence on executive decrees, on failed executive bills, and on successful bills. The result is a dataset with which veto incidence can be estimated for both the executive and Congress. Chapter 5 analyzes a case of real bargaining between the president and Congress in Argentina over pensions reform. The congressional veto can be used to extract concessions from the executive, the narrative suggests; a mirror image of Cameron’s story for the U.S. Chapter 6 offers two case histories of vetoes as publicity

stunts intended to gain votes at the next election, developing the contrast between the three perspectives on motivation (Cameron, Linz, Magar). Chapter 7 concludes by returning to the big picture. The chapter sketches the bases for a unified model of the legislative process.

Chapter 2

Strong agenda-setting, position-taking, and the incidence of executive vetoes

Abstract: This chapter modifies Romer and Rosenthal's well-known agenda setter model in order to render it capable of supporting a positive incidence of executive vetoes in equilibrium. I change utility functions by making players pursue opportunities to advertise the ideals they represent whenever policy gains cannot be attained. That is, players in my position-taking setter model pursue dual goals: policy results (as in the standard model) and publicity stunts. Four testable predictions are drawn from the model. One important result is that the addition of even the tiniest dose of position-taking motivation into the setter model has a vast effect on equilibrium strategies. I also compare my account with Cameron's interpretation of vetoes as bargaining ploys; the two explanations are highly complementary, although they do generate some contradictory predictions with respect to override requirements and the electoral calendar.

In this chapter I develop a novel account of why executive vetoes occur: a veto can be construed as a publicity stunt. The chapter also compares my account with Cameron's interpretation of vetoes as bargaining ploys. The contrast shows the two explanations to be highly complementary. The framework that I rely upon for these two purposes is the SETTER game (Romer and Rosenthal 1978).

SETTER is a simple, yet powerful model facilitating the simultaneous study of three features of the legislative process. The first is executive veto power, one concrete expression of the concurrent consent principle of decision-making under separation of power described in chapter 1. The second is the veto-override faculty, one concrete expression of the other principle of separation of power, unilateralism. The third is asymmetric agenda-setting power.

I chose SETTER as the model to start my investigation of the incidence of inter-branch conflict for two reasons. First, it is well known, simplifying the exposition of the change in politicians' motivations that lies at the heart of my explanation of executive vetoes. Second, SETTER is the frame, which Cameron (2000) relies upon to introduce vetoes as bargaining ploys. This commonality assists in comparing the two approaches.

The logic behind vetoes as publicity stunts is simple. Just like any other fight, instances of inter-branch conflict attract the attention of crowds. Executive vetoes are noticeable events that receive prime-time coverage by the media. Moreover, when the executive vetoes a bill, a very clear message is conveyed to the public: he or she dislikes the proposal. Executive vetoes can be clear and loud pronouncements about ideals, a means to advocate policy by taking a clear position on an issue.

I introduce this logic into SETTER by revising one of the logical premises of the model. The original model can be referred-to as the "outcome-oriented" SETTER game because players pursue policy outcomes only. In my "position-taking" version of SETTER, players pursue two goals: policy and position-taking opportunities. Because I do not allow the position-taking motivation to conflict with the policy component of utility, the change in players' utility functions that I undertake is very small. In my model players are outcome-oriented first, position-taking second – relying on the latter only as a tie-breaking device to select among two actions pointing to the same outcome.

A more elaborate model of dual motivation – one which allows conflicts between the two components of utility – is Groseclose and McCarty (2001). One important lesson to be drawn from my model is that *even the addition of the smallest dose of position-taking into the SETTER game has a big effect on equilibrium strategies*. Moreover, the (lexicographic) preferences in my model result in a very tractable modification of the game, while generating the most plausible results of Groseclose and McCarty – “that there exist equilibria where bargaining breaks down ... and [Congress] chooses a bill that the [President] rejects”, and this “despite the fact that both bargainers possess complete information” (p. 101). While Indridason (2000) presents a model that both pays closer attention to variations in veto institutions (line-item v package) and includes a credit-claiming (i.e. position-taking) motivation for presidents and legislators. His object of study, however, is not veto incidence but the private-good to public-good ratio of policy.

The chapter proceeds as follows. Section 1 offers a detailed analysis of the outcome-oriented SETTER game, using logical deduction to derive an equilibrium solution from the game’s logical premises. The analysis is not new in any sense, but redundancy is not unwarranted. A detailed examination of the game provides solid bases to understand the paradox of nil veto incidence characteristic of its equilibrium. In turn it elucidates two possible ways out of the paradox: by changing *information* in the game or by changing *motivation* in the game. I appeal to analytic separability in section 2 in order to leave the informational solution (which Cameron has developed and shown to accord to observable patterns in the U.S.) aside and concentrate my

attention in a motivational way out of the paradox. I thus specify conditions for an executive veto to be used by players as a means to advocate policy positions. Section 3 adds a set of auxiliary assumptions to the model in order to ease the derivation of observable implications from the theory. In the section I introduce four testable hypotheses that will inform the empirical part of the dissertation (especially chapter 3). Section 4 offers a comparison between the results of my position-taking SETTER and those of Cameron's revised model, an outcome-oriented SETTER with uncertainty. I also discuss how position-taking models such as mine and the more elaborate version of Groseclose and McCarty serve to bridge the gap between two diametrically opposed models of the legislative process: Cameron's and Linz's. Section 5 concludes.

1 Purely outcome-oriented politicians (with no uncertainty)

“A power of this nature [the veto] ... will often have a
silent and unperceived, though forcible, operation.”
-Hamilton (1788, *Federalist* 73)

Analyses of the executive veto in the U.S are numerous. Earlier models tended to see executive vetoes as the outcome of inter-branch bargaining, finding a positive correlation between the incidence of vetoes and the pattern of partisan control of the branches, as well as the electoral calendar (Lee 1975; Copeland 1983; Rohde and Simon 1985; Woolley 1991). The next generation of models innovated in one important direction by adding strategic considerations to the analysis. By this means, they taught us of the existence of a hidden dimension in executive veto politics: we need not observe large numbers of vetoes to conclude that the executive has significant influence over the products of the legislative process (Kiewiet and McCubbins 1988;

McCarty and Poole 1995). This important result nicely echoed Hamilton's formula quoted above.¹³

In this section I reproduce Romer and Rosenthal's (1978) SETTER model, a formalization of Hamilton's assertion which serves as the basis of "second generation" studies of vetoes (Kiewiet and McCubbins 1988, Baron and Ferejohn 1989, Cameron 2000, among others). I lay out the logical premises of the game and derive an equilibrium solution. From this analysis it becomes evident that SETTER, in its original form, overstated the degree of "silence and unperceivedness" in the operation of the executive veto. This formalization of the argument simplifies a revision of it in the next section.

The eight assumptions contained in Box 2.1, together, define the OUTCOME-ORIENTED SETTER game. Game Tree 2.1 provides visual help to clarify the sequence of action in the game (as per assumptions A3, A4 and A5). The identity of players L and V (assumption A2) deserves a comment. This pair of actors models decisions made in the legislative assembly: the approval of L suffices to pass legislation by majority rule,¹⁴ whereas the approval of both L and V is required to make a decision by super-

¹³ The improvement is that, two centuries after it was coined, we have a better understanding of the microfoundations of this claim.

¹⁴ The unitary-actor representation of the assembly apparently ignores the lessons of the social choice literature: intransitivity is always possible when it comes to defining the theoretical outcome of a social choice by majority rule (Arrow 1951). But there are many ways to circumvent the "possibility theorems" (McKelvey 1976; Plott 1967; Riker 1980; Schofield 1983). Each way introduces some exogenous factor that effectively constrains the social choice mechanism in a way that brings a stable and predictable equilibrium, such as unidimensionality (Black 1958); transaction costs

majority rule. Because of the unidimensionality assumption (A1), L may be thought of as the median member of the assembly; it could also be conceived as the leader of the party or coalition controlling a majority of seats in the assembly. V in fact represents the last member of the assembly needed to override an executive veto by a pre-specified super-majority (cf. Kiewiet and McCubbins 1988). In the case of the U.S. federal government, for example, the super-majority needed is two-thirds of Congresspersons; in other systems it is lower (e.g. an absolute majority in Alabama) or higher (e.g. three-fourths in certain Alaskan legislation). Third, the unidimensionality assumption (A1) is rather restrictive, but greatly facilitates the analysis: multidimensional models do not generate point predictions such as those that drive the solution of the game below, and call for a more abstract analytic apparatus. In Section 4 I discuss a plausible rationale that renders this assumption much less restrictive.¹⁵

Cutting points and preferred-to sets. Some additional notation and a logical proposition will simplify the solution of the game. It follows from the symmetric shape of players' utility functions (A7) that outcomes equidistant from a player's ideal point are utility-equivalent, resulting in the player being indifferent between them. From this implication follows the notion of cutting points. A player's *cutting point* is

(Lupia and McCubbins 1997; Sloss 1973), the division of labor (Shepsle 1979), or political parties (Cox and McCubbins 1995).

¹⁵ For another justification, see Tsebelis and Money (1997), p. 75.

Box 2.1

The OUTCOME-ORIENTED SETTER game

A1-Unidimensionality:

All feasible policies can be mapped into a single dimension. The policy space is represented by a closed interval of the real line, and is denoted $X \subseteq \mathbb{R}$. $x \in X$ represents a particular policy.

A2-Players:

A Legislator, an Executive, and a Veto-override pivot. The initial letter, capitalized, will denote each of these three players: L, E, and V.

A3-Actions:

Players choose their moves from the following action sets:

L : { retain the status quo; propose bill $x \in X$ };

E : { sign bill x into law; veto x };

V : { sustain the veto; override the veto }.

A4-Order of play:

L may propose a bill; in which case E may veto it; in which case V may override the veto.

A5-Outcomes:

If L decides to retain the status quo (denoted SQ), then the game ends and SQ is the outcome. If E signs a bill x passed by L into law, the game ends with outcome x .

In case E vetoes x , the outcome is SQ if V decides to sustain the executive veto, x if he or she opts to override the veto.

A6-Information:

Information is perfect, symmetric, certain, and complete (cf. Rasmusen 1989, pp. 45-48).

A7-Outcome-oriented payoffs:

All players pursue a single goal: to bring policy as close as possible to what they consider ideal. Players have strictly-single-peaked and symmetric utility functions u over X – each player has a unique ideal point over X , representing the outcome yielding him or her maximum utility. Such ideal points are denoted by an i and, because they can differ from player to player, they are distinguished by subscripting each with the corresponding player's letter ($i_L, i_E, i_V \in X$). Utility decreases monotonically on each side of an ideal point. Ties are broken in favor of the outcome that takes less legislative steps to be achieved. Formally, for player J ($J \in \{L, E, V\}$), and letting $n(x)$ stand for the number of legislative steps needed to obtain x ,

$$u_J(x) = f(x, i_J, n(x))$$

where f is such that (for two alternatives x and y)

$$u_J(x) > u_J(y) \Leftrightarrow (|i_J - x| < |i_J - y|) \text{ or } (|i_J - x| = |i_J - y|) \& (n(x) < n(y)).$$

(Box continues next page)

Box 2.1 (continued)

A8-Strategies:

Strategies for each player are of the following general form:

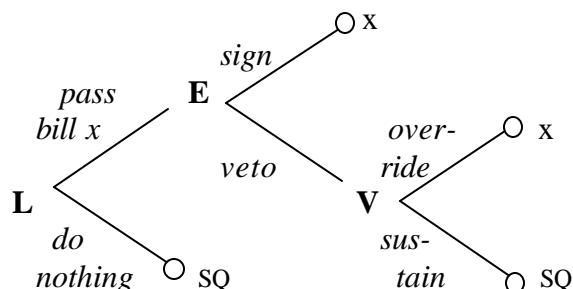
For L: "Propose bill x conditional on the location of i_L , i_E , i_V , and SQ ."

For E: "Accept if x falls within a certain set, veto otherwise," where that certain set is a subset of X determined by the relative locations of i_E , i_V , and SQ .

For V: "Override if x falls within a certain set, sustain otherwise," where that certain set is a subset of X determined by the relative locations of i_V and SQ .

Game Tree 2.1

Extended form of the OUTCOME-ORIENTED SETTER game



Players: **L** – leader of the assembly; **E** – executive; **V** – veto-override pivot.

Outcomes: **SQ** – status quo policy; **x** – assembly leader's policy proposal.

that point in space X that he or she finds indistinguishable from the status quo policy

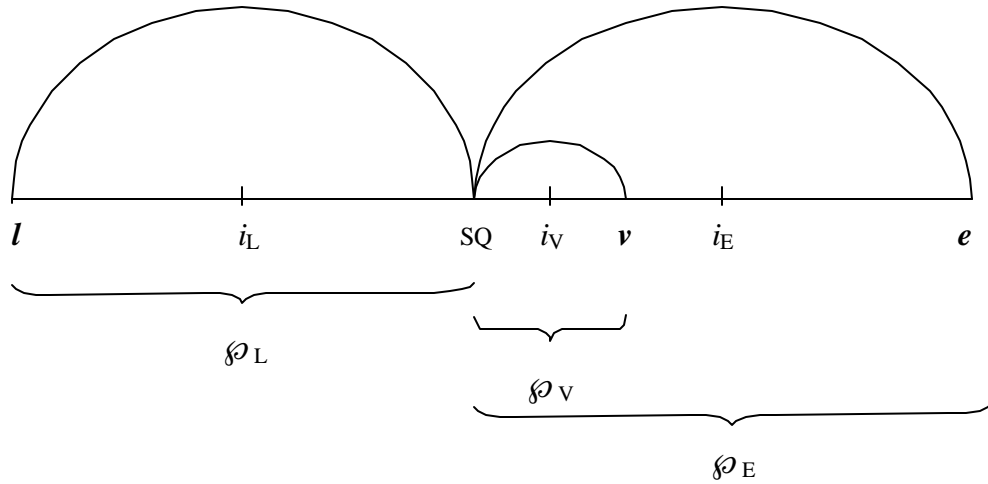
SQ . I denote each of these cutting points by l , e , and v (non-capitals distinguish them

from players' labels), and they are defined in the following fashion:

$$\begin{aligned}
 l &= 2i_L - SQ; \\
 e &= 2i_E - SQ; \text{ and} \\
 v &= 2i_V - SQ.
 \end{aligned}$$

Figure 2.1 portrays the location of cutting points (l , e , and v) relative to players' ideal points (i_L , i_E , and i_V) and to SQ . Geometrically speaking, player J 's cutting point j is

Figure 2.1
The location of players' cutting points and preferred-to sets



the symmetric projection of SQ on X using i_j as the axis (which is why I rely on semi-circles to illustrate the location of cutting points in Figure 2.1).

Taking advantage of the strict-single-peakedness of utility functions (assumption A7) it becomes possible to deduce the following logical claim. Call a player's *preferred-to* set the set of points contained in the segment delimited, on one end, by that player's cutting point and, on the other, by SQ.¹⁶ Denote a player's preferred-to set by a \wp subscripted by that player's initial: \wp_L , \wp_E , and \wp_V . (In Figure 2.1 a player's preferred-to set is delimited by the semi-circle centered in his or her ideal point.)

¹⁶ Player J's preferred-to set is thus the segment $[j, SQ]$ if $j \leq SQ$, or $[SQ, j]$ if $j > SQ$, $J = L, E, V$ (where j denotes J's cutting point).

Lemma 1. *A player will prefer all points contained inside his or her preferred-to set to the status quo, whereas he or she will prefer the status quo to any point outside his or her preferred-to set. Formally, for player $J \in \{L, E, V\}$ with cutting-point $j \in \{l, e, v\}$,*

$$u_J(x \mid x \in \mathcal{J}_J) > u_J(SQ) = u_J(j) > u_J(x \mid x \notin \mathcal{J}_J).$$

Proof. See Appendix.

Lemma 1 follows logically from assumption A7 and the definition of a preferred-to set. Utility curves are single-peaked (reaching a maximum in players' ideal points) and symmetric (per A7), so player J is indifferent between SQ and j , the limits of \mathcal{J}_J . Shifting policy towards the center of the preferred-to set increases J 's utility, while proposals outside of the limits of \mathcal{J}_J decrease utility.

Solving the game. Thanks to Lemma 1, solving the OUTCOME-ORIENTED SETTER game in order to specify its equilibrium becomes an easy exercise. The equilibrium concept I rely on is sub-game perfection, a solution guaranteeing that, in equilibrium, any threat that a player makes is in fact credible (Schelling 1960, pp. 123-31). This equilibrium concept results from the assumption that all players are capable and willing to look down Game Tree 2.1 when they chose their optimal moves.

Letting x^* denote L 's optimal bill proposal, $R_E^*(x)$ denote the Executive's best reply to x , and $R_V^*(x)$ denote V 's best reply to x , I make the following claim.

Proposition 1 – The pure outcome-orientation equilibrium. *The following set of strategies characterizes the sub-game perfect equilibrium to the outcome-oriented SETTER game when $i_L \leq SQ$ (otherwise the result is symmetric):*

$$x^* = \begin{cases} i_L & \text{if } \min(e, v) \leq i_L, \\ \min(e, v) & \text{if } i_L < \min(e, v) \leq SQ, \\ SQ & \text{if } \min(e, v) > SQ. \end{cases}$$

$$R_E^*(x) = \begin{cases} \text{sign } x \text{ into law} & \text{if } x \in (\wp_E \cup \wp_V), \\ \text{veto } x & \text{otherwise.} \end{cases}$$

$$R_V^*(x) = \begin{cases} \text{override a veto} & \text{if } x \in \wp_V, \\ \text{sustain a veto} & \text{otherwise.} \end{cases}$$

Proof. See Appendix.

In the claim, $\min(e, v)$ refers to the minimum of cutting-points e and v . Let me provide the logic behind the derivation of Proposition 1. Sub-game perfection is attained by solving the game backwards (Morrow 1994, pp. 128-33), starting with the V-player located in the last decision node of Game Tree 2.1. This choice is straightforward: V will simply pick the action which maximizes his or her utility, with no further strategic considerations. Which option (*override* or *sustain*) accomplishes this end, of course, depends on what bill x looks like. As is clear in Game Tree 2.1, V gets to play only if E, in the previous move, opted to veto a bill sent by L to his or her desk. V's option to sustain the veto or to override it is equivalent to a choice between retaining SQ if the veto is sustained, or bringing policy to x if the veto is overridden. By Lemma 1, finding V's best reply to any proposal x is straightforward: "*Override a veto if the bill in question is within \wp_V ; sustain the veto otherwise.*"

Moving backwards one node in Game Tree 2.1 brings us to E's choice to sign bill x into law or veto it. E will sign bill x into law whenever x is contained by his or her preferred-to set. When x does not belong in \mathcal{P}_E , however, the analysis of E's choice is a bit more elaborate because he or she needs to anticipate what V will do next. But we already know what V's optimal choice looks like (as deduced above). When V also dislikes the bill in question, a veto will be sustained – the veto thus allowing E to retain SQ. When, on the other hand, V prefers the bill in question to SQ, the veto will be overridden, establishing x as the new policy outcome despite the veto. Because the utility function deflates players' utility by the number of legislative steps needed to reach an outcome (A7), E finds it preferable to immediately sign a bill whose veto would be overridden anyway. E's best reply to any bill x thus becomes:

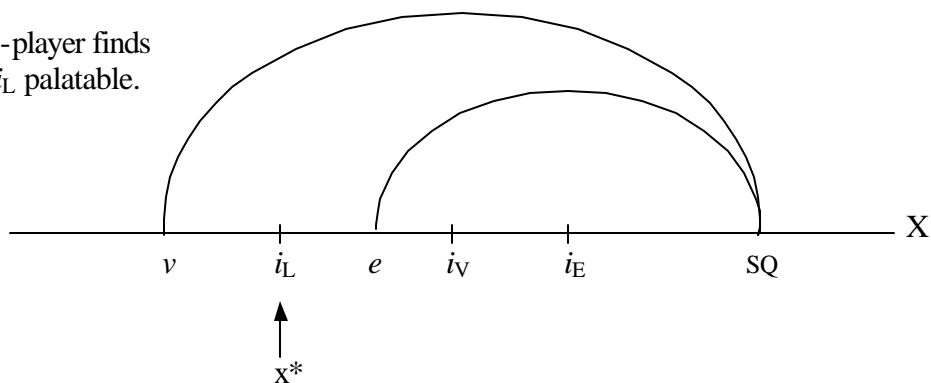
“Sign bill x into law if x is either in \mathcal{P}_E or x is in \mathcal{P}_V ; veto x otherwise.”

Another level up Game Tree 2.1 brings us to the starting node, where L gets to choose whether to retain the status quo or propose a bill and, if so, which bill to send to E's desk. L's choice is now contingent on what E and V will do subsequently. So, for example, when SQ is distant enough from every player's ideal, L is free to impose new policy at his or her ideal (i.e. $x = i_L \in \mathcal{P}_E$ is signed by player E because it's so much closer than SQ). When this is not the case, however, the situation is a bit more elaborate. Figure 2.2 illustrates.

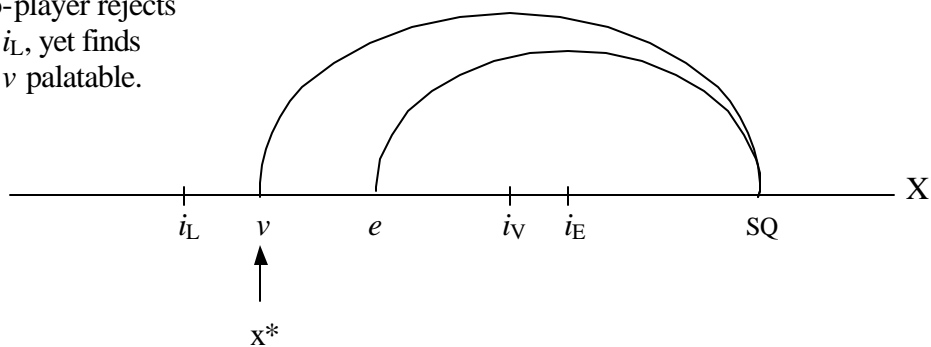
When i_L belongs in V's preferred-to set ($i_L \in \mathcal{P}_V$), player L is once more free to impose his or her ideal as new policy: the logic is that player V will eventually override a veto if it were to be issued. Figure 2.2(a) illustrates such a situation: faced

Figure 2.2
The Legislator's choice of an optimal bill x^* in OUTCOME-ORIENTED SETTER

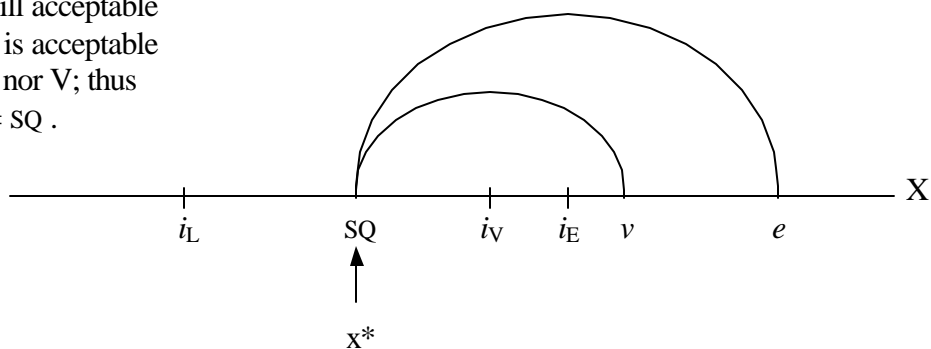
(a) Veto-player finds
 $x = i_L$ palatable.



(b) Veto-player rejects
 $x = i_L$, yet finds
 $x = v$ palatable.



(c) No bill acceptable
to L is acceptable
to E nor V; thus
 $x^* = SQ$.



with a proposal $x = i_L$, the Executive would rather retain SQ, yet is powerless in front of a V-player with contrary preferences. The equilibrium outcome is $x^* = i_L$.

When neither E nor V is so accommodating, L is forced to make concessions to one of them if new legislation is to be enacted. In doing so, L picks the partner whose preferences are more similar to his or hers. Case (b) in the figure illustrates a situation where V's preferences are more kindred to L's than E's preferences are. If L proposes bill $x = v$ (right on V's cutting point), player V is guaranteed to override any attempt by E to veto new legislation. In this scenario L does not get his or her ideal, but nonetheless makes a considerable gain over SQ. The distance from i_L to $x = v$ is, in fact, a measure of the concession that L had to make to obtain V's support.

There are also situations when the size of this concession is too large for L. Such a situation is portrayed in case (c) in the figure: any improvement over SQ that player V will accept leaves L worse off. In this case players E and V block any attempt by L to change the status quo.

In this fashion, player L's optimal strategy is the following: *"Propose $x = i_L$ if either e or v are to the left of i_L ; if either e or v is (are) between i_L and the SQ then propose $x = e$ or $x = v$, whichever is lowest; if both e and v are to the right of SQ refrain from making a proposal"*. Proposition 1 translates the three best-reply strategies into a formal statement of the game's equilibrium.

Life off the equilibrium path. The following hypothesis is a well-known implication of Proposition 1 (Cameron 2000; Kiewiet and McCubbins 1988, p. 731; McCarty and Poole 1995, p. 310):

Hypothesis 1 – Zero veto implication. *The outcome-oriented SETTER game, in equilibrium, will not produce executive vetoes under any circumstance.*

The logic backing this hypothesis is simple: strategic anticipation. It follows from Proposition 1 that, whenever there is a veto threat, L will seek to accommodate the preferences of V in order to obtain his or her support for a successful override, thus circumventing the bite of the veto. The Executive, upon receipt of such compromise bill, knows (by A6) the outcome-uselessness of the veto, choosing instead to sign the bill into law in order to economize two legislative steps (as prescribed by A7). When, on the other hand, such a compromise with V is not feasible, then player L will prefer to initiate no bill at all, again diverting the occurrence of a veto.

The SETTER can be credited with having explained why so few vetoes are observed in the legislative process: in Chile from 1990 to 1994, for example, the president signed 28 bills to law for every one he vetoed – a ratio of 28:1 (Smok 1994); in the U.S. between 1945 and 1992 the ratio is 40:1 (Cameron 2000); in Venezuela from 1959 to 1989 it is 77:1 (Archivo de Diputados Various years). But the very same logic begs the following question: Why so *many* vetoes? The outcome-oriented SETTER is confronted with the well documented fact that vetoes occur from time to time in inter-branch bargaining, and sometimes occur frequently. In the U.S., for example, the last congressional session during which none of the bills sent to the president's desk was vetoed was the 32nd; this took place back in 1851-52, during

Table 2.1

Veto incidence in comparative perspective: number of vetoes and yearly average in selected cases

	Years observed	Number of bills vetoed by the executive	Average vetoes per year observed
California	1983-1993	2,953	268
Brazil	1985-1996	870	72
New York	1983-1993	643	58
Texas	1983-1993	258	23
Florida	1983-1993	176	16
Argentina	1983-1997	212	14
U.S.	1945-1992	434	9
Chile	1990-1994	16	3
Venezuela	1959-1995	20	0.5
Mexico	1997-2000	0	0

Sources: Smok 1994; Marcano 1995; CSG various issues; Cameron 2000; *La Jornada*, Mexico City (various years); PRODASEN 1996; DIP 1997.

Millard Fillmore's Whig presidency (Lee 1975, p. 527).¹⁷ The null hypothesis attached to Hypothesis 1 has prevailed for a long time.

Table 2.1, which contains information on executive veto incidence in selected separation-of-power systems, makes life more difficult for this claim. Of the cases included in the table, only Mexico fits a crucial expectation of the pure outcome-oriented SETTER perfectly, while Venezuela and Chile (with .5 and 3 yearly vetoes, on average) approximate it. In all the remainder cases, executive vetoes are frequent, ranging from 9 per year on average in the U.S. to 72 per year on average in Brazil, and

¹⁷ In fact, James Garfield (Rep.) did not veto any bill, but he was shot only four months after his inauguration in 1881. Chester Arthur, who finished the term (1881-85), did in fact veto 12 bills (cf. Pious 1979, pp. 207, 430).

even 268 per year on average year in California. A very solid case for the rejection of the Zero Veto Implication Hypothesis can be made. The large variation in the incidence of executive vetoes actually suggests an interesting research question: What explains variation in the use of the executive veto? The next section provides a set of conditions for a non-zero incidence of executive vetoes.

2 Position-taking politicians (with no uncertainty)

“Every fight consists of two parts: (1) the few individuals who are actively engaged at the center and (2) the audience that is irresistibly attracted to the scene.”
-Schattschneider (1960, *The Semisovereign People*, p. 2.)

Why does the outcome-oriented game predict no vetoes? The answer, I mentioned above, has to do with the law of anticipated reactions. By this law, and in accordance with the model's assumptions, if (a) the Legislator knew with certainty that a given range of proposals will be vetoed by the Executive with no possibility of override, then (b) because there is nothing to win from such excursions back to the status quo, the Legislator would refrain from sending a proposal in that range in the first place. By the same token, if (a) the Executive knew with certainty that his or her veto over a given proposal will be overridden by the assembly, then (b) because there is nothing to win from having the assembly override his or her veto, he or she would refrain from vetoing it. Under pure outcome-orientation players are trying to bring policy closer to their ideal. A veto does not influence this distance, only the credible threat of a veto (Kiewiet and McCubbins 1988; Schelling 1960).

One possible way that a veto can follow in the model is when the (a) clause in either of the sentences above is not true – i.e. if the model is freed from its clairvoyance assumption by introducing uncertainty. This modification is the essence of Cameron’s model of veto politics with incomplete information, which affects assumption A6 in the model (2000; McCarty 1997; see also Roth 1995, p. 292). Vetoes, in a Cameronian world, are a combination of mistaken evaluations of other players’ preferences and a strategic reputation-building device in light of incomplete information that is asymmetric.

Another possible way to account for vetoes is when the (b) clause in either sentence is not true: situations can be conceived where a veto acquires value *per se* for one or more players. Vetoes are a relatively noticeable political event, and as such offer an excellent opportunity to advertise a politician’s or a party’s commitment to a certain cause, and perhaps to embarrass opponents with the public at large (Kernell 1991, p. 102). Such behavior is analogous to a temporary abandonment of the bargaining table in order to rally up support, mobilize followers, and in this fashion strengthen one’s side relative to the adversary’s in the next round of bargaining.¹⁸ This is position-taking.

Players should involve themselves in such behavior when there is little to be won from permanence in the bargaining table relative to a bigger prize to be made elsewhere. The logic of these excursions is something like this: when your opponent is

¹⁸ This suggests the need for a dynamic model similar to Cameron’s *Sequential Veto Bargaining* game.

unwilling to make concessions either (i) try to convince someone who has good influence over him or her; or (ii) seize any opportunity to replace your opponent with a more accommodating one. The consolidation of television as a near universal household appliance in the U.S. offered presidents an unprecedented opportunity to *go public*, addressing the public in their very living-room; presidents have thus systematically attempted to persuade congresspersons' constituents to pressure their representative to support presidential policy (Kernell 1993). Approximating elections, I will argue below, offer periodical junctures to replace a recalcitrant opponent (say, an opposition majority in Congress) with a more conciliatory one (a majority of one's party). Position-taking acts are attempts to exploit the potential benefits of these scenarios.

Veto occurrence can be explained by freeing the SETTER model from its single-mindedness assumption – i.e. if *position-taking*, one of three activities that reelection-minded politicians engage in Mayhew's (1974, p. 61) classic model, is included among players' goals, along with policy. By this account players also seek to exploit opportunities to undertake publicity stunts. The Legislator may send a bill knowing, beforehand, that it will be vetoed – in fact, despite and because of a veto threat – in order to advocate a position demanded by constituents. By acting so, he or she can show that the reason why the desired policy is not enacted into law is found in the Executive's unreasonableness and recalcitrance. For similar purposes, the Executive may be willing to veto a bill knowing beforehand that the outcome will be an override. He or she does this not in order to retain the status quo, but in order to visibly make a

pronouncement in favor of it, publicizing that he or she did not calmly allow the assembly to impose dreadful new policy. Such explanation for the occurrence of

Box 2.2

The POSITION-TAKING SETTER game

**Retain A1 through A8 (see Box 2.1)
replacing A7 with the following assumption:**

A7'-Position-taking payoffs:

All players pursue dual goals. On the one hand they are outcome-oriented – i.e. they wish to bring policy as close as possible to their ideal point. On the other they seek to exploit position-taking opportunities – i.e. they wish to advocate policies close to their ideal. Formally, let A denote an action from player J's action set, $out(A)$ denote the (outcome-oriented) equilibrium outcome resulting from J's choice of A as per Proposition 1, and $pos_J(A)$ denote the position that gets advertised by player J's action A , such that:

J	A	$pos_J(A)$	the position advertised reads like
L	<i>pass bill x</i>	$pos_L(bill\ x) = x$	"I prefer x over SQ"
L	<i>pass no bill</i>	$pos_L(no\ bill) = SQ$	"I prefer SQ over all $x \neq SQ$ "
E	<i>veto x</i>	$pos_E(veto) = SQ$	"I prefer SQ over x"
E	<i>sign x</i>	$pos_E(sign) = x$	"I prefer x over SQ".

The action-contingent utility for player J of action A is

$$u_J(A) = - |out(A) - i_J| - |pos_J(A) - i_J| \times \delta, \delta \geq 0.$$

veto has been suggested by Neustadt (1990), Kiewiet and McCubbins (1988, p. 731), and Kernell (1991), among others. I pursue a formalization of it in this section.

Box 2.2 contains (a compact version of) the assumptions in POSITION-TAKING SETTER game. All but one of the assumptions of the OUTCOME-ORIENTED SETTER are replicated in this revised version: assumption A7 regarding players' payoffs is replaced with a slightly modified A7', along the lines of the discussion above.

Under A7'-type motivation, players' utility can be broken in two additive components. The *outcome-contingent* component of utility is still a strictly-single-peaked and symmetric function over X , as under A7: outcomes closer to a player's

ideal point increase utility. But a player's utility now also has an *act-contingent* component, affected by the actions chosen by players independently of the outcome to which they led to. Two different actions A and A' undertaken by player J may advertise two different positions (denoted as $\text{pos}_J(A)$ and $\text{pos}_J(A')$), one possibly closer to a J 's ideal i_J . An advertisement closer to i_J increases utility via the act-contingent component; such advertisement is weighted by a parameter $\delta \geq 0$. Note that when $\delta = 0$ we are back in the pure outcome-oriented world because the position-taking component vanishes to zero.

The model is simplest by assuming that δ is small enough to prevent conflicts between the two components of utility. For sufficiently small δ s, the position-taking element of utility will never be larger (in absolute value) than the outcome element, hence serving merely as a tie-breaking device for two actions leading to the same outcome. So, for example, if SQ lies closer to E 's ideal than x and E anticipates that a veto to bill x will be overridden, E faces a choice between two actions resulting, *both*, in outcome x . But although the outcome components are identical, the position advertised by the “*veto*” action ($\text{POS}_E(\text{veto})=SQ$) is closer to i_E than the position advertised by “*sign*” ($\text{POS}_E(\text{sign})=x$). The act-contingent component of utility breaks the tie in favor of the latter action: a “position-taking” player E prefers to veto bill x . Whenever the act-contingent component turned out to prescribe a choice of action

contrary to the outcome-contingent component, a small- δ assumption takes care of “shrinking” the conflict out, thus making it easy to find the equilibrium of the game.¹⁹

Note finally that player V, at the end node, has not been mentioned in this section. The reason is that V’s actions, because they lead directly to final nodes, are never outcome-equivalent.²⁰ Given a small- δ assumption – which makes position-taking matter *only* in case of outcome-ties – V is left out of the position-taking dimension of the game.

The switch from assumption A7 to assumption A7’ introduces the possibility of “hopeless” actions from the perspective of outcomes: a hopeless proposal from L (a position-taking bill, or PTB) or a hopeless veto from E (a position-taking veto, or PTV). I make the following claim.

Proposition 2 – The position-taking equilibrium. *For a small δ , the following set of strategies characterizes the sub-game perfect equilibrium to the POSITION-TAKING SETTER game when $i_L \notin SQ$ (otherwise the result is symmetric):*

$$x^* = \begin{cases} i_L & \text{if } \min(e, v) \leq i_L, \\ \min(e, v) & \text{if } i_L < \min(e, v) \leq SQ, \\ i_L & \text{if } \min(e, v) > SQ. \end{cases}$$

$$R_E^*(x) = \begin{cases} \text{sign } x \text{ into law} & \text{if } x \in \mathcal{P}_E, \\ \text{veto } x & \text{otherwise.} \end{cases}$$

$$R_V^*(x) = \begin{cases} \text{override a veto} & \text{if } x \in \mathcal{P}_V, \\ \text{sustain a veto} & \text{otherwise.} \end{cases}$$

¹⁹ See the proof of Proposition 3 in the appendix to see how “small” δ needs to be.

²⁰ This holds true unless we deal with the trivial case where $x = SQ$.

Proof. See Appendix.

The logic behind Proposition 2 is similar to that of Proposition 1. Proceeding backwards, V's situation is unchanged in the position-taking version of the SETTER game. In previous nodes, given a small δ , only instances where E's (and later L's) two choices lead to the same outcome need to be considered. Otherwise the result is the same as in the outcome-oriented SETTER game. Indifference arises when player E would like to veto legislation but the veto is bound to an override by V. The outcome is x whether E vetoes bill x or signs it. (The proof of Proposition 1 indicates that this situation arises whenever $x \notin \mathcal{P}_E$ but $x \in \mathcal{P}_V$.)

Under pure outcome-orientation the veto had no intrinsic value whatsoever. In the position-taking game, on the contrary, a veto may be valuable *per se* to player E, on top of policy outcomes. In the present situation the veto gives E an opportunity to advocate the status quo that will nonetheless be changed. Given this, the Executive's optimal reply to any bill received on his or her desk is the following: *"Sign bill x into law if x is in \mathcal{P}_E ; veto x otherwise."* Note that the difference with the equilibrium best-reply in Proposition 1 is subtle: that one said "*if x is in \mathcal{P}_E or in \mathcal{P}_V* ". Below I show that this small difference can have a big effect on equilibrium actions.

The executive's use of the veto may also be valuable to player L under different circumstances. In a situation where players E and V are against legislation desired by player L (i.e. both e and v are to the right of SQ when i_L is to the left), any proposal that L is willing to push is killed by the other two players. Under pure outcome-orientation, L refrained from proposing anything bound to be butchered in

this fashion. The position-taking SETTER game, on the contrary, offers L an opportunity to force the executive to use the veto against bill x , thus making the dual pronouncement that he or she made an effort to bring some change but the other branch is reactionary. L's optimal strategy in the position-taking game becomes the following: *"Propose $x = i_L$ if either e or v are to the left of i_L ; if either e or v is between i_L and the SQ with the other to the right of SQ , or both e and v are between i_L and the SQ , then propose $x = e$ or $x = v$, whichever is lowest; if both e and v are to the right of SQ propose $x = i_L$ to provoke a veto."* Note that, once again, the difference with the outcome-oriented version of the game is subtle: L's optimal strategy had read "...propose $x = SQ$ " at the end.

Summing up, the revised SETTER model makes players' behavior be guided as if by pure outcome-oriented incentives under most circumstances: players are first outcome-oriented, then position-taking. When two actions lead to the same outcome, a player chooses the action best allowing him or her to advertise the relative location of ideal points. Under position-taking motivations, when L cannot change SQ (making some gain) due to a sustained veto down the game tree, he or she chooses to provoke the veto by passing legislation at his or her ideal. Similarly, when E's veto will be overridden he or she chooses to bring about the override with an outcome-hopeless veto that signals his or her preference for SQ .

My notion of position-taking contrasts with that suggested by Groseclose and McCarty (2001). In their model, the legislature is trying to present the president as an extremist, and this may be done at the expense of feasible policy gains from continued

bargaining. Moreover, the president, in an attempt to appear conciliatory, is willing in their model to accept policy that he (and, thus, his core constituents) opposes to the status quo (pp. 100-101).²¹ Unless we are talking of infinitesimal policy gains from continued bargaining, these results are rather implausible, especially the latter.

Groseclose and McCarty actually fail to give an example of this type of ‘sacrificial’ behavior: they illustrate their position-taking claim with the decision by the Democrat-led Congress in 1992 to pass a Family Leave bill which they knew George Bush would veto (while analysts believe Bush was willing to sign a more moderate bill.) This example looks more like a situation of gridlock (or one with only tiny possible gains from bargaining) that actors chose to turn into a publicity stunt opportunity. No example of a politician incurring policy losses to avoid being unpopular is provided.

Groseclose and McCarty’s utility function permits conflicts between the outcome-contingent component and the act-contingent one. In my model such conflicts are eliminated by a small δ weight on the latter component: whenever there

²¹ My model generates one of Groseclose and McCarty’s result: that players may send proposals for the adversary to reject. It does not generate other results which I find somewhat troubling. In their model, a player may be willing to sign a bill that he or she disprefers to the status quo (thereby affecting core constituents) in order not to appear extremist in the eyes of a moderate voter. In my model players never sacrifice any feasible policy gain nor would they incur in policy losses for the sake of publicity; position-taking only enter the fray when a player’s actions cannot affect the outcome in terms of policy.

Another difference is that in Groseclose and McCarty’s model a presidential veto always plays to his disadvantage by signalling his extremism, hence dropping his popularity. In my model a president who knows a veto of his will be overridden with certainty can still use it to force the assembly to vote again on the bill, while making his opposition to policy change clear; whether this increases or decreases presidential popularity is an open question.

are policy-outcome gains to be made, players will exploit them. The small δ takes care to render position-taking gains smaller in absolute value to outcome-oriented gains, thereby letting the latter guide action (unless the latter is nil).

In other words, the dose of position-taking that I am adding to the outcome-oriented SETTER game is minimal. The comparative statics results in the next section show that, despite this microscopic modification, predictions are markedly different: the SETTER equilibrium is not robust to a slight change to A7. Very little position-taking suffices to support lots of executive vetoes in equilibrium (see Groseclose and Milyo n.d. for a similar result with regards to preferences).

3 Predicting the number of vetoes

We are confronted with two problems when it comes to testing the propositions. The first is that the games' equilibria are stated in terms of players' preferences for policy (e.g. "if the status quo is located between the ideal points of players such and such then..."); preferences belong to the realm of the non-observable, hence non-testable. The second problem is that the equilibria identified by the propositions make point predictions under a *ceteris paribus* claim. Even in the laboratory it is impossible to have "all other factors" remain constant (Holland 1986); outside the laboratory this impossibility is magnified, other factors typically not remaining constant. This complicates disentangling the independent effect of the variables under scrutiny from the effect of many other factors that would need to be controlled.

Box 2.3

Auxiliary assumptions

A1'-Multidimensionality:

All feasible policies can be mapped into an N -dimensional policy space $X \subseteq \mathbb{R}^N$. A particular policy vector on X is represented by a small x . Each dimension is normalized to the $[0,1]$ interval.

A9-Separability:

The utility that player $J \in \{L, E, V\}$ derives from a given policy vector $x = (x_1, \dots, x_N)$ is the sum of the component from each dimension of X :

$$u_J = \sum_{n=1}^N u_{J,n}$$

A10-Inter-dimensional sameness:

For all $n=1, \dots, N$ and all $J \in \{L, E, V\}$, $i_{J,n} = i_J$.

A11-Stochastic status quo:

The status quo changes from one dimension to the next according to a common-knowledge probability density f such that $\int_X f dx = 1$ and $\int_Z f dx \neq 0 \quad \forall Z \subseteq X$.

The difficulties can be surmounted in two steps. First, instead of testing propositions about unobservable factors, I test deductive implications of the propositions that deal with elements that are actually observable. The observable implication of my choice is the incidence of executive vetoes. Second, instead of testing point predictions, as those in the equilibria above, I rely on comparative statics – i.e. claims of the form “as players’ ideals become more distant, the incidence of vetoes should never go down” (Kreps 1990, esp. pp. 529-31).

I start by relating the dependent variable (executive veto incidence) to the POSITION-TAKING SETTER game. This exercise calls for auxiliary assumptions; I follow the extension of the unidimensional spatial model presented by Cox and McCubbins (1999) for this purpose. Box 2.3 contains four auxiliary assumptions which suffice to derive testable hypotheses. The model now assumes that there are n policy

instruments that politicians may adjust (A1') – like setting defense spending; adjusting minimum wages; nominating and selecting justices for the Supreme Court; and so forth. The model avoids the complexities of multidimensionality (in R^n space) by assuming at the same time that politicians have *additively separable preferences* (A9). This means that the utility that any player derives from a given policy vector $x = (x_1, \dots, x_n)$ declines with the sum of the distances between policy in each dimension and his or her ideal point in that dimension. It is thus possible to treat each of n policy instruments as a separate (uni-) dimension, as per A1; distance in each dimension then aggregates into a compound measure of welfare.

I also assume that in all n dimensions any given player's ideal point is identically located (A10), while the status quo's location is allowed to vary from one dimension to the next (A11). It now becomes possible to map players' ideal points onto a generic dimension X (as I have done in the models above) and represent the different status quo policies by means of a (common knowledge) probability density curve f over X .²² A uniform SQ density function, for example, would indicate that the status quo in a randomly picked policy instrument may lie anywhere on that dimension with the same probability; a normal density function would indicate that the status quo

²² “[T]he status quo outcome on any given dimension may have drifted over a number of years (e.g., a once generous minimum wage erodes with inflation), or experienced a sudden shift (e.g., various foreign policy dimensions look quite different after the fall of the Berlin Wall)” (Cox and McCubbins 1999, p. 11). In their model the status quo in dimension j at time t is the same as the status quo in dimension j at time $t-1$ plus a random error: $SQ_{j,t} = SQ_{j,t-1} + \epsilon_j$, where ϵ_j is a random variable with common knowledge probability distribution. This produces a probability density of SQs over X at time t .

lies towards the center of the dimension with higher probability than in the tails, and so forth. The actual shape of this density, provided that it is continuous and positive over (the subset of) X , has no effect on the results below. For simplicity (and without loss of generality) I assume it to be uniform.

Comparative statics. It follows from Proposition 2 that different SQ policies produce different equilibrium outcomes, with different paths leading to them. We will be interested in the range of SQs that is associated with the occurrence of a veto. If we know the probability with which the status quo may fall within any given range of X , then it becomes possible to attach a probability to the occurrence of executive vetoes. This is the essence of the prediction-generating exercise below.

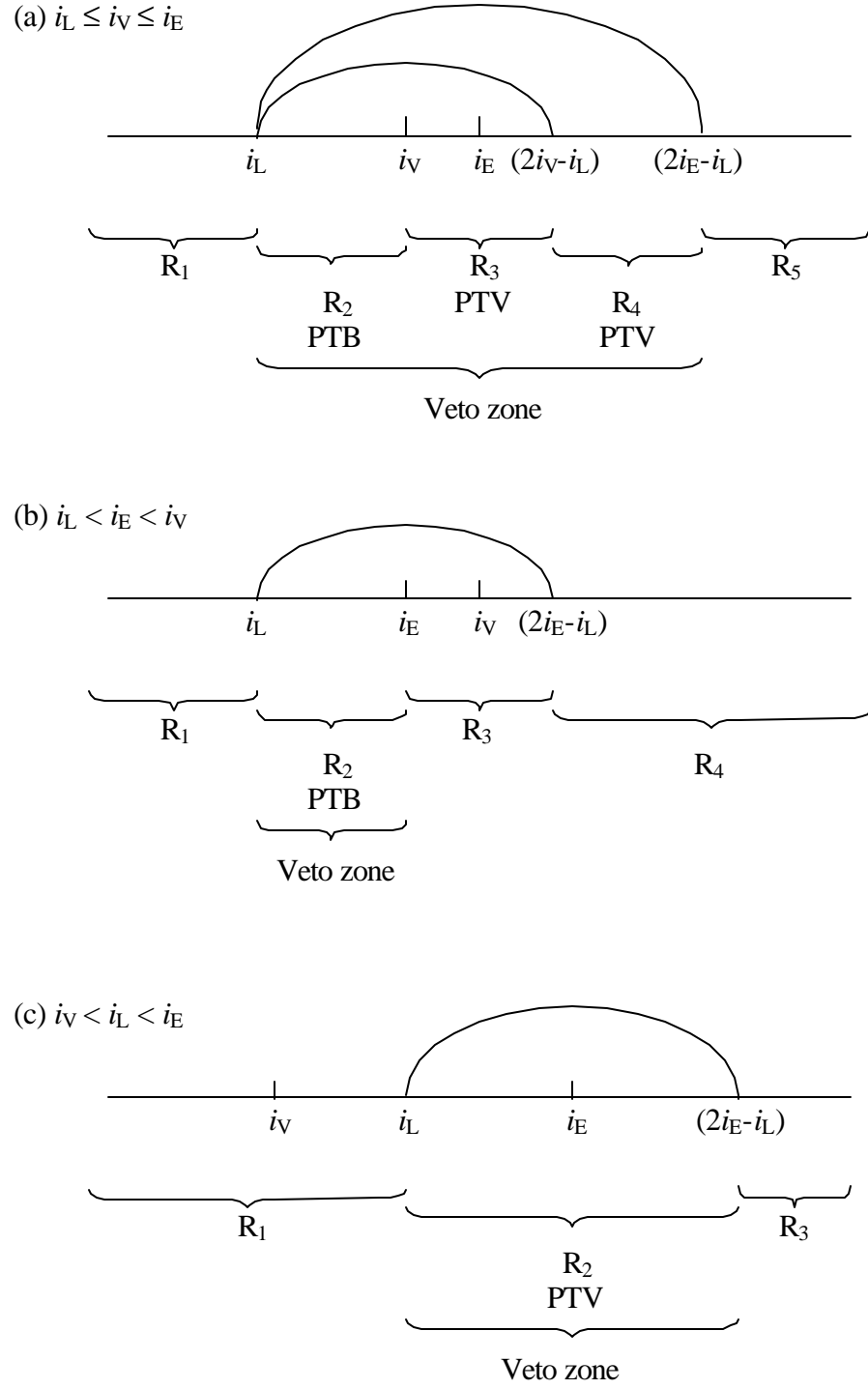
Proposition 3 – The likelihood of a veto. *When $i_L < i_E$ (otherwise the result is symmetric), the likelihood that the equilibrium path of the position-taking SETTER game passes through a veto is inversely proportional to i_L , directly proportional to i_E , and has no relation with i_V . Formally, letting r stand for the incidence rate (probability or percentage) of vetoes over a fixed and large number of proposals, then*

$$\frac{\partial r}{\partial i_L} < 0; \quad \frac{\partial r}{\partial i_E} > 0; \quad \text{and} \quad \frac{\partial r}{\partial i_V} = 0.$$

Proof: see Appendix.

The proof of Proposition 3 considers all possible locations of SQ in order to identify the subsets resulting in an executive veto under all possible preference profiles. For this purpose, I define the *veto zone* as the set of SQ locations on X that, given a profile of ideal points, in equilibrium either makes L send a position-taking bill (PTB) for E to kill with a (sustained) veto, or make E emit a position-taking veto (PTV) that is overridden. I illustrate the delimitation of the veto zone of a given

Figure 2.3
Predicting the number of vetoes depending on the location of SQ



profile in Figure 2.3, which facilitates an understanding of the determinants of vetoes in the model.

Case (a) in the figure portrays a profile where player L is to the left of V, who in turn is to the left of E ($i_L \leq i_V \leq i_E$). Whenever SQ falls to the left of i_L (in the region labeled R_1 in the figure) or to the right of the symmetric projection of i_L on i_E (in region R_5) then the path leading to the equilibrium outcome is straightforward. This is a situation in which the status quo is so far away that everyone is better-off letting L establish new policy at his or her ideal. A new bill located at $x = i_L$, because it is closer to i_E than SQ , is signed by E into law. No veto will occur when $SQ \in R_1 \cup R_5$.

On the contrary, when $SQ \in R_2$ (between the ideal points of L and V) reaching the equilibrium outcome of the position-taking game passes through an executive veto. This time, any bill that L finds preferable to SQ worsens both V and E's welfare; hence, if proposed, it would be vetoed and the veto sustained. Yet this situation offers L an opportunity to advertise his or her position through the proposal of a PTB. When $SQ \in R_3$, again the game path crosses an executive veto in equilibrium. Now a compromise bill is possible between L and V to override E's veto, yet E grabs the opportunity to issue a PTV stating his or her opposition to the new bill. The same occurs if $SQ \in R_4$, so the veto zone of this profile is formed by the reunion of $R_2 \cup R_3 \cup R_4$. Whenever SQ falls within this range a veto will occur in the play of the position-taking game.

Cases (b) and (c) follow the same logic (see the proof in the Appendix) and exhaust possible profiles. One lesson from this logical exercise is that, no matter which profile you take into consideration (a, b, or c), the veto zone is delimited by

player L's ideal point on one end and on the other by the symmetric projection of this point on X using player E's ideal point as the axis of projection. Thus the locations of i_L and i_E are the only determinants of the veto zone.

This lesson is particularly useful for the purpose of predicting veto incidence rates.²³ By placing a probability density of SQs over X (as per A11) we are in a position to claim that the incidence rate of vetoes is proportional to the width of the veto zone. Increasing (decreasing) the size of the veto zone will augment (reduce) the incidence rate. All else constant, the veto zone shrinks as i_L shifts closer to i_E : the incidence rate shrinks as well. All else constant, the veto zone becomes wider as i_E shifts away from i_L : the incidence of vetoes widens too. All else constant, the size of the veto zone is left unchanged when i_V changes: it has no impact on the incidence of executive vetoes.

Hypotheses. Proposition 3 is coined in terms of the location of players' ideal points in space. I discuss now some factors affecting the location of i_L , i_E , and i_V in X, starting with the latter. The location of i_V is affected, among other things, by the override super-majority requirement (call it $Q \in (1/2, 1]$). To see this, line-up mentally members 1 through 99 of an assembly from most liberal to most conservative. Re-label members so that $i_1 \leq i_2 \leq \dots \leq i_{99}$. Note now that when a decision is being made by absolute majority rule, member 50 is pivotal. Changing to $Q = 2/3$ (while leaving the rest unchanged) slides the pivot to members 33 and 66, depending on which side of

²³ Incidence rates may be interpreted as percentages of vetoes over a fixed and large number of bills, or the probability that any of a large number of bills is vetoed.

the median SQ belongs to. Affecting Q shifts the identity of the player V in the same fashion, bringing his or her ideal point i_V closer or further away from that of L. The following hypothesis ensues from Proposition 3:

Hypothesis 2 – Nil Position-Taking Impact of Q . *The incidence of vetoes in the position-taking SETTER game is unrelated to the super-majority required to override a executive veto (so long as the Executive has a veto power). Formally, letting $Q \in (1/2, 1]$ stand for the majority required to override a veto, r stand for the incidence rate (probability or percentage) of vetoes over a fixed and large number of proposals, then*

$$\frac{\partial r}{\partial Q} = 0.$$

By affecting the location of i_V (which, we saw above, has no effect on veto incidence), the override requirement modifies, all else constant, the size of the concessions that L needs to make to V in order to obtain a veto-proof bill, but does not affect the incidence of vetoes.

The reminder claim made in Proposition 3 regards the location of i_L and i_E . If the best proxies we have for the preferences of the Legislator and the Executive are their respective party labels, then it is possible to claim that the ideal points of L and E are closer to each other when they both belong to the same party than when there is split control of the branches. This permits to deduce the following hypothesis from Proposition 3:

Hypothesis 3 – Divided-Government Surge. *When the Legislative Assembly is controlled by a party other than the Executive's, all else equal, the number of vetoes in the position-taking SETTER game is higher than when the Executive's party controls the Legislature. Formally, if D is a binary variable (standing for Divided government; equal to one when different parties control the executive and legislative branches; zero otherwise) and r is the incidence rate (probability or percentage) of vetoes over a fixed and large number of proposals, then*

$$\frac{\partial r}{\partial D} > 0.$$

The result exposed in the Divided-Government Surge hypothesis has been amply documented in the literature: U.S. presidents have tended to veto a higher number of bills when they face an opposition Congress (Lee 1975, p. 538; Pious 1979, p. 203; Rohde and Simon 1985, p. 410). In chapter 3 I will confront it with evidence from the other systems of separation of power of the U.S. – its state governments. One extension of the thesis that I plan to undertake consists of gathering evidence from Latin-American systems of SOP to test the accuracy of this hypothesis.

Controlling for bicameralism. In line with much of the literature, the games above portray the legislative assembly as a unitary actor. Bicameralism may render this characterization problematic. The model ignores the fact that when it comes to proposing a new bill, each chamber in a bicameral body possesses a veto over the decisions of the other. If both houses are reasonably similar, then a unitary-actor characterization of the legislature (L) seems appropriate. But when chambers differ, a single ideal point representing them both is, in fact, misleading and may bias results (Tsebelis and Money 1997).

I briefly consider the impact of a bicameral assembly, without going as far as introducing a second set of legislative players into the model.²⁴ Testing the model will require a control for bicameralism; I again rely on party labels as proxies for the preferences of the players.

Split partisan control of a bicameral assembly has consequences at both the bill-proposal and the veto-override stages. In the latter, split control increases the capacity of the executive veto to extract policy concessions from the assembly, by making the pivotal override player more similar to the executive (Cameron 2000, chapter 5).²⁵ Of more immediate use are the effects of a divided assembly on the bill-proposal stage. The second chamber of a divided assembly can exercise its own veto over the proposal of the originating chamber before the Executive gets a chance to veto it him- or herself. This reduces inter-branch conflict but increases intra-branch tensions in the legislature, effectively “shrinking” the executive veto zone.

²⁴ Fully bicameral models do not generate point predictions like those in the models above. A better modeling of the bicameral assembly is the topic of another paper. For an introduction to what a complete model looks like, see Hammond and Miller (1987) and Tsebelis and Money (1997).

²⁵ An example should clarify. Consider an assembly with $Q = 1/2 + \epsilon$. If this assembly were unicameral it should have little trouble forming the majority required to override an executive veto: assuming no abstentions, the same coalition that passed the bill that was sent to the Executive's desk can vote a second time in favor of the same bill. With a bicameral legislature, a majority needs to form in each of the houses. If the second chamber is controlled by a different party it may not be easy to obtain the votes necessary for an override. With sufficiently cohesive parties (and a bipartisan setting like that of U.S. states), in fact, that second absolute majority will never form under split control of the assembly, despite the lax $Q = 1/2 + \epsilon$ override requirement. This actually resembles a situation in which the assembly lacks an override faculty ($Q > 1$): it becomes *de facto* impossible for the assembly to override an Executive veto.

All things said, this brings the following expectation:

Hypothesis 4 – Divided-Assembly Slump. *When different parties control the houses of a bicameral legislature, all else equal, it becomes increasingly difficult to propose a new bill, and hence the incidence of vetoes goes down relative to situations of control by the same party (or unicameral assemblies). Formally, if A is a binary variable (standing for divided Assembly and equal to one when different parties control each house of the assembly; zero otherwise), and r stand for the incidence rate (probability or percentage) of vetoes over a fixed and large number of proposals, then*

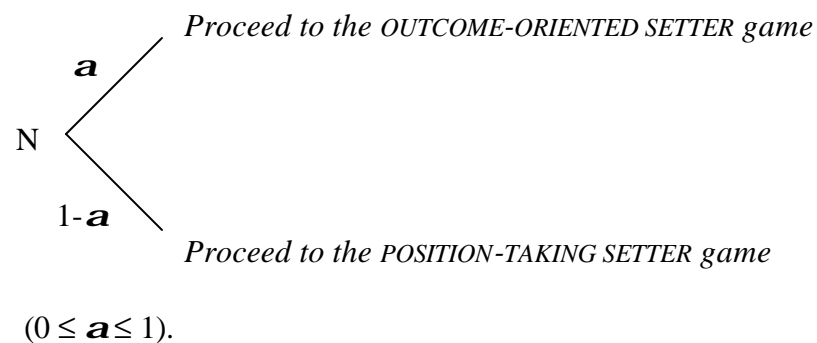
$$\frac{\partial r}{\partial A} < 0.$$

The mixed-motivation game. The analysis of the veto zones in the sections above suggests that vetoes are a rather frequent equilibrium outcome in the position-taking game. If the sin of the outcome-oriented game is an underestimate of vetoes, the sin of the position-taking version seems to be the opposite: an overestimate of the incidence of vetoes. A preliminary way to address this problem is simply to “average” the two limiting models, resulting in a mixed-motivation SETTER game. I propose a simple weighted-average approach to the incidence of vetoes, along the lines in chapter 1. Players are in the OUTCOME-ORIENTED SETTER part of the time and in the POSITION-TAKING SETTER the rest of it. A parameter α ($0 \leq \alpha \leq 1$) weighs the two motivations, bringing the expectation about the incidence of vetoes more to line with the empirical patterns of Table 2.1.

In terms of the structure of the game, the weighted-average approach combines the two games into a single one, turning each into a sub-game of a larger mixed-motivation SETTER game. A common knowledge act of Nature at the beginning of the full game determines, through some stochastic process, which of the two SETTER sub-

games – OUTCOME-ORIENTED or POSITION-TAKING – players are engaged in. Nature thus determines that players have type A7 payoff functions with probability \mathbf{a} , or that they have type A7' payoff functions with probability $1-\mathbf{a}$. The mixed motivation game is portrayed in Game Tree 2.2.

Game Tree 2.2
The mixed-motivation SETTER game



The equilibrium of the mixed-motivation game is a straightforward combination of Propositions 1 and 2, in which a player's strategy is conditional on the type of payoff functions – e.g. "*Under outcome-orientation (type A7 payoffs) then ____ (fill in from Proposition 1); under position-taking (type A7' payoffs) then ____ (fill in from Proposition 2).*" So the remainder logical claims, all of which deal with the occurrence of vetoes and which were derived from the position-taking game (now sub-game) still hold for the full version; but their occurrence, however, will be "dissolved" by $(1-\mathbf{a})$.

The question remains as to what the determinants of \mathbf{a} are, something I discuss more fully in chapter 7. \mathbf{a} is a measure of how valuable it is for a player to leave the bargaining table and start making publicity stunts instead. In this chapter I only hypothesize that elections offer an opportunity to improve one's strength in the bargaining table of the future (after the election); accordingly, the propensity to engage in position-taking should increase as campaigns unfold. As the next election date approaches, the motivational weight shifts progressively towards position-taking. This increases the chances that L will propose an outcome-hopeless PTB and that E will issue an outcome-hopeless PTV. This brings one more testable hypothesis:

Hypothesis 5 – The electoral oscillation. *All else equal, as the following election nears, there is an increase in the incidence of vetoes. Formally, if P (standing for election Proximity) is the number of days until the next election, and r stands for the incidence rate (probability or percentage) of vetoes over a fixed and large number of proposals, then*

$$\frac{\partial r}{\partial P} < 0.$$

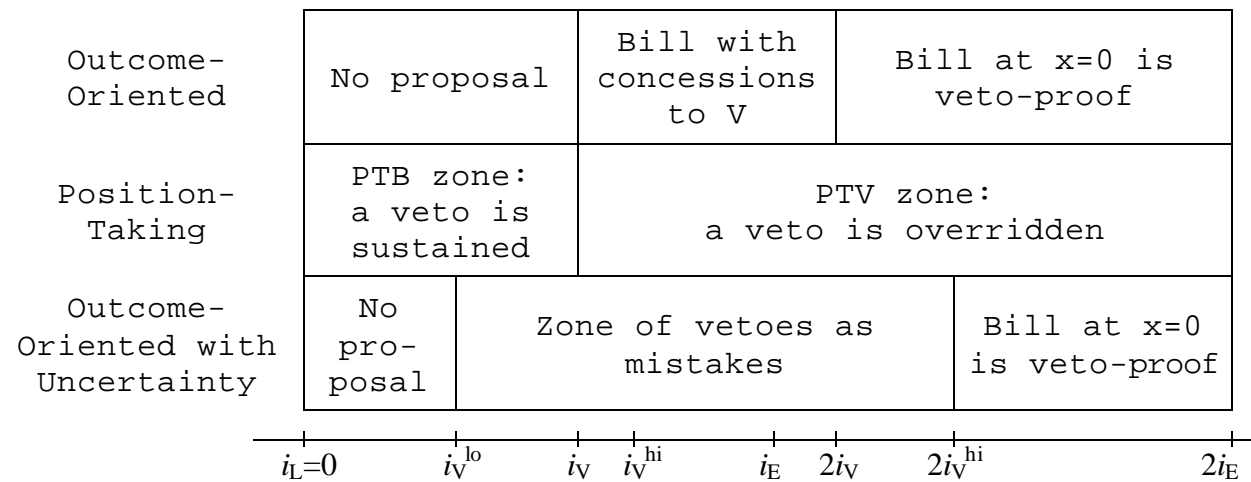
There is evidence that in the U.S. federal government the number of vetoes has tended to go up in election years (Rohde and Simon 1985), especially vetoes of legislation of secondary importance (Woolley 1991). In chapter 3 I will test this hypothesis in a cross-sectional comparative setting.

Note that the weighted average approach does not affect the information assumption (A6) because Nature's move is observed by all players (i.e. information is still complete). This is a good opportunity to contrast my model and hypotheses with those of Cameron.

Figure 2.4

Predictions on veto incidence from three different models depending on the location of $SQ \in X$

Case 1: $i_L < i_V < i_E$



(Figure continues next page)

Figure 2.4 (continued)

Case 2: $i_L < i_E < i_V$

Outcome-Oriented	No proposal		Bill with concessions to E		Bill at $x=0$ is signed	
Position-Taking	PTB zone: a veto is sustained		Bill with concessions to E		Bill at $x=0$ is signed	
Outcome-Oriented with Uncertainty	No proposal	Zone of vetoes as mistakes				Bill at $x=0$ is signed

$i_L=0$
 i_E^{lo}
 i_E
 i_E^{hi}
 i_V
 $2i_E$
 $2i_E^{hi}$
 $2i_V$

4 Position-taking and uncertainty as sources of executive vetoes

Uncertainty and position-taking are not substitute rationales behind the occurrence of vetoes, they complement each other. Backing this claim is the fact that Cameron revises assumption A6 of the OUTCOME-ORIENTED SETTER game, while I revise assumption A7. To further back this claim, I present a comparative portrait of hypotheses generated by each model, showing that they are similar to a large extent. Still, there is some room for disagreement.

Cameron explains executive vetoes by ameliorating the informational structure of the SETTER game. Players are made to confront adversaries they do not fully know, introducing an element of uncertainty about their likely responses to different actions: information is incomplete. Once players are not perfectly clairvoyant there is room for them to overestimate what others are willing to tolerate. An overestimate brings a veto, in a process analogous to trial-and-error. Interestingly, this addition creates rich opportunities for players to engage in strategic behavior, by making an effort to exploit the uncertainty of other players in order to obtain larger concessions from them.

Cameron actually presents two models with incomplete information, each affecting information in the game in subtle, yet different ways. His first model – the *override game* – introduces uncertainty about what exactly constitutes a veto-proof bill. This uncertainty affects both players L and E, who do not know the exact location of i_V . His second model – the *sequential veto bargaining game* – introduces uncertainty about the E's preferences. Uncertainty in this case is asymmetric, affecting only player L (who ignores the exact location of i_E); player E may then take

advantage of L's blurry picture of his or her preferences, vetoing acceptable bills to appear tougher in search for additional concessions in the next round (see Cameron's chapter 4).

One difficulty in presenting the comparative portrait of hypotheses is that Cameron's dependent variable is not the incidence of vetoes. This difficulty can be circumvented by subjecting Cameron's framework to the same set of auxiliary assumptions that I introduced in section 4. Figure 2.4 summarizes the results of this exercise for two special cases. Figure 2.4 is read by looking first at the bottom axis in each case, which is simply a representation of a generic dimension of the policy space X , with ideal points in a particular profile. The axis also includes some symmetric projections of ideal points relevant for the argument. The status quo is allowed take any position on X , and its location (in combination with the relative location of players' ideal points) determines the equilibrium outcome of the game and the associated path of play. For the purpose of this figure I eliminate the normalization of each dimension of X to the $[0,1]$ interval and instead set $i_L = 0$ to economize on notation. Each table-like row in the figure summarizes the equilibrium outcome in a different version of the SETTER: the OUTCOME-ORIENTED version in the first row; the POSITION-TAKING version in the second; and an outcome-oriented version played with uncertainty (Cameron's version) in the third.

In case 1 player L's ideal point is to the left of V's, which is to the left of E's. Whenever SQ falls to the left of i_L or to the right of $2i_E$, policy is so far from everyone's ideal that L is free to impose i_L as the outcome; this holds true for all three models of

the legislative process, so I omit this information from the figure. When SQ falls between i_L and i_V , V is left in a position of recalcitrance, impeding any deal with L to prosper: any bill acceptable to L would be vetoed, and the veto would be sustained. Under pure outcome orientation (first row), the equilibrium outcome is no proposal by L . When SQ falls between i_L and $2i_V$, a compromise can be reached between L and V . When SQ belongs between $2i_V$ (the symmetric projection of i_L on i_V) and $2i_E$ (the symmetric projection of i_L on i_E), bill $x = i_L = 0$ is preferable to V than SQ , thus rendering such proposal veto-proof (any veto of it is overridden with certainty). Reiterating, under pure outcome-orientation these outcomes are reached without ever passing through an executive veto.

The second table-like row in Figure 2.4 replicates what we learnt from Proposition 3: the determinants of position-taking-driven vetoes are the location of i_L and i_E – the further away from each other, the bigger the veto zone. The third row offers an initial comparison with Cameron's model. One type of uncertainty introduced by Cameron has to do with the location of V 's ideal point, which neither E nor L can situate with precision in X . Both E and L know is that i_V falls within a given interval limited by i_V^{lo} and i_V^{hi} , the exact location being determined by a common-knowledge probability function ($\text{prob}(i_V \in [i_V^{lo}, i_V^{hi}]) = 1$). I portray this range of uncertainty in case 1 of Figure 2.4.

When SQ falls to the left of i_V^{lo} , L knows that even the most compromising type of V -player possible (i.e. $i_V = i_V^{lo}$) is of a recalcitrant nature. This eliminates uncertainty in this region: any proposal acceptable to L is bound for a veto that will be

sustained. For similar reasons, an override is certain whenever SQ falls to the right of $2i_V^{hi}$: even the least-compromising type of V-player possible (i.e. $i_V = i_V^{hi}$) finds $x = i_L$ preferable than SQ. Between i_V^{lo} and $2i_V^{hi}$, however, the situation is prone to mistakes and strategic exploitation of such mistakes. A prudent player L may calibrate a bill in order to please a V-player with ideal point at i_V^{hi} , thus guaranteeing support for an override. But there is a tradeoff in prudence: player L may be making larger concessions to player E than actually necessary. A less prudent strategy consists of increasing L's gains over SQ at the expense of a higher probability of over-estimating V's true degree of compromise. Whenever SQ falls between i_V^{lo} and $2i_V^{hi}$ ($SQ \in [i_V^{lo}, 2i_V^{hi}]$), a veto-as-mistake may ensue, revealing whether conjectures about V's type were accurate or not. Similar considerations may prompt the executive to veto. The size of the uncertainty-driven veto zone thus depends on i_V^{lo} and i_V^{hi} .

Case 2 follows the same logic. It portrays a different preference profile allowing to represent the second type of uncertainty modeled by Cameron. Now player L only knows that the true i_E falls within a range bounded by i_E^{lo} and i_E^{hi} according to some probability function. The dynamics of this *sequential veto bargaining* game are different than those of the *override* game, but for the purpose of veto incidence the logic of the veto zone follows from case 1. Whenever $SQ \in [i_E^{lo}, 2i_E^{hi}]$ there is some probability that a miscalculation (or a strategic exploitation of potential miscalculations) will prompt a veto as the equilibrium outcome of the game. In this second case the determinants of the veto zone are i_E^{lo} and i_E^{hi} .

The above discussion isolates four ingredients of the incidence of vetoes from the perspective of outcome-orientation with uncertainty: i_V^{lo} , i_V^{hi} , i_E^{lo} , and i_E^{hi} .

Unfortunately, Cameron does not elaborate on the factors that affect these four determinants. His model only posits their distinctness from i_V and i_E , and assumes that some stochastic process determines the actual location of the true parameters within these bounds. Some common sense, however, assists in order to elaborate factors that may affect uncertainty in the two modalities.

What is likely to reduce player L's accuracy to locate i_E in space? One response is the distance between L's ideal and the true (yet unknown to L) ideal of E ($|i_L - i_E|$). The more similar E is to L, the less difficulty in estimating what the executive should deem acceptable. Conversely, as $|i_L - i_E|$ increases, so should the gap between i_E^{lo} and i_E^{hi} . As a consequence, even though the veto generating processes in my model and Cameron's are quite different, the Divided Government surge hypothesis apparently follows deductively from both.

A second response has to do with the history of interactions between players E and L. Cameron's study makes a longitudinal analysis of inter-branch bargaining in the U.S. As players in his *sequential veto bargaining* model interact more rounds, the range of uncertainty over their true preferences actually narrows: players learn about the adversary by interpreting their actions in previous rounds. It seems plausible to suppose that this process, which takes place in bargaining over one same bill in the model, should also be characteristic of the inter-branch bargaining over a number of bills: players update their beliefs as rounds of bargaining take place, inferring true

preferences with more accuracy. Mistakes and strategic exploitation of asymmetric incomplete information should therefore occur much more frequently when an executive faces a new congressional majority than when they have had numerous opportunities to update beliefs. Vetoes-as-mistakes should be concentrated towards the beginning of legislative sessions (when one or both players are new in the game) not towards the end of legislative sessions.

With respect to the other type of uncertainty, what is likely to affect L and E's difficulty to locate i_V in space? Two factors come to mind. The first is the override super-majority requirement Q . Cameron focuses on the case of the U.S. federal government only, where $Q = 2/3$. Under this setting, learning whether a super-majority of two-thirds will form or not, and who exactly the pivotal voter is (given absentees) becomes rather tricky for party whips. The second factor, which may attenuate or aggravate the effect of the first, is the degree of heterogeneity on the issue at hand: when most members rally around the median, uncertainty regarding who is pivotal to form a super-majority is dissolved.

By allowing Q to vary (while leaving other factors constant) we gain some leverage in this respect. If $Q = 1/2 + \varepsilon$ (where ε is the fraction of the assembly equal to one legislator in order to get absolute majority), the identity of V is hardly a mystery: if no abstentions occurred player V is the median member of the assembly (or someone nearby when a small amount of abstentions occur). The same coalition who voted for normal passage suffices to override. If, on the other hand, $Q = 1$, then the most extreme member of the assembly gets the role of V-player. When Q adopts these

Table 2.2
Effects of key independent variables on the incidence of vetoes in two limiting models

Hypothesis	Independent variable	Expected effect on veto incidence...	
		...from position-taking model	...from bargaining-under-uncertainty model
2	<i>Super-majority required to override</i>	NONE	NEGATIVE-QUADRATIC
3	<i>Distance between L and E (Divided Government)</i>	POSITIVE	POSITIVE
4	<i>Divided Assembly</i>	NEGATIVE	NEGATIVE
5	<i>Proximity of next election</i>	POSITIVE	NEGATIVE
-	<i>Bill importance</i>	?	POSITIVE

limiting values, uncertainty regarding the identity of V washes off. Uncertainty increases progressively as Q departs from these limits, reaching a maximum somewhere in the interval $(1/2, 1)$. Contrary to my model, one of the determinants of veto outcomes in Cameron's is Q (which is one determinant of the location of the true i_V). I interpret Cameron's model as giving a basis to expect a negative quadratic effect of the override requirement on executive veto incidence (i.e. increasing as $Q = 1/2$ is passed, decreasing as it approaches $Q = 1$).

Table 2.2 makes a comparative portrait of hypotheses derived from the two models. Because of its central role in Cameron's theory I included variable *Bill significance* in the table, although it is a factor that I have omitted from my position-

taking model. This variable ought to be controlled in tests of the models, something that unavailable information render hard beyond the case of the U.S. federal government.

Table 2.2 isolates the independent effects that bargaining ploys and publicity stunts have on veto incidence according to two theories. If both models represent complementary explanations of veto incidence then empirically these two effects get entangled. Isolating one from another calls for clever research designs. How much of the effect of Divided Government is due to uncertainty and how much to position-taking? With respect to Divided Assemblies, both theories generate the same prediction;²⁶ how much was caused by each? The independent effects of uncertainty and position-taking add into a compound effect.

When predictions between the theories differ, however, these effects seem easier to isolate from each other. If variable Q happened to have any effect on veto incidence we can confidently attribute it fully to uncertainty (because Q plays no role with regards to position-taking motivations). With respect to variable E (the proximity of next election) the theories make predictions in different directions: position-taking becomes more prevalent as the next election approaches, hence increasing veto incidence (more publicity stunts); uncertainty gets dissolved as rounds of bargaining push the game towards the next election, hence decreasing veto incidence (less

²⁶ Cameron argues (in chapter 5) that a divided assembly makes it harder to override a veto; this is necessarily true in a bipartisan setting such as the U.S. and its states. In such settings, I interpret this as a reduction in the uncertainty regarding the likelihood of an override, which ought to reduce the number of mistakes.

mistakes and less room to take strategic advantage of the adversary's incomplete information). Variable E should thus provide a tentative measure of which effect – position-taking or uncertainty – is larger on executive veto incidence. A true test of the two limiting models would require a theory specifying conditions under which players are motivated by bargaining ploys and conditions under which they will engage in publicity stunts, as well as a clever research design. This will be work for the future.

I also leave for the future the specification of a more elaborate utility function. Recall that assumption A7' introduced a two-component additive utility function which minimized the effect of the act-contingent component (responsible for a position-taking motivation) in order to prevent a conflict with the outcome-contingent counterpart. A more interesting model results from allowing such conflict to take place, yet also requires more elaborate analytical tools (akin to Groseclose and McCarty 2001). Such model will provide the advantage of connecting two models of executive-legislative relations that hardly communicate into a weighed-average approach to motivation (see chapters 1 and 6). One model is prevalent in the Anglo-American politics field; I have considered Cameron to be a representative of this tradition (although there are many more models). The other model is prevalent in the comparative politics field, especially in Latin-American area studies; I have considered Linz to be representative of this tradition (although, again, there are many variants of the Linzian approach). Motivation in my forthcoming model will be guided by a utility function similar to the one below (where $0 \leq \alpha \leq 1$):

$$\text{utility} = \alpha (\text{outcome-contingent utilities}) + (1 - \alpha) (\text{act-contingent utilities}).$$

A compact version of four models of the legislative process looks as follows, using [α outcomes + $(1 - \alpha)$ positions] as the framework for synthesis.

Model	Players' motivation	Value of α
Cameron	outcomes only	$\alpha = 1$
Magar in this chapter	outcomes first, then positions	α tends to 1
Magar forthcoming, Groseclose and McCarty	outcomes and positions	$0 < \alpha < 1$
Linz	positions only	$\alpha = 0$

5 Conclusion

Executive vetoes arise in two distinct manners. On the one hand, a veto may be a *bargaining ploy*. Bargaining ploys enter the stage in a game of policy when players have incomplete and perhaps asymmetric information about each other's true preferences, one player thereby trying to guess how compromising the adversary is, the other trying to present him- or herself as more recalcitrant in order to extract larger concessions. In Cameron's games of incomplete information, vetoes arise as mistakes that players correct in a second round, or as feints which reallocate the gains of bargaining. On the other hand, a veto may be a *publicity stunt*. At times it pays off to leave the bargaining table and reassemble supporters, in an attempt to improve one's position in the next round at the bargaining table. Inter-branch conflict, because of its

notoriety, offers an excellent opportunity to make a loud pronouncement about policy ideals in the headlines.

In this chapter I presented conditions under which vetoes arise as publicity stunts. The resulting model – a SETTER game in which players entertain a position-taking motivation in addition to policy outcome-orientation – offered me the possibility to generate a number of testable hypotheses. I also compared my hypotheses with what we know of vetoes as bargaining ploys. The two approaches complement each other to a large extent, but leave room for disagreement. The model I present awaits an elaboration that will render it capable of synthesizing a great deal of literature. Still, one important lesson from the present, simple model is that a tiny drop of position-taking motivation (even one that never conflicts with outcome preferences) causes major shifts in the equilibrium actions chosen by players. Romer and Rosenthal's SETTER game is not robust to a microscopic dose of position-taking.

Appendix

Proof of Lemma 1.

Lemma 1 follows directly from A7 and the definition of a preferred-to set. Given that (i) a player's utility decreases monotonically on each side of his or her ideal point; that (ii) his or her ideal point is included in his or her preferred-to set; and that (iii) the extremes of the preferred-to set are utility-equivalent from that player's perspective, it follows that no point outside the preferred-to set can be preferable to any point contained in the preferred-to set. Since SQ is contained by the preferred-to set, the player in question will prefer SQ to any point outside his or her preferred-to set. Since SQ delimits the preferred-to set, any point within the set will be preferable to SQ (except the other extreme, which draws indifference). *QED.*

Proof of Proposition 1.

I use backwards-induction to attain sub-game perfection. *Step one.* V's choice is straightforward. By Lemma 1, V will override if $x \in \wp_V$, sustain otherwise. The formal statement of this equilibrium strategy is $R_V^*(x)$ in Proposition 1.

Step two. From Lemma 1 it follows that E will sign any bill $x \in \wp_E$. If $x \notin \wp_E$ there are two possibilities (looking downwards in the game). (a) If $x \in \wp_V$ a veto will be overridden by V (as prescribed in step one). A veto under this scenario, unless valued *per-se* by E, is outcome-equivalent to signing the bill upon arrival to E's desk: in both cases the outcome is x, with some economy of legislative steps in the latter case, though. Since the outcome-oriented SETTER game ignores the possibility of E drawing utility from a veto *qua* veto, the step economy issue assumed in A7 serves to break the tie in favor of immediate signature. (b) If $x \notin \wp_V$ a veto will be sustained by V, thus retaining SQ as the law of the land. E's best reply to any bill x is $R_E^*(x)$ in Proposition 1.

Step three. I will simplify the logical picture by restricting $i_L \leq SQ$ (the argument is no less generalizable because when $i_L > SQ$ the situation is merely symmetric). Three cases need to be considered. Case (a). If $i_L \in \wp_E$ E signs $x = i_L$; the same occurs if $i_L \in \wp_V$ (as indicates in step two). $i_L \in \wp_E$ or $i_L \in \wp_V$ whenever $e \leq i_L$ or $v \leq i_L$. So $x^* = i_L$ whenever $\min(e, v) \leq i_L$. Case (b). If $\min(e, v) > i_L$ then $x = i_L$ is vetoed with no possible override, hence bringing no improvement in L's utility (unless, of course, there were some value in a veto *qua* veto for L, which is not the case in this game). There may be gains to be made for L by making a concession to some other player: if $i_L < e < SQ$ a compromise bill $x = e \in \wp_E$ and is, thus, accepted by E; alternatively if $i_L < v < SQ$, $x = v \in \wp_V$ is, consequently, veto-proof. If both $i_L < e < SQ$ and $i_L < v < SQ$, L has leeway in choosing to send x at e or v, whichever is lowest: $x^* = \min$ (i.e. closest to i_L). Figure 2.2(b) illustrates this latter scenario, with L sending an optimal bill $x^* = \min(e, v)$. Case (c). If $\min(e, v) > SQ$ there are no gains to be made through concessions. Any bill acceptable to L (i.e. below SQ given that $i_L \leq SQ$) is outside both \wp_E and \wp_V : their proposal returns the status quo again (as per steps one and two), with a loss of 2 legislative steps. Hence, unless L had something to gain

from a veto – again, something not contemplated in this version of the game – L will prefer to retain SQ under this scenario: $x^* = \text{SQ}$. These three cases boil down to the optimal strategy x^* for player L in Proposition 1.

Since players are choosing reciprocal best replies this strategy combination is in equilibrium, completing the proof of Proposition 1. *QED*.

Proof of Proposition 2.

I proceed with backwards-induction. For any two actions A and A' such that $|\text{out}(A) - i_J| < |\text{out}(A') - i_J|$ but $|\text{pos}_J(A) - i_J| > |\text{pos}_J(A') - i_J|$, pick $\ddot{a} < \frac{|\text{out}(A) - i_J| - |\text{out}(A') - i_J|}{|\text{pos}(A) - i_J| - |\text{pos}(A') - i_J|}$. In this fashion, for any player J , the small \ddot{a} resolves any conflict between the components of u_J in favor of the outcome-contingent element and leaves position-taking only as a tie-breaking device between two actions A and A' leading to the same outcome. Except for the trivial case where $x = \text{SQ}$ (which I ignore), V is left in the same strategic situation as with assumption A7; V 's best reply $R_V^*(x)$ thus remains the same. In previous nodes we need only consider cases where players are outcome-indifferent between two actions: E faces such an outcome-indifference whenever $x \notin \wp_E$ but $x \in \wp_V$ (as per the proof of Proposition 1). Under this scenario E dislikes bill x but a veto is bound to be overridden, thus imposing x as the new outcome despite E 's opposition. A veto under this situation allows E to make a pronouncement in favor of the status quo. So E 's optimal reply is to sign any bill $x \in \wp_E$, veto otherwise. This is $R_E^*(x)$ in Proposition 2.

To analyze L 's strategic situation I assume again, with no loss of generality, that $i_L < \text{SQ}$. L 's situation is equivalent to that under outcome-orientation under cases (a) and (b) of the proof of Proposition 1.²⁷ Case (c) differs. Whenever $e, v > \text{SQ}$ there are no gains to be made by making concessions to another player: sending a proposal within \wp_L is tantamount to retaining the status quo from the perspective of outcome-orientation; the act-contingent element of u_L resolves the outcome-tie in favor of sending a proposal closer to i_L than SQ . $x = i_L$ maximizes the act-contingent portion of u_L , and it is killed by E 's veto with no chance of override. The three cases boil down to the L 's optimal strategy x^* in Proposition 2. *QED*.

Proof of Proposition 3

Let Z be a subset of X called the veto zone: $\{Z \subseteq X \mid \text{SQ} \in Z \leftrightarrow E \text{ vetoes } x\}$. We need to determine the bounds of Z . Three cases need to be considered (the rest are symmetric projections).

²⁷ If the utility function allowed conflicts between the outcome-contingent component and the act-contingent one, case (b) could offer an opportunity for L to show that E is recalcitrant despite L 's efforts to compromise. L could achieve this by sending a proposal to the right if i_L but to the left of $\min(e, v)$.

Case (a): $i_L \leq i_V \leq i_E$.

If $SQ \leq i_L$ or $SQ \geq 2i_E - i_L$, then $|i_L - i_E| < |SQ - i_E|$, so a new bill $x = i_L$ is signed by E and the equilibrium outcome is reached with no veto.

If $i_L < SQ < i_V$ then any bill x such that L finds preferable is disliked by E and V: $|x - i_L| < |SQ - i_L| \leftrightarrow [|x - i_E| > |SQ - i_E|] \& [|x - i_V| > |SQ - i_V|]$. There is an outcome-tie between L *proposing* such bill x (it would be vetoed and the veto sustained) and *doing nothing*. Yet *proposing* carries a better act-contingent payoff for L: $x = i_L$.

If $i_V < SQ < 2i_V - i_L$ then $x = 2i_L - SQ = v$ is veto-proof. A veto (which is overridden) carries a higher act-contingent payoff for E's welfare.

If $2i_V - i_L < SQ < 2i_E - i_L$ then $|i_L - i_V| < |SQ - i_V|$ and $|i_L - i_E| > |SQ - i_E|$. So a veto to $x = i_L$ is overridden by V, but increases E's utility.

In sum, $\forall z \in Z: i_L < z < 2i_E - i_L$ under case (a).

(Sketch of) case (b): $i_L < i_E < i_V$.

- (1) If $SQ \in R_1 \cup R_4$ in Figure 2.3 then E prefers $x = i_L$ to SQ , and thus signs it into law.
- (2) V is more recalcitrant than E, so any veto would be sustained.
- (3) If $SQ \in R_2$ we get a PTB.
- (4) If $SQ \in R_3$ a compromise with E is possible, averting a veto.

(Sketch of) case (c): $i_V < i_L < i_E$.²⁸

- (1) E prefers $x = i_L$ to any $SQ \in R_1 \cup R_3$ so would sign it to law.
- (2) V prefers $x = i_L$ to any $SQ \in R_2 \cup R_3$, so would override a veto.
- (3) So if $SQ \in R_2$ we get a PTV.

In cases (a), (b), and (c) Z is delimited by the same two points: i_L and $2i_E - i_L$. Letting r stand for the incidence rate of vetoes, by A11

$$r = \text{prob} [SQ \in Z] = \int_{i_L}^{2i_E - i_L} f dx.$$

Given that the probability density f is positive and continuous over X and that $Z \subseteq X$,

we can establish that $\frac{\partial r}{\partial i_L} < 0$ and $\frac{\partial r}{\partial i_E} > 0$. Since the location of i_V does not

affect the size of Z , we can further establish that $\frac{\partial r}{\partial i_V} = 0$, thus proving Proposition 3.

QED.

²⁸ Actually there is a trivial case (d), where $i_V < i_L = i_E$. The equality of i_L and i_E preempts any veto.

Chapter 3

The incidence of executive vetoes in comparative perspective: The case of U.S. state governments

Abstract: I develop a negative binomial event-count model to investigate the systematic components of executive veto incidence. The chapter estimates the model with data from U.S. state governments 1983-93; variance in veto incidence is acute. Four hypotheses drawn from a model in which politicians are motivated not only by policy concerns but confront position-taking incentives as well (presented in Chapter 2) are tested. I find evidence that, in accordance with the theory, (a) there is a significant surge in veto incidence under divided government, but (b) this effect is cancelled by divided assemblies bringing veto incidence back to the level of unified government; that (c) executive veto incidence follows the electoral cycle, higher towards election day; and, contrary to the theory, that (d) the veto incidence rate is related to the override requirement of the session. There is evidence that position-taking is central to veto incidence, although a (hard to estimate) share of the effect is attributable to uncertainty (Cameron 2000).

In this chapter I develop a model to investigate the determinants of executive veto incidence. I present the model's logical premises, estimate it with data from U.S. state governments, and interpret the empirical results. The place of the present chapter in my argument is easily seen by reviewing the four steps of my research agenda (McCubbins and Thies n.d.).

Research began with the observation of a puzzle: executive veto incidence in systems of separation of power. More precisely, what is behind the substantial variance of executive veto incidence. Table 3.1 portrays the magnitude of this variance with data from Anglo-American systems of separation of power. In a bit over one-third (35%) of legislative sessions that took place in state governments of the U.S. between 1983 and 1993, the governor signed every single bill that the assembly sent to his or her desk. In the remainder sessions (65%), the governor vetoed at least one bill.

Table 3.1 Bills vetoed in U.S. state legislative sessions, 1983-93

<i>Number of bills vetoed by the governor during the legislative session</i>	<i>Frequency</i>	<i>Relative frequency</i>
None	283	.35
1 or more	527	.65
10 or more	254	.31
25 or more	109	.13
100 or more	21	.03
Total number of legislative sessions	810	1

Source: Prepared with data from CSG (various issues).

Almost one third of the total sessions (31%) had 10 or more bills vetoed, while a bit over a tenth (13%) had 25 vetoed bills; in 21 sessions (3% of the total) executive vetoes occurred by the hundreds.

The second step in my research consisted of developing a theory to answer the question of the variance. The model of the legislative process in chapter 2 is a theory of veto incidence: it is an analogy that abstracts away from most of what is going on in the world in order to focus on the determinants of the incidence of vetoes. The position-taking setter game explains vetoes as the outcome of the interplay of politicians' preferences for policy and the desire to advertise their ideals. Neither preference nor desire are things we can measure, so the theory also posits that the partisan composition of the branches of government is a proxy for preferences, and that approaching elections intensify politicians' desire to advertise the interests they represent.

The third step was to derive predictions from the theory. Because theoretical concepts are typically difficult to measure or observe, theories can seldom be tested directly. Testing requires hypotheses to be derived by relying on auxiliary assumptions (the creation of a second analogy). Chapter 2 also took care of this step by deriving four hypotheses that follow deductively from the model's premises. So, for example, the *divided government surge* hypothesis (H3) claims that, insofar as veto incidence is driven by conflicting preferences between the branches of government, which are a function of the partisan composition of government, then periods of divided government will be likelier to have a high incidence of vetoes than periods of unified control, other things equal. Three more testable hypotheses were derived from the theory in very much the same fashion.

The fourth step, then, is to design an experiment or a method of observation in order to test the predictions of the theory. Testing the prediction that the likelihood of high veto incidence increases with divided government requires observations to be made. This step involves a third analogy, the design of a method to search for correlation in the empirical data between the factors highlighted in hypotheses and veto incidence. The methodological model that results serves as a tool to process a wealth of information by boiling it down to a small number of informative summary statistics (such as means, regression coefficients, standard errors, and so forth).

In this chapter I undertake step four of my research agenda. I make observations to test the following hypotheses from the position-taking setter game of chapter 2:

- H2-The *nil impact* of the override majority on veto incidence;
- H3-The *divided government surge* in veto incidence;
- H4-The *divided assembly slump* in veto incidence; and
- H5-The *electoral oscillation* in veto incidence.

The intuition behind these hypotheses is simple enough. Setter is a spatial model that assumes politicians can anticipate what others will do in all steps of the game and take this into consideration in choosing their optimal moves. By this assumption, and given players' preferences for policy, strategic politicians have the capacity to earmark all status quo policies that can be modified (because enough players are left better off by new policy) and all which cannot be modified (because some veto cannot be overridden). When politicians are motivated by policy concerns only (as in the standard setter game, Romer and Rosenthal 1978), any status quo earmarked as non-modifiable results in inaction: there is nothing to win from proposing something that will be killed towards the end of the game. When, however, politicians also wish to advertise their policy ideals to constituents, then inaction may be misinterpreted. A better election strategy consists of proposing policy palatable to voters in order to force an opponent to kill it, clearly explaining why it has not been enacted. The first three hypotheses above point to factors determining the share of status quo policies that are earmarked as non-modifiable: divided government increases the share, split assemblies depress it, while override requirements leave the share untouched. The fourth hypothesis is derived from an assumption that the position-taking incentive gets stronger as the next election approaches. Chapter 2 develops the full logic of these

hypotheses in a situation where an agenda-setting legislator sends proposals which the executive can only take or leave.

The methodological model I rely on for the purpose of hypothesis testing is negative-binomial regression; I describe it at length below. The chapter proceeds as follows. Section 1 defines the dependent variable, paying special attention to its limited nature. Analysis of event-count variables such as veto incidence calls for special methodology: Poisson regression. Section 2 develops the primitives of event-count Poisson regression, and argues in favor of making a marginal modification to the model. The modification results in negative-binomial regression, a close relative of Poisson. Section 3 formalizes a negative binomial regression model of veto incidence and estimates it with data from U.S. state governments. Section 4 interprets the empirical results, finding evidence that (a) there is a significant surge in veto incidence when divided government pops in, but (b) this effect is cancelled by divided assemblies bringing veto incidence back to the level of unified government; that (c) executive veto incidence follows the electoral cycle, higher towards election day; and that (d) the veto incidence rate is related to the override requirement of the session. I interpret these findings in light of two interpretations of veto incidence, Cameron's (2000) and my own. Section 5 concludes.

1 Bills, vetoes and event counts

I compiled information on the legislative process in U.S. state governments from the *Book of the States* (CSG various issues). The remarkable wealth of information contained in each biennial compendium of the *Book* (I consulted volumes

24 through 30) includes a synopsis of the constitutional structure of decision-making in each state; the partisan composition of the elected branches of government; the number of bills passed by assemblies in the legislative sessions held during the years reported; and the number of bills vetoed by the governor in each session. I obtained indicators of inter-branch bargaining in most state governments of the U.S. (Nebraska and North Carolina had to be excluded).²⁹ I chose to observe the legislative process from 1983 to 1993, a period including years before and after the recent depression in U.S. state economies (Gramlich 1991). This resulted in a cross-sectional time-series of legislative sessions in 48 states during a bit over a decade.

The unit of observation is a legislative session; a total of 798 sessions are included in the dataset. So, for example, in 1985 the Alabama state assembly sent 477 bills to the governor's desk for signature in two sessions. A regular session was held from February 5 to May 20, in which 343 bills were passed; a special session was held from August 28 to September 20, with a total of 134 bills. Each session is coded as one observation with aggregate data.

The dependent variable in the empirical analysis that follows is the *incidence of executive vetoes* in state legislative sessions. I represent veto incidence in session i by V_i , which is equal to the number of executive vetoes in the session:

$$V_i = \text{number of executive vetoes in session } i. \quad (1)$$

²⁹ I excluded Nebraska from the analysis because the formally non-partisan nature of the elections impeded me from coding key independent variables. North Carolina was excluded because the governor lacks a power to veto legislation.

There are two possible limitations to the measure of the dependent variable. One is that the source may conflate vetoes of bills with those of resolutions, treating them as equivalent (“a veto is a veto” summarizes such an approach).³⁰ This limitation may be unimportant, to the extent that a vetoed resolution is a resolution the governor seems to care about, despite not being law. A second limitation is that the measure may include line-item vetoes along with full vetoes, possibly several in the same bill. I ran alternative specifications of the model below controlling for sessions where the executive possessed a line-item veto to reduce the effect of this possible measurement problem: this variable should capture most of this “artificial” effect on veto incidence. Results only change slightly (see the end of section 4 below).

The point of the empirical model I present below is to estimate the expected number of vetoes in a session, $E(V_i)$. $E(V_i)$ can be broken into two factors of a product, the veto incidence rate of the session (represented by r_i) and the exposure to bills in the session (represented by B_i), as follows:

$$E(V_i) = r_i \times B_i. \quad (2)$$

The exposure variable B_i is simply the total number of bills that were passed during session i . The veto incidence rate is closely related to the probability of a veto: note that in equation (2) we can replace r_i by the probability that a bill is vetoed and still

³⁰ The *Book of the States* remains silent about the coding procedure of the data under the heading “Measures vetoed by the governor”. So far I have been unable to contact someone in the staff who compiles this information to get this information.

obtain the expected number of vetoes in session i . The difference between the two is subtle and has to do with the locus of their determinants: the probability that bill j is vetoed depends on features of the *bill* j , whereas the incidence rate of vetoes in session i depends on the features of the *session* in question. Estimating the probability of a veto would require information about individual bills; estimating veto incidence rates is done with aggregate data from *legislative sessions*. In this chapter I work with aggregate data.

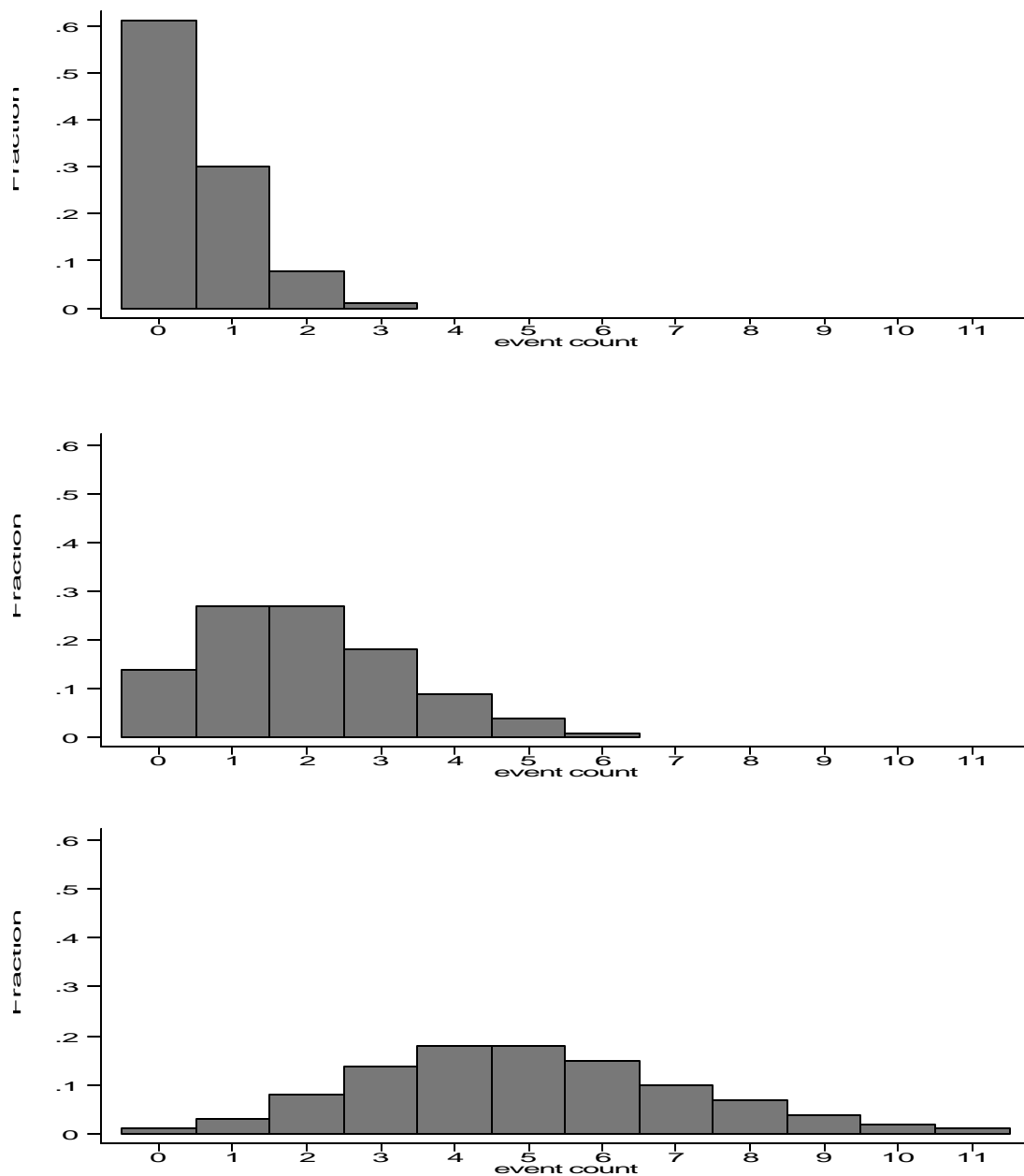
My dependent variable is the same as in Rohde and Simon (1985). Their study estimated the correlation of the number of vetoes and a vector of explanatory factors from each of a large number of legislative sessions in the U.S. federal government. Their estimation method is multiple linear regression analysis. This chapter carries an estimate of the same correlation on different data; as pointed out, I also use a different estimation method, negative-binomial regression.

The choice of method has to do with the nature of the dependent variable, the values of which are limited to the set of positive integers (0 veto, 1 veto, 2 vetoes, and so forth). The statistical analysis of an “event-count” variable such as veto incidence – one type of *limited dependent variable* – should not be done with standard linear regression (Beck n.d.).

Event counts are non-negative integers representing the number of times a specified event occurs within fixed (but not necessarily equal) periods (Cameron and Trivedi 1998, p. 5; King and Signorino n.d., pp. 3-4). In this chapter the event at hand is the executive veto; the periods are legislative sessions. King (1998, pp. 129-31)

Figure 3.1

Three Poisson distributions: $I = 1/2$ (top histogram), $I = 2$ (middle), and $I = 5$ (bottom)



models the incidence of veto overrides in the U.S. as an event count; I pull the model one step back in the sequence of action, paying attention to the incidence of executive vetoes.

2 Poisson regression as an analogy for event occurrence

The estimation method I use, negative-binomial regression, is an extension of Poisson regression. In this section I present the essential traits of the latter; the step to negative-binomial regression is straightforward.

The Poisson is known as the statistical distribution of rare events. The Poisson distribution has been used to model, among other phenomena that happen with small probability, the occurrence of fatal horse-kicks in the stables of the Prussian army in the 19th century, the number of telephone connections to a wrong number, and the number of plane crashes.³¹ This distribution is characterized by a single “intensity” parameter \mathbf{I} ; the mean and the variance of the distribution are equal to this parameter. That is, if V_i is a random variable with distribution

$$V_i \sim \text{Poisson}(\mathbf{I}_i),^{32} \quad (3)$$

then

$$E(V_i) = \text{var}(V_i) = \mathbf{I}_i. \quad (4)$$

³¹ These applications are quoted in Stata (1997, p. 30) and Cameron and Trivedi (1998, pp. 10-15).

³² The density of the Poisson distribution with parameter \mathbf{I}_i is $f(V_i = v_i) = (\exp(-\mathbf{I}_i) \mathbf{I}_i^{v_i}) \div v_i!$, $v_i = 0, 1, 2, \dots$, where $\exp(\bullet)$ represent the exponential function.

The Poisson distribution is portrayed in Figure 3.1. The figure allows the intensity parameter λ_i to take three values (0.5, 2, and 5) in order illustrate how the shape of the distribution changes with each. As λ_i increases, the mode of the Poisson distribution shifts rightward and the distribution acquires a more bell-shaped profile, though preserving a certain right-skewedness.

A Poisson regression model of the incidence of vetoes in legislative sessions is built from this distribution. The model begins by assuming that the distribution of the number of vetoes in session i , V_i , follows a Poisson distribution with intensity parameter λ_i , as in equation (3). We seek the determinants of the expected number of vetoes in a session (equal to the average of V_i). By equation (4) we know that the mean of the distribution equals parameter λ_i . The model assumes that the expected number of vetoes in a given session is a function of a vector of regressors X_i and a random component e_i :

$$E (V_i / X_i) = \lambda_i = f (X_i, e_i). \quad (5)$$

Estimating equation (5) with real data requires that we make some assumptions about the shape of function f . There are two considerations in the choice of f : the range of function f and its form. One desirable property of function f is that its range be restricted to positive values, so as to avoid making negative predictions of the expected number of vetoes; the assumptions of Gaussian linear regression place no such restriction on the range of its predictions. Moreover, f should be such that the effect of a given independent variable is not linear: it seems harder, a priori, to move

from 0 to 1 event than it is to move from 100 to 101 events. Defining f as an exponential function (denoted as $\exp(\cdot)$) resolves the range and shape issues at once:

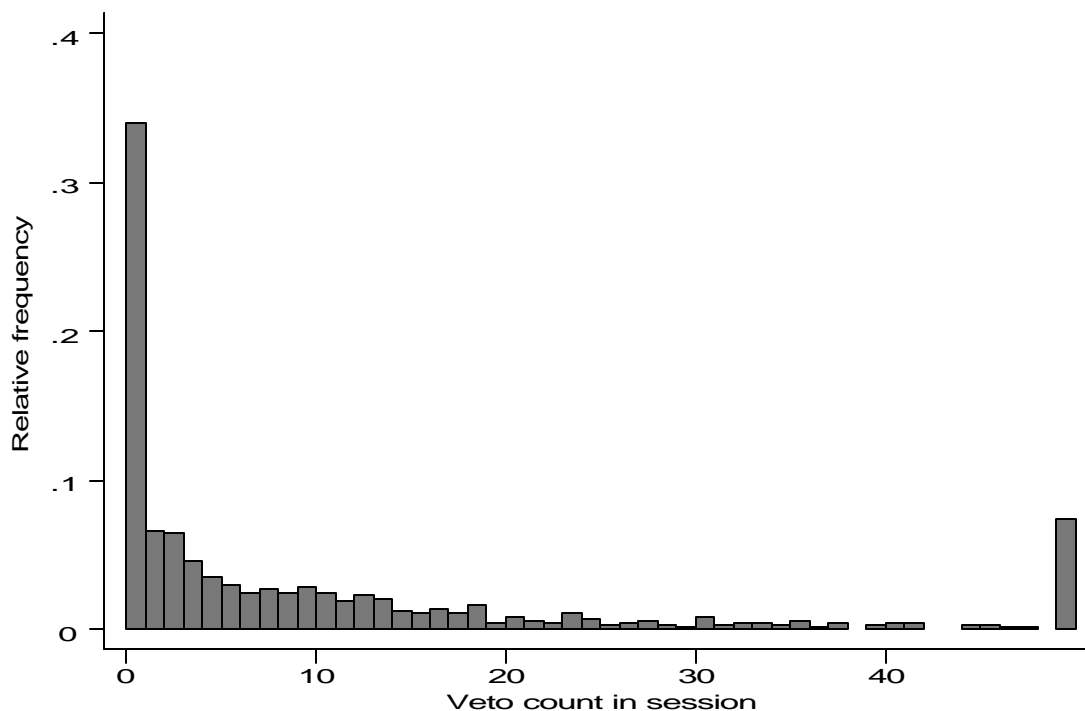
$$\mathbf{I}_i = \exp(\mathbf{b}X_i + e_i). \quad (6)$$

A final ingredient completes the event-count model that I use to test hypotheses from chapter 2: a substitution of Poisson regression by negative-binomial regression. The difference between the two estimation methods is the assumption each makes about the distribution of V_i . The negative binomial distribution does not assume an equality of the mean and variance of the distribution,³³ so offers increased flexibility over Poisson. Instead, the definition of a negative binomial distribution requires one extra parameter accounting for the dispersion of the data around the mean. The distribution can in this fashion approximate data that are “over-dispersed” with respect to a Poisson – meaning that the variance is larger than the mean – or “under-dispersed” – meaning the contrary. A look at the actual distribution of vetoes in U.S. state legislative sessions, portrayed in Figure 3.2, justifies the need to estimate the extra parameter \hat{d} .

The distribution of vetoes in U.S. state governments has a single mode in zero vetoes per session and the frequency drops sharply as the number of vetoes per session

³³ The negative binomial distribution is really a Poisson-gamma mixture. In practice, however, negative binomial distribution can be treated as a Poisson with an additional parameter for over-dispersion: Poisson is a special case of the negative binomial (see equation 9 below). A derivation of the negative binomial is presented in Cameron and Trivedi (1998, pp. 70, 100-3).

Figure 3.2
Frequency of vetoed bills in U.S. state legislative sessions



Note: The actual distribution is much more skewed to the right – a long but very “thin” tail extends to the right of the histogram and is not portrayed due to space limitations. Sessions with a count of 50 or more vetoes (59 sessions or 7% of the total) appear stacked in the right-most column, which is “fictitious”; the actual distribution spreads these observations, with increasing sparseness, from 50 to 465 veto counts.

increases: as seen the distribution evidences an acute right-skewedness (the note in Figure 3.2 explains the presence of the block to the right of the histogram). This mass at the zero-veto category is reminiscent of the distribution of rare events that Poisson stands for, suggesting the distribution is indeed a right choice to model the occurrence of the event at hand. The other feature of the Poisson – the equality of mean and variance – is not approximated well by the empirical distribution. The actual variance

of V_i (1,849 vetoes) is much larger than the actual mean of V_i (16 vetoes), a good symptom that the data are “over-dispersed” (King and Signorino n.d., p. 9).

Negative binomial regression estimates an extra parameter $\hat{\mathbf{d}}$ to account for the over-dispersion of the data.³⁴ The variance of the negative binomial distribution is proportional to the mean. That is, if

$$V_i \sim \text{negative binomial}(\mathbf{I}_i, \mathbf{d}) \quad (7)$$

then

$$E(V_i) = \mathbf{I}_i \quad (8)$$

and

$$\text{var}(V_i) = \mathbf{I}_i(1 + \mathbf{d}\mathbf{I}_i).^{35} \quad (9)$$

The coefficient estimates of Poisson regression in the presence of over-dispersed data are consistent, but standard errors are biased towards zero (Hamerle and Ronning 1995, p. 442), invalidating hypothesis testing. Negative binomial regression solves this problem.

To sum up, Poisson regression is a maximum-likelihood alternative to ordinary least squares that allows to model statistical relations between a limited dependent variable – veto-count data taking only integer values – and a set of regressors.

³⁴ Methodologists denote the dispersion parameter by \mathbf{a} . I use \mathbf{d} to avoid confusion with the \mathbf{a} parameter from chapters 1 and 2 (i.e. the weigh of the act-contingent component of politicians’ utility functions).

³⁵ Note that if \mathbf{d} were equal to zero the negative binomial would be equivalent to a Poisson. Poisson is a special case of the negative binomial.

Negative-Binomial regression is an extension that overcomes the Poisson's restrictive mono-parametric nature, estimating an extra parameter to account for over-dispersed data. Event-count methods such as these are gaining popularity in the discipline (see, e.g., Canon 1993; Kastner and Rector 2000; Morris 1999). I turn next to an operational specification of the model, then estimate it with data from U.S. state governments.

3 A negative binomial regression model of veto incidence

At the root of the event-count empirical model is r_i , the incidence rate at which vetoes occur in session i (e.g. $r_i = \frac{20 \text{ vetoes}}{1,000 \text{ bills session}} = 0.02 \text{ vetoes per bill-session}$).

r_i is directly related to the expected incidence of vetoes: if we estimate the incidence rate to be 0.02 vetoes per bill-session, by equation (2) we can expect 2 vetoes in a session where 100 bills were passed ($0.02 \times 100 = 2$), 5 vetoes during a session in which 250 bills were passed ($0.02 \times 250 = 5$), and so forth.

The five assumptions in Box 3.1 define the event-count model that I estimate with data from legislative sessions in state governments of the U.S. (see Beck n.d., p. 23; Stata 1997, p. 30). The model posits that the expected veto incidence rate in session i can be broken into a deterministic part and a stochastic part (assumption A13). The deterministic part is made of the features of session i (represented by a vector X_i) that determine veto incidence in the theory; each feature has a weight in vector \mathbf{b} .

Box 3.1

A negative binomial regression model veto incidence

A12-Distribution

The number of vetoes in session i V_i follows the negative binomial distribution:

$$V_i \sim \text{negative binomial}(\mathbf{I}_i, \mathbf{d}).$$

A13-Exponential functional form

The incidence rate of session i is an exponential function of the linear combination of a vector of regressors and an error term:

$$r_i = \exp(\mathbf{b}X_i, e_i).$$

A14-The rarity of events

On a very small exposure \mathbf{e} , the probability of finding more than one veto is small compared to \mathbf{e} :

$$\lim_{\mathbf{e} \rightarrow 0} \text{prob}[V_i > 1] < \mathbf{e}.$$

A15-Independence

Non-overlapping exposures are mutually independent.

A16-No relevant variable is omitted

The vector of regressors X_i includes variables for all the features of session i that the theory relates to V_i .

By virtue of the negative binomial distribution of V_i (assumption A12), we know by equation (8) that the expected veto incidence is equal to the first parameter of the negative binomial distribution:

$$E(V_i) = \mathbf{I}_i. \quad (10)$$

The model seeks the determinants of \mathbf{I}_i . By equation (2) and assumption A13,

$$\mathbf{I}_i = \exp(\mathbf{b}X_i + e_i) \times B_i; \quad (11)$$

a basic arithmetic transformation leaves it as

$$\mathbf{I}_i = \exp(\ln(B_i) + \mathbf{b}X_i + e_i), \quad (12)$$

where B_i is the exposure variable (the number of bills passed in session i).

Table 3.2
The institutions of veto politics in the constitutions of the U.S. states^a

$Q = 0$ (no veto)	$Q = 1/2 + e$	$Q = 3/5$	$Q = 2/3$		$Q = 3/4$	
North Carolina ^b	Alabama	Delaware	Alaska	Massachusetts	Oklahoma	Alaska
	Arkansas	Illinois	(~rev&app)	Michigan	(~rev&app)	(rev&app)
	Indiana	(~rev&app)	Arizona	Minnesota	Oregon	Illinois
	Kentucky	Maryland	California	Mississippi	Pennsylvania	(rev&app)
	Tennessee	Nebraska ^b	Colorado	Missouri	South Carolina	Oklahoma
	West Virginia	Ohio	Connecticut	Montana	South Dakota	(rev&app)
	(~rev&app)	Rhode Island	Florida	Nevada	Texas	
			Georgia	New	Utah	
			Hawaii	Hampshire	Vermont	
			Idaho	New Jersey	Virginia	
			Iowa	New Mexico	Washington	
			Kansas	New York	Wisconsin	
			Louisiana	North Dakota	West Virginia	
			Maine		(rev&app)	
					Wyoming	

Notes: (a) Names followed by a parenthesis refer to state governments where different override majorities are required for revenue and appropriations bills (*rev&app*) and for bills other than revenue and appropriations (~*rev&app*).

(b) Excluded from analysis.

Source: CSG (various issues).

To estimate the model, the regressors in X_i need to be defined. X_i includes measures of the variables related by Hypotheses 2, 3, 4, and 5 to veto incidence, plus relevant control variables. Summary statistics of all the variables, with their formal definitions and sources are provided in the appendix to this chapter.

I used the following independent variables in the estimation. Q_i is the share of the assembly required to override an executive veto in the constitution of the state where session i was held. Q_i took three values among U.S. state governments: $1/2$, $3/5$, and $2/3$; Table 3.2 provides a summary of the structure of veto politics in the states.³⁶ The inclusion of Q_i puts Hypothesis 2 to a test. The square of Q_i is also included in vector X_i , as suggested by Cameron's (2000) explanation of vetoes as mistakes (see chapter 2). D_i is a dummy equal to one if the party of the governor did not control both houses of the state assembly, zero otherwise. D_i stands for Divided government, and confronts Hypothesis 3 with evidence. A_i is a dummy variable equal to one whenever the houses of the state assembly were controlled by different parties, zero otherwise. A_i stands for divided Assembly and puts Hypothesis 4 to a test.³⁷ E_i is the

³⁶ North Carolina, the only state where $Q_i = 0$, is excluded from this part of the analysis since explaining the number of vetoes in its legislative sessions is a trivial exercise – zero, no matter what. Including it has no effect in the estimation of coefficients, see fn 18.

³⁷ There were a few cases where each of the two parties had an equal number of members in one of the chambers, with no third-party members to break the tie. Because one of the parties controlled the other house, I coded these cases as a unified assembly. A breakdown of the partisan composition of state assemblies in the 798 legislative sessions included in the analysis appears in the table below. (Cell entries report the number of sessions with a given combination of characteristics; parentheses report the percentage of the total sessions that number corresponds to.)

number of days left between the end of session i and the legislative election that immediately followed session i (if session i ended the same day of the subsequent election, $E_i = 0$; if it ended one day before the election, $E_i = -1$; and so forth). E_i approximates Election proximity in the context of aggregate data, and is included to test Hypothesis 5.³⁸ The square of E_i is also included in the right-hand side of the equation with the intention of capturing the possibility of a declining effect of time.

B_i is the number of Bills that the legislative assembly sent to the Executive's desk during session i . As pointed out, B_i is the exposure variable in the model; as per (12) it enters the equation in logged form. I do not report the coefficient estimate of $\ln(B_i)$ in the table of results below because it is constrained to take a value of one.³⁹ The remaining variables in X_i are controls inspired by the literature. F_i (for Fiscal

House status	Senate status		
	Dem	Rep	Tie
Dem	482 (60%)	83 (10%)	17 (2%)
Rep	56 (7%)	145 (18%)	6 (1%)
Tie	4 (1%)	5 (1%)	0 (0%)

This breakdown yields the summary descriptive statistics of A_i reported in the appendix.

³⁸ The aggregate nature of the data in legislative sessions complicates measuring the position-taking incentives. Literally (as claimed in Hypothesis 5) the theory claims that as an election nears a bill is likelier to be vetoed, *ceteris paribus*. Aggregate data only permit to suggest that a session ending d days from the next election should present, *ceteris paribus*, a higher incidence of vetoes than a session ending $d - 1$ days from the next election. In some cases (48 out of 798) the session continued after the election next election (50 days on average, with a standard deviation of 40).

³⁹ I ran the model without this restriction, estimating a separate coefficient for $\ln(B_i)$. It is only possible to reject the hypothesis that this coefficient is not equal to one at the .13 level, suggesting that the restriction is not problematic. Moreover, the remaining coefficients did not show significant changes with this modification.

shock) is a dummy variable equal to one if session i took place in 1991, 1992, or 1993; zero otherwise. This variable controls for the 1991 state and local recession in the U.S. (see Gramlich 1991), a factor that plausibly rendered bargaining more difficult by hardening the budget constraint (cf. McCubbins 1991).⁴⁰ R_i is a dummy equal to one if i was a regular session; zero otherwise. R_i intends to capture a possible source of heterogeneity between Regular and special sessions (thus violating A15).⁴¹ Finally, Alt and Lowry (1994) control for a possible Southern state effect; I do the same by including S_i , a dummy equal to one if the state in which session i took place was part of the old confederacy, zero otherwise. The veto institutions of Southern states approximate those of non-Southern states.⁴² Sessions in the South had half the

⁴⁰ A fiscal crisis "hardens" government budgetary constraints, reducing the capacity to achieve compromise through deficits. When the budget constraint is "soft", the projects of two opposed sides can be logrolled, resulting in increasing budget deficits. I also noted that in the 48 states, the average number of legislative sessions that started each year in fact increased from 70 in 1983-90 to 89 in 1991-93.

⁴¹ The inclusion of special legislative sessions may be violating this assumption. I include a dummy to control this possible source of heterogeneity. I estimated the statistical model on regular sessions only and found results very similar to the ones reported below; the most striking difference is that the coefficients of variable E are not significant at conventional levels.

⁴² Ignoring North Carolina (where $Q = 0$, and which is dropped from my sample), the mean Q is .645 in the South, .642 in non-Southern states; the standard deviation around the mean is, respectively .061 and .056. The following table summarizes the breakdown of Q in states included in the analysis:

	$S_i = 0$		$S_i = 1$	
$Q = 1/2$	4	(11%)	2	(20%)
$Q = 3/5$	5	(13%)	-	(0%)
$Q = 2/3$	29	(76%)	8	(80%)
Total	38	(100%)	10	(100%)

incidence of vetoes of non-Southern sessions (8 vs. 17); a proportion of sessions in divided assemblies almost three times smaller (9% vs. 24%); a lower proportion of divided government sessions (39% vs. 62%); and a number of bills passed per session 20% larger (333 vs. 270).

With the addition of a constant to capture some of the effect of omitted variables, the vector of regressors is the following:

$$X_i = (1, Q_i, Q_i^2, D_i, A_i, E_i, E_i^2, F_i, R_i, S_i), \quad (13)$$

where

Q_i = override requirement,
 D_i = divided government
 A_i = divided assembly
 E_i = election proximity
 F_i = fiscal shock
 R_i = regular session
 S_i = South
 B_i = bills passed.

With this definition of X_i , the expected incidence of vetoes in session i looks as follows:

$$\begin{aligned} \mathbf{I}_i = \exp(\ln(B_i) + \mathbf{b}_0 + \mathbf{b}_1 Q_i + \mathbf{b}_2 Q_i^2 + \mathbf{b}_3 D_i + \mathbf{b}_4 A_i \\ + \mathbf{b}_5 E_i + \mathbf{b}_6 E_i^2 + \mathbf{b}_7 F_i + \mathbf{b}_8 R_i + \mathbf{b}_9 S_i). \end{aligned} \quad (14)$$

I expect to obtain the following signs for coefficient estimates. With regards to control variables, post recession sessions should have a higher incidence of vetoes (i.e. \mathbf{b}_7 should be positive), Southern states a lower one (\mathbf{b}_9 should be negative). I have no

If the table is expressed in terms of legislative sessions (the unit of the present analysis) instead of states the proportions within cells are almost identical.

expectation attached to incidence in special sessions. Table 3.3 summarizes the signs I expect for the coefficient estimates of the theoretically substantive regressors (dropping the subscripts). Expectations for Q , D , A , and E follow from Hypotheses 2, 3, 4, and 5 respectively. The table also summarizes the signs of coefficient estimates one would expect from Cameron's theory of vetoes as mistakes (see chapter 2).

Table 3.3
Expected sign of the coefficients of key variables

<i>Coef- ficient</i>	<i>Variable</i>	<i>Expected sign of coefficient^a</i>	<i>Source of expectation</i>	<i>Cameron's expectation^a</i>
$\mathbf{b_1}$	Q override requirement	0	Hyp. 2	?
$\mathbf{b_2}$	Q^2	0	Hyp. 2	–
$\mathbf{b_3}$	D divided government	+	Hyp. 3	+
$\mathbf{b_4}$	A divided assembly	–	Hyp. 4	–
$\mathbf{b_5}$	E election proximity	+	Hyp. 5	–
$\mathbf{b_6}$	E^2	+		?

(a) When the expectation is 0, the corresponding null hypothesis is that the coefficient is different from zero, a two-tailed test; when the expectation is a + (or a –), the null is that the coefficient is smaller or equal (larger or equal) to zero, a one-tailed test.

Table 3.4 reports the results of estimating equation (14) by maximum-likelihood negative binomial regression using stata 7 (StataCorp 1997). Two criteria evaluate the general fit of the model to the data. One is the p-value for the model's χ^2 statistic, indicating that the null hypothesis that all the coefficient estimates are all equal to zero can be confidently rejected at the .0001 level or better. By the second criterion, there is ample statistical evidence to reject a hypothesis that the Poisson should have been chosen to model the distribution of variable V instead of the negative

Table 3.4

A model of the incidence of vetoes in U.S. state governments' legislative sessions

Part 1: Coefficient estimates

Variable		Coefficient estimate ^a (robust standard error in parentheses) ^b	p-value (two-tailed test unless otherwise indicated)
1	<i>constant</i>	-33.144 (7.052)	<.001
<i>Q</i>	<i>override</i>	103.243 (24.247)	<.001
<i>Q</i> ²	<i>requirement</i>	-87.074 (20.499)	<.001
<i>D</i>	<i>divided government</i>	.600 (.096)	<.001 (one-tailed)
<i>A</i>	<i>divided assembly</i>	-.609 (.115)	<.001 (one-tailed)
<i>E</i>	<i>election</i>	.001 (4×10 ⁻⁴)	.004 (one-tailed)
<i>E</i> ²	<i>proximity</i>	8×10 ⁻⁷ (4×10 ⁻⁷)	.030
<i>R</i>	<i>regular session</i>	-.071 (.124)	.566
<i>F</i>	<i>fiscal shock</i>	.252 (.092)	.003 (one-tailed)
<i>S</i>	<i>Southern state</i>	-.477 (.106)	<.001 (one-tailed)
<i>dispersion parameter</i> ln(<i>d</i>) =		-.141 (.067)	.035
Pseudo R ² =		.03	
Model $\chi^2_{(9)}$ =		108.36	<.0001
Log Likelihood =		-2069.93	
Number of observations =		798	

Part 2: Likelihood-Ratio test against Poisson

<i>d</i> =	.869
$\chi^2_{(1)}$ =	7766.60
p-value (2-tailed) =	<0.0001

Notes:

(a) Negative-Binomial method of estimation. The number of bills passed in the session serves as the exposure variable. For variable definitions, see Appendix 1.

(b) Cf. White 1980.

binomial (as per A12). By equation (9), that hypothesis can be rephrased as a claim that parameter $\hat{a} = 0$ (making the negative binomial distribution collapse into a Poisson); since negative binomial regression provides an estimate of \hat{d} , we are in a position to test a hypothesis that the estimate is nil. A Likelihood-Ratio test, reported in part 2 of the table, permits to conduct the test of the hypothesis that $\hat{a} = 0$. The estimate $\hat{d} = .87$ is significantly different from zero at the .0001 level or better. So there is ground to sustain that negative binomial regression is a good choice of method to model this event count.

Tests are also conducted to determine whether or not each coefficient estimate, individually, is statistically discernible from zero. The criterion involves comparing the ratio of the estimate and its standard error, plugging the result against a Wald chi-square distribution (Cameron and Trivedi 1998, p. 47), and then measuring the probability density left in the tail of the distribution beyond the result: this is the p-value. The smaller the p-value of a coefficient estimate, the more confident we can be when rejecting the null hypothesis attached to the coefficient at hand.

I illustrate the statistical evaluation of coefficient estimates with that of variable R ; it is the same procedure for all the other variables. The coefficient estimate \hat{b}_8 indicates that, holding other factors constant (including the number of bills passed in the session), regular sessions had an incidence of executive vetoes similar to that of special sessions. Although the estimate for the coefficient is equal to $-.071$, the data contain no statistical evidence to reject the hypothesis that the coefficient is any different from zero. If an imaginary experiment were held in which drawings of data

from legislative sessions were repeated infinitely, and we always chose to reject the hypothesis that this coefficient is zero, we would be wrong (making a type I error)⁴³ a bit less than 57 out of every 100 times (p-value = .566). The lack of evidence to reject the null hypothesis involving *R* suggests that the assumption that non-overlapping exposures are mutually independent (A15) is not violated. The fiscal shock to local economies in 1991 significantly increased inter-branch conflict, at least with respect to the incidence of executive vetoes. The positive and significant (at the .003 level) coefficient of variable *F* indicates that, all else constant, the number of vetoes went up in sessions initiated on January 1, 1991 or later. The other control variable indicates that the number of vetoes in legislative sessions held in Southern states was below the average in non-Southern states: the coefficient estimate is negative (-.477) and statistically significant (at the .001 level or better).

Coefficient estimates of three out of four variables of substantive interest conform to my expectations summarized in the middle column of Table 3.3. With the exception of the *nil impact* hypothesis (H2), none of hypotheses H3, H4, nor H5 can be rejected with the data at conventional levels (the corresponding null hypothesis for each can be easily derived from the middle column). There is significant statistical evidence to reject (at the .001 level or better) the null that the coefficient of the *D* dummy is nil or negative. All else constant, sessions in which the executive's party did not control both houses of the assembly had a higher incidence of vetoes.

⁴³ Type I errors involve the rejection of a hypothesis that is actually true (Wonnacott and Wonnacott 1990, p. 303).

Knowledge that the point estimate of D 's coefficient is .6 is not more informative at this stage beyond the sign of the estimate. Unlike ordinary least squares estimates, the meaning of negative binomial coefficient estimates needs to be decoded, a task I undertake below.

The data also contain evidence to reject (at similar statistical level as for D) the null hypothesis that the coefficient of dummy A is zero or positive. *Ceteris paribus*, we have statistical evidence that sessions in which the same party failed to control both houses of the state assembly had a significantly lower incidence of executive vetoes. I have been incapable of finding evidence among legislative sessions in state governments allowing to reject the *divided government surge* and *divided assembly slump* hypotheses (H3 and H4). The partisan composition of the branches of government plays a significant role in generating observable implications of inter-branch conflict; the significance is statistical as well as in the magnitude of the effect, as I point below.

The positive (.001) point estimate of the coefficient for variable E indicates that, other factors held constant, the more proximal the next election to the end of a session (i.e. one day less to the polls), the higher the incidence of vetoes in the session. There is evidence to reject the null associated with Hypothesis 5 ($\mathbf{b}_5 \leq 0$) at the .004 level of confidence. Moreover, the effect of election proximity was in fact increasing in state sessions, as indicated by the positive (and significant) sign of the coefficient estimate of the square of this variable. The marginal effect of one less day away from the election on veto incidence is positive and statistically significant.

I provide in section 4 a graphical portrait of the effect that nearing elections have on veto incidence. The aggregate nature of the data raises some doubts about the face value of this particular finding; it should be complemented with additional evidence. An example illustrates the potential problem. Imagine a calendar running from January 1 year y to January 1 year $y+1$; re-label the time-line so that it is measured in negative months (i.e. January 1 year $y+1$ corresponds to zero, December 1 year y to -1 ; November 1 to -2 ; ...; January 1 year y to -12). Consider zero to correspond to the next election day, and take three legislative sessions, s , t , and u . Session s runs from -12 to -1 ; session t runs from -6 to -1 ; session u runs from -2 to -1 . Because all three sessions end the same day, all are coded as having the same electoral proximity (i.e. $E_s = E_t = E_u = -1$). Session s , however, had a long period away from the effect of the election, whereas session u didn't.⁴⁴ Research with bill-specific data will be needed to confirm this result, estimating the probability of a veto based on the distance from the bill's consideration to the next election.

On the side of negative findings, data from legislative sessions of U.S. state governments contain no statistical evidence to reject the null attached to the *nil effect of Q* hypothesis (H2). The coefficient estimate of variable Q is large (103). It is also statistically significant (p-value $< .001$). If we chose to reject the null that this

⁴⁴ I ran the regression measuring election proximity as the (negative) number of days from point x in the session to the next election. The estimate reported and discussed so far takes x to be the end of the session. If x is taken as the day corresponding to the third quartile (of session length) the results are very similar to those reported. Moving x to the middle of the session returns coefficient estimates for E and E^2 very similar in magnitude but less significant statistically (at the .05 and .1 levels, respectively).

coefficient is not zero, we would be making a type I error with probability .999: we would be right only 1 out of 1,000 times! In fact, the magnitude of the coefficient estimate suggests that the effect of the veto override requirement on veto incidence is larger than that of any other independent variable.

The rejection of the *nil effect* hypothesis has to be interpreted in light of the discussion of the two complementary determinants of veto incidence (chapter 2): position-taking and uncertainty. Aggregate data conflate two types of vetoes into a single measure, complicating the exercise of disentangling them. Yet the inclusion of Q^2 in the regression provides some leverage: since the position-taking logic does not predict an effect of this variable on overall veto incidence, any hint of an effect of this variable can be attributed to Cameronian (2000) uncertainty – which I theoretically associated with the override requirement. In other words, if all the vetoes in sessions were publicity stunts, the coefficient of variables Q and Q^2 would be nil. The non-zero coefficient estimate of Q^2 is evidence that some non-trivial amount of veto incidence was caused by uncertainty. The question remains about what proportion of vetoes belongs to uncertainty and position-taking; estimating these proportions would require, at the very least, non-aggregated data. Below I shall present an attempt to control for the effect of uncertainty in evaluating the effect of position taking (by analyzing sessions with an absolute majority override requirement).

The coefficient estimate of Q^2 conforms to Cameron's expectation: the estimate is negative and large in absolute value (-87); it is also statistically significant (p-value < .001). The implication is that the effect on veto incidence increases with Q

in a first stage, then decreases in a second stage. The coefficient estimates for Q and Q^2 actually allow a computation of the inflection point at $Q = .59$,⁴⁵ the level at which the effect of the override requirement on veto incidence is maximal. As was pointed out in chapter 2, all the effect of variable Q on the dependent variable can be theoretically attributed to Cameronian uncertainty, since my position-taking model presumes no relation of this variable and vetoes as publicity stunts. The likelihood of a large number of miscalculations about whether or not a coalition to override a veto will form reaches a maximum in sessions held under a three-fifths override-majority requirement; it is smaller for session held at an absolute majority override requirement and at a two-thirds requirement. I provide a graphical representation of this effect in the next section.

The negative finding just reported conforms well with Cameron's theory, not with mine. It should be pointed out that there is another prediction on which the two models contradict each other: from the perspective of uncertainty, veto incidence should associate negatively with the electoral calendar (because players somewhat learn about each other's preferences); from the perspective of position-taking, veto incidence should associate positively with election proximity (as per the *electoral oscillation hypothesis* (H5)). The latter hypothesis, as pointed out above, could not be rejected at conventional levels. The influence of publicity stunts cancels that of

⁴⁵ The inflection point is obtained easily from the coefficient estimates: the first derivative of function $f = 103Q - 174Q^2$, equated to zero, provides the reported result: $f' = 103 - 174Q = 0 \Leftrightarrow Q = .59$.

learning, actually adding some more, as evidenced in the positive and significant coefficient estimates of variables E and E^2 .

Before turning to interpret coefficient estimates, I report that I also ran a version of the statistical model including fixed state effects. These effects are another possible source of heterogeneity between sessions violating assumption A15. While about half of the state dummies obtained estimates that are statistically significant, estimates for the partisan composition of the branches (variables D and A) in fact grow in magnitude and in statistical significance with the addition of these controls. The fixed-effect model has to exclude variable Q due to its perfect collinearity with a linear combination of the state dummies; its effect is captured by the latter. The estimated coefficient of electoral proximity (variable E) in the fixed-effects model retains the same sign, loses more than half its size, and most importantly loses any sign of statistical significance. The fixed-effects model makes another suggestion about the necessity to seek additional supportive evidence for the *electoral oscillation* (H5) of veto incidence.

4 Interpreting the results

I have not paid attention so far to the estimated *values* of coefficient, only to their sign. There is good reason because, as pointed out, the interpretation of negative binomial regression coefficients is different from that of ordinary linear regression. Each coefficient requires some transformation in order to assess the impact that a unit change in the corresponding regressor (IV) has on the regressand (DV). The simplifying assumption of linearity in ordinary regression offers a plain reading of

estimates. For example, if we modeled the height differential of father and son as a function of the height differential of grandfather and father (i.e. $\text{centimeters}_{\text{father}} - \text{centimeters}_{\text{son}} = \mathbf{b}(\text{centimeters}_{\text{grandfather}} - \text{centimeters}_{\text{father}})$) and obtained a $\hat{\mathbf{b}}$ estimate of -1, the meaning is straightforward: there is a negative one-to-one correlation between the variables, whereby a unit increase of the IV (a father 1 centimeter higher than the grandfather) is associated with a unit decrease in the DV (a son 1 centimeter shorter than the father). As soon as the method of estimation involves a non-linearity assumption (as in negative binomial regression), a coefficient estimate of -1 would not result in the same effect. The impact of the IV on the DV is indeed negative, but the actual effect varies with the value of the IV in question as well as with the value of other IVs (when the model is multivariate).

One way to decode the information conveyed by negative binomial regression involves a comparative statics simulation, using the model's estimated coefficients to obtain the expected veto incidence for different combinations of values for the IVs. The expected number of vetoes per session given the session's characteristics ($\hat{\mathbf{I}} | X$) is obtained with the product of the vector of coefficient estimates ($\hat{\mathbf{b}}$) and a matching vector of values for each variable in X :

$$(\hat{\mathbf{I}} | X) = \exp(\hat{\mathbf{b}}X). \quad (15)$$

If X' is a vector identical, component by component, to X with the exception of the value for one of the variables, the difference between $(\hat{\mathbf{I}} | X') - (\hat{\mathbf{I}} | X)$ represents the independent effect on veto incidence attributable to the variable that changed from X

Table 3.5. The expected number of vetoes per 100 bills passed.

		<i>1 year</i> <i>until next election</i>		<i>1 month</i> <i>until next election</i>	
		(a) $Q = 1/2$	(b) $Q = 2/3$	(c) $Q = 1/2$	(d) $Q = 2/3$
(i)	<i>Unified government</i>	3.44	4.34	4.33	5.46
(ii)	<i>Divided government with unified assembly</i>	6.27	7.92	7.89	9.95
(iii)	<i>Divided government with split assembly</i>	3.43	4.34	4.32	5.45

How to read this table: Cell (ai) indicates an estimate of 3.44 vetoes per 100 bills passed in a session in which $Q = 1/2$, in which the executive controls both houses of the assembly, and when the next election is one year ahead; cell (bi) indicates an increase to 4.34 vetoes per 100 bills changing to $Q = 2/3$ while leaving the remainder variables untouched; and so forth. Other variables in the equation are set in the following fashion for all cells: $F = 1$; $S = 0$; and $R = 0$.

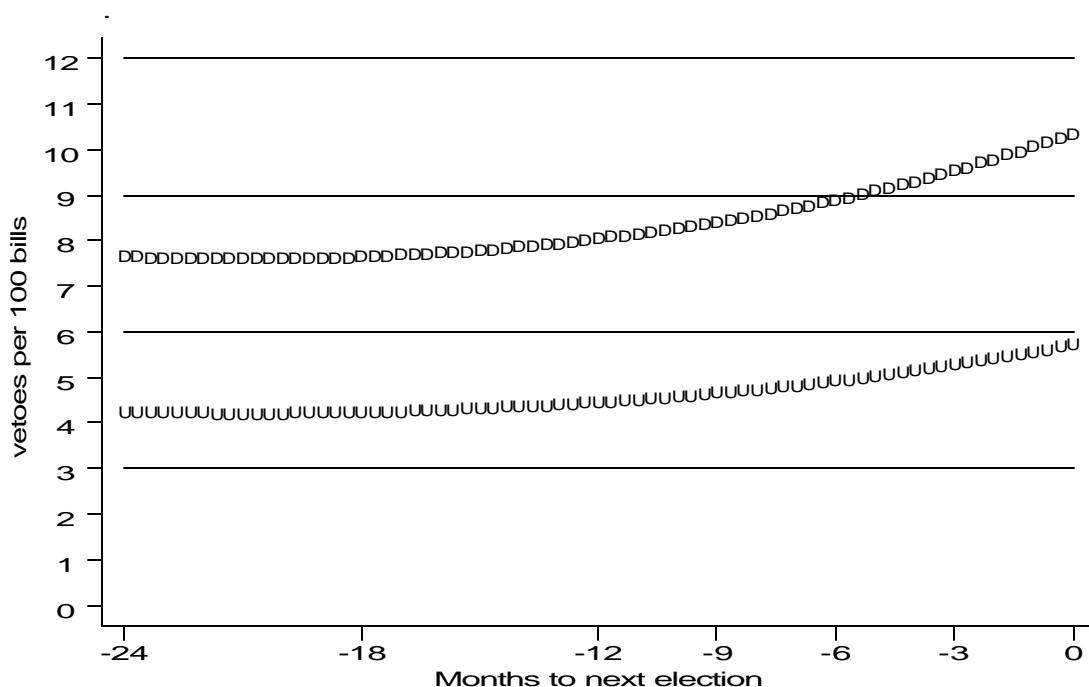
Cells in Table 3.5 are analogous to a set of 12 photographic snapshots of the veto incidence (our main subject) and its regressors (the secondary and tertiary characters). Tertiary characters are control variables F , S , and R , left fixed in the exact same value (or location in the analogy). In each snapshot, one and only one of the secondary characters (the partisan configuration of the branches, the override requirement, and the electoral proximity) changes “location”, thus allowing us to see its independent effect on veto incidence. So, for example, the difference in the value of cell (aii) and the value of cell (ai) informs us that, all other factors held constant, a session held under divided government (with unified control of the assembly by a party other than the executive’s) increases the veto incidence rate by 2.83 vetoes for every 100 bills with respect to a session held under unified government ($6.27 - 3.44 =$

2.83). As pointed out, the effect of divided government (or any other regressor, for that matter) is not the same at different values of the other variables. Raising the override requirement renders the effect of divided government more acute: it increases incidence by $7.92 - 4.34 = 3.58$ vetoes per 100 bills passed. Similarly, shortening proximity of the next election (from one year to one month) further sharpens the effect of divided government to $9.95 - 5.46 = 5.62$ vetoes per 100 bills. This is another look at how compelling the supporting evidence for the *divided government surge* hypothesis (H3) is.

Another interesting result of this snapshot exercise has to do with the relative effects of divided government and divided assemblies: they cancel each other out rather cleanly. The symmetry of coefficient estimates for the two dummy variables (.6 for *D*, $-.609$ for *A*; their sum practically returns zero) is suggestive of this. Table 3.5 offers a more illustrative portrait of the mirror effect of the two variables by translating it to a more easily interpretable unit, actual veto incidence. The additional vetoes (per each 100 bills passed) brought by divided government are taken away by dividing the control of the assembly as well. Divided assemblies depress the number of bills that can be vetoed by the executive: the second chamber exercises a veto before the executive does. *Ceteris paribus*, cells (ai) and (aiii), (bi) and (biii), (ci) and (ciii), and (di) and (diii) never manifest a difference of more than .01 vetoes per 100 bills passed. The *divided assembly slump* (H4) served as an antidote for the *divided government surge* (H3) among U.S. state governments.

The effect of variable E is also of substantive interest. Differences between cells (ci) and (ai), (di) and (bi), (cii) and (aii), and so forth (six differences in total) estimate the effect on veto incidence of switching from a session ending 12 months from the election to a session ending 1 month before the election. The effect of course varies depending on the values of other regressors but, *ceteris paribus*, it was roughly 2 vetoes per each hundred bills passed under divided government, roughly 1 veto per 100 bills passed under unified government or divided assemblies. Figure 3.3 offers a more continuous perspective of the same effect, by plotting the expected numbers of vetoes (per 100 bills passed) against variable E . The figure consists of two curves, one representing veto incidence in divided government sessions, the other representing veto incidence in unified government sessions (which, as pointed out, are the same as divided assembly sessions). The first and second derivatives of both curves are positive, as was indicated by the coefficient estimates of E and E^2 ; the divided government curve is approximately twice as far above the origin as the unified government curve is, and has a slightly steeper tail towards the election. As the end of the session falls closer to an election, observable instances of inter-branch conflict increase at an increasing rate. An obliged extension of this project will consist of gathering disaggregated evidence so as to check whether or not individual bills are, *ceteris paribus*, likelier to be vetoed as the next election approaches. Aggregate evidence is suggestive that this could be the case, but such a claim may fall prey to the ecological fallacy (see King 1997).

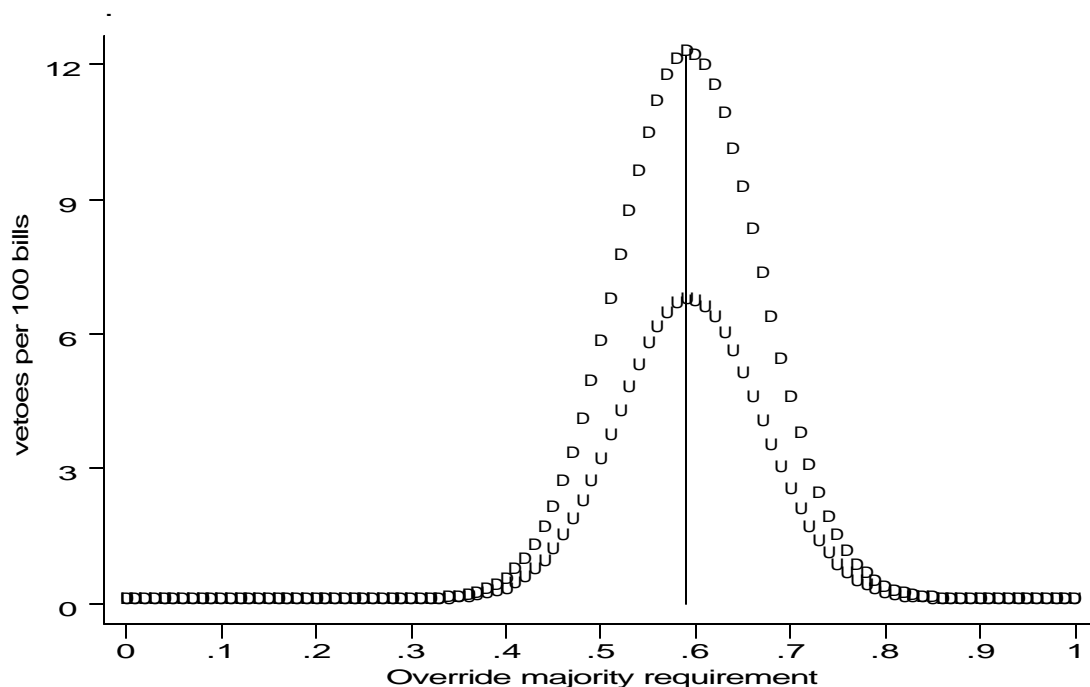
Figure 3.3
Veto and the election cycle



Notes: The curves portray the expected number of vetoes per 100 bills passed as a function of the time (months) remaining until the next election. *Ds* represent estimates under divided government with a unified assembly, *Us* estimates under unified government. Other variables in the equation are held at the following values for this estimation: $Q = 2/3$; $A = 0$; $R = 1$; $F = 1$; and $S = 0$.

Another enlightening analysis is that of the impact of variable Q . As pointed out, I interpret the override majority requirement to be a proxy for the baseline uncertainty that surrounds a given session. The coefficient estimates of Q and Q^2 are the largest of the set in absolute value. Figure 3.4 offers a portrait of the substantial effect of uncertainty on executive veto incidence. Holding the remainder variables at fixed values, the effect of increasing the override requirement in U.S. state

Figure 3.4
The effect of uncertainty on executive vetoes



Notes: The curves portray the expected number of vetoes per 100 bills passed as a function of the override requirement Q . Ds represent estimates under divided government with a unified assembly, Us estimates under unified government. Other variables in the equation are held at a value of zero, with the exception of E which is set to 100 and R which is equal to 1.

governments had an inverted parabolic shape reaching a maximum in about $Q = 3/5$. In U.S. state government legislative sessions uncertainty seems to have reached a peak influence under such an override requirement. The tails of the parabola become tangent with the x-axis quite rapidly on each side of the inflection point. By $Q = .4$ or

$Q = .8$, the estimated effect has almost vanished.⁴⁶ The expected incidence rate is a bit over nil per 100 bills passed when the session is held under a $Q = .4$ institutional setting, regardless of the partisan composition of the branches. Expected incidence skyrockets to something close to 6 vetoes per 100 bills under divided government (3 per 100 under unified government or divided assemblies). At its peak, the independent effect of uncertainty attains 12 vetoes per 100 bills passed under divided government, 6 per 100 under unified party control. This effect is symmetric on the other side of the maximum.

The effect of variable Q (the override requirement) conforms well with vetoes-as-bargaining-plays; the effect of variable E (electoral proximity) conforms better with vetoes-as-publicity-stunts. How should this contradiction be read? This should be interpreted as evidence that two determinants of veto incidence, Cameronian uncertainty and position-taking, are entangled in the empirical observations being analyzed. Vetoes as mistakes are conflated along with vetoes as publicity stunts. A different research design will be needed to isolate one type from the other. The data I rely on, however, do provide a little leverage to address this issue.

All that can be done in this respect with the evidence at hand is carry a separate analysis of legislative sessions held under an absolute majority override requirement ($Q = .5 + \hat{a}$). A plausible argument can be made that Cameronian uncertainty shrinks to

⁴⁶ Actually, running the model without excluding North Carolina (where $Q = 0$) does not have any noticeable effect on coefficient estimates nor their p-values. This is not true if variable Q^2 is excluded from the equation.

nearly zero in this subset of sessions, the reason being that it becomes nearly unquestionable whether or not a coalition to override an executive veto will form. After all, assuming no abstentions, the very same coalition that formed once in order to pass the bill suffices to override an eventual veto to that same bill. I thus ran a version of the model only on those sessions held in Alabama, Arkansas, Indiana, Kentucky, and Tennessee, five states where vetoes to any bill can be overridden by an absolute majority of the assembly. The model slightly modifies the one whose estimates I reported in Table 3.4: variable Q_i is excluded (because it is a constant in the subset of sessions), and variable S_i I replaced with dummies for the different states whose sessions are included (a fixed-effects model excluding the Alabama dummy). Estimates appear in Table 3.6. The smaller number of sessions ($N=71$) produces estimates that differ from those of Table 3.4. Yet it is interesting to note that some effect is attributable to election proximity. The effect is twice as large as that estimated for the whole set of sessions (0.002 instead of 0.001), although it is only significant at the .06 level (the other was significant at the .004 level). Yet the finding is evocative: governors who are certain that the assembly can override any veto of theirs still rely on vetoes. Sessions in Arkansas produced the highest veto incidences in the subset, reaching 26, 37, 45, and 67 in sessions ending in 1991, 1985, 1993, and 1987 respectively; Bill Clinton was governor in all but the third (see Appendix 1). It is hard to explain this finding as something other than position-taking exercises.

Table 3.6

Estimating the model only on legislative sessions where Q equals absolute majority (sessions in Alabama, Arkansas, Indiana, Kentucky, and Tennessee)

Variable		Coefficient estimate ^a (standard error) ^b	p-value (two-tailed test unless otherwise indicated)
1	<i>constant</i>	-4.017 (.492)	<.001
<i>D</i>	<i>divided government</i>	1.575 (.350)	<.001 (one-tailed)
<i>A</i>	<i>divided assembly</i>	.028 (.725)	.485 (one-tailed)
<i>E</i>	<i>election proximity</i>	.002 (.002)	.061 (one-tailed)
<i>E</i> ²		2×10 ⁻⁶ (1×10 ⁻⁶)	.075
<i>R</i>	<i>regular session</i>	-.814 (.263)	.002
<i>F</i>	<i>fiscal shock</i>	-.503 (.298)	.046 (one-tailed)
	<i>Arkansas</i>	2.037 (.438)	<.001
	<i>Indiana</i>	.410 (.405)	.311
	<i>Kentucky</i>	1.420 (.491)	.004
	<i>Tennessee</i>	-.914 (.370)	.013
Pseudo R ² =		.1627	
Model $\chi^2_{(10)}$ =		60.81	<.0001
Log Likelihood =		-156.51	
Number of observations =		71	

Notes:

- (a) Negative-Binomial method of estimation. The number of bills passed in the session serves as the exposure variable. For variable definitions see Appendix 1 and text.
- (b) The corresponding standard errors are not robust (cf. White 1980), unlike those of Table 3.4.

I also ran an alternative specification of the model controlling for sessions where the executive possessed a line-item veto. A handful of state constitutions do not give the governor a line-item veto (that is, the possibility of vetoing items such as words and sentences of bills, while publishing the remainder into law). Legislative sessions held in Indiana, Maine, Nevada, New Hampshire, North Carolina, Rhode Island, and Vermont, where the executive has a package veto only, might have a different veto incidence than the rest. A higher veto incidence may be artificially created by item vetoes: a single bill, say the budget, may contain hundreds of items that the governor stroke from the original text. The source, unfortunately, does not specify whether a veto was of one type or another.

To control for this possible source of heterogeneity in legislative sessions, and to reduce the effect of this possible measurement problem, I ran the model controlling for the item veto institution. This variable should capture most of the “artificial” effect on veto incidence. Results only change slightly (see Appendix 2).⁴⁷ Although the effect of a governor with an item veto is positive and significant, controlling for it causes no major change in the estimates of other coefficients, and has virtually no impact on their statistical significance.

⁴⁷ Stata 5, the statistical software I own and used in the present analysis, does not have a feature to run binomial regression with robust standard errors (to control for possible problems of heteroskedasticity, cf. White 1980). I borrowed Stata 6 to estimate the model in Table 3.4. When I realized variable I_i should be included in the left-hand side I no longer had access to stata 6. This will be a simple problem to overcome in the near future.

Alternative explanations of the results. Some may argue that the electoral oscillation in veto incidence may be the result of factors not taken into account in the present model. The oscillation may, for example, be the result of budgetary politics. A spurious correlation may result from a possible coincidence of the electoral and budgetary calendars. The budget prompts governors to item-veto many of its components, which I may be mistakenly attributing to position-taking incentives tied to the overlapping election. Also, the finding that election proximity matters can be observationally equivalent with explanations other than mine. For instance, it could be the case that more pork bills go to the executive when an election is near, and executives use the veto not for position-taking, but only because they are fiscally responsible.

I have elements to discredit both critiques. With regards to the spuriousness possibility, the addition of a control for line-item vetoes provides some leverage. The fact that the coefficient of this variable is positive and significant (as should be expected) does not drive the coefficient of the electoral proximity variable to non-significance (see Appendix 2). If the oscillation followed the budgetary calendar only then no variance would be left to be explained by the electoral calendar; this is not the case. The coefficient estimate of variable E_i loses 16% of its impact on the dependent variable when the item-veto is controlled for, but its significance is left virtually untouched. The electoral calendar matters.

The pork argument is rather inoffensive to my own argument because it follows the same logic. My claim is that politicians have incentives to propose popular

policy knowing beforehand that some opponent will kill it, and that these incentives accrue as elections approach. Nothing is said in my argument about what exactly such policy will look like; it can represent public goods desired by core constituents which are divisive at the national level (e.g. a liberalization of abortion regulations); it can also represent private goods benefiting a locality at the expense of the nation (e.g. a targetable subsidy). Regardless of whether the bill involves pork or not, this legislation is proposed for the adversary to kill it, thereby explaining to constituents why the public good or pork in question was not enacted despite their representative's activism.

5 Conclusion

In this chapter I constructed a model to test four hypotheses derived from the position-taking setter game. The method I relied upon to model executive veto incidence is negative binomial regression. I described the model at length. I then estimated the model on data from legislative session in the governments of U.S. states held between 1983 and 1993.

There is evidence to reject only one out of five hypotheses with substantive theoretical content. Four of the five hypotheses – including the hypothesis that was rejected – were drawn from a position-taking perspective on inter-branch relations. The fifth hypothesis belongs to Cameron's uncertainty perspective on inter-branch bargaining. Table 3.7 summarizes the results of hypothesis tests for this set of variables of theoretical interest. The table also reports the p-value of the coefficient estimate (the criterion for rejection of hypotheses).

Table 3.7
Summary of results from key hypothesis tests

<i>Variable – hypothesis</i>	<i>Formal hypothesis</i>	<i>Result (level of hypothesis test)</i>
Q – nil impact hypothesis	$\mathbf{b}_1 = 0$	rejected (.999)
Q^2 – proxy for uncertainty (Cameron)	$\mathbf{b}_2 < 0$	not rejected (.001)
D – divided government surge	$\mathbf{b}_3 > 0$	not rejected (.001)
A – divided assembly slump	$\mathbf{b}_4 < 0$	not rejected (.001)
E – electoral proximity oscillation	$\mathbf{b}_5 > 0$	not rejected (.004)

The data contain evidence that uncertainty, insofar as Q is good measure of it, plays an important role in the generation of executive vetoes. Since the position-taking theory expects no relation between veto incidence and Q ,⁴⁸ the independent effect of this variable can be wholly attributed to Cameron's explanation. This effect is substantial, as seen in Figure 3.4. In state government sessions held under divided government, the effect of a change in Q from absolute majority to three-fifths is such that the veto incidence rate jumps from 6% to roughly 12% of bills, then back to 6% when the two-thirds Q is attained. Vetoes-as-position-taking-exercises and vetoes-as-mistakes are conflated in the data, and I not devised a way to disentangle them at this stage of my research.

⁴⁸ Actually, the theory expects an association between Q and overrides of executive vetoes (position-taking vetoes PTVs in chapter 2).

The uncertainty approach to veto incidence and the position-taking approach share the hypotheses concerning the partisan composition of government. The hypotheses concerning the override majority requirement Q find strong evidence in the data for the uncertainty approach. As far as my understanding of Cameron's model goes, the hypothesis concerning the electoral cycle belongs to the position-taking approach only. I found some evidence in favor of it, but it is weak given the aggregate nature of the data in the chapter, not to mention that the finding is not very robust to a change to fixed-effects model.

Appendix 1

Sources and summary statistics of variables in the analysis reported in Table 3.4 appear in Table 3.A1. Table 3.A2 contains summary statistics for the subset of cases reported in Table 3.6.

Table 3.A1.

Description of the variables (excluding Nebraska and North Carolina, n=798 sessions)

Part 1: Continuous variables

Variable Name	Description	Mean	SD	Min.	Max.
V_i	Number of bills vetoed by the governor in session i . ^a	15.49	42.62	0	465
Q_i	Proportion of the state assembly in which session i was held needed to override an executive veto. ^a	.64	.06	.5	.67
E_i	Counting the day of the House election that is closest to the end of session i as day zero, subtract 1 for each day it takes to get to the day session i ended, and obtain in this fashion E_i . ^a In 48 sessions (6%) the next House election preceded the end of the session i . ^c In 99% of sessions, the House election preceded or was concurrent with the Senate election (hence the use of the House instead of the Senate election). ^d	-390.83	252.07	-1,445	-3
B_i	Total number of bills passed by the assembly in session i . ^a	296.84	353.88	1	3,128

(Table continues next page)

Table 3.A1 (continued)

Part 2: Discrete variables

Variable Name	Description	Frequency of values	
		0	1
D_i	Dummy equal to 1 if a party other than the governor's had an absolute majority of seats in at least one chamber in the assembly in session i ; equal to zero otherwise. ^a	349	449
A_i	Dummy equal to 1 if different parties held an absolute majority of seats in each chamber of the assembly during session i ; equal to 0 otherwise. ^c	638	160
F_i	Dummy equal to 1 if session i started January 1, 1991 or later; equal to 0 otherwise. ^a	545	253
R_i	Dummy equal to 1 if session i was a regular one; equal to 0 otherwise. ^a	317	481
S_i	Dummy equal to 1 if session i took place in Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, the Carolinas, Tennessee, Texas, or Virginia; equal to 0 otherwise. ^b	609	189

Sources and notes:

(a) Variables taken from or prepared with information from the *Book of the States* (CSG, Various issues).

(b) From Alt and Lowry (1994).

(c) Twice in Wisconsin the assembly remained in session for nearly two years, with an election in the middle. Of the remainder 46 cases, 28 had a less than 100 but more than 50 days lapse between the ballot and the cloture of the session, while 18 had a 50 or less days lapse.

(d) In 53 sessions (6.6%) the next Senate election occurred after the House one, with the inverse occurring in only 3 sessions (0.4%); in the remainder sessions (92.9%) House and Senate elections were concurrent.

(e) In 32 sessions (4%) parties had exactly half the seats in one of the chambers (never in both). These instances were coded as unified assemblies (see footnote 37).

Table 3.A2:
Descriptive statistics for sessions in states with $Q = \frac{1}{2} + \alpha$:
Each cell contains the following statistics: Mean (Std. Dev.) [Min,Max]

	Alabama N=16	Arkansas N=16	Indiana N=15	Kentucky N=12	Tennessee N=12
bills vetoed	6.4 (5.5) [0,18]	14.6 (20.1) [0,67]	3.1 (2.9) [0,12]	3.9 (6.9) [0,23]	3.5 (4.8) [0,11]
divided government	.88 (.34) [0,1]	0 (0) [0,0]	.53 (.52) [0,1]	0 (0) [0,0]	.5 (.52) [0,1]
divided assembly	0 (0) [0,0]	0 (0) [0,0]	.27 (.46) [0,1]	0 (0) [0,0]	0 (0) [0,0]
election proximity	-546 (366) [-1198,-39]	-455 (150) [-690,-117]	-448 (147) [-571,-238]	-389 (191) [-692,-203]	-344 (169) [-551,-166]

Sources: see Table 3.A1.

Appendix 2

In order to control for one possible source of heterogeneity in legislative sessions, I ran the model with a dummy variable for sessions where the governor enjoys a line-item veto (all sessions except those held in Indiana, Maine, Nevada, New Hampshire, North Carolina, Rhode Island, and Vermont; 89% of sessions were held under line-item vetoes). Variable I_i equals 1 if session i was held under a constitution granting the governor a line-item veto, 0 otherwise. There is some change in the estimates when variable I_i is included, but none above a 25% increase or decrease in the value of the coefficient estimate (see column f in Table 3.A3), insufficient to shift the sign of any coefficient. Moreover, the statistical significance of coefficient estimates hardly changes at all (column g).

Table 3.A3

Two alternative specifications of the model reported in Table 3.4 (including/excluding variable *I*)

		Equation 1 ⁱ		Equation 2 ⁱ		Difference in coefficient estimates (e = c-a)	Relative change in coefficient magnitude (f=e×100÷ a)	Difference in p-values (g = d-b)
		coefficient estimates (a)	p-value ⁱⁱ (b)	coefficient estimates (c)	p-value ⁱⁱ (d)			
1	<i>constant</i>	-33	<0.0001	-39	<0.0001	-6.5	-20%	0
<i>Q</i>	<i>override requirement</i>	103	<0.0001	122	<0.0001	19.7	19%	0
<i>Q</i> ²		-87	<0.0001	-104	<0.0001	-17.2	-20%	0
<i>D</i>	<i>divided government</i>	0.60	<0.0001 ⁱⁱⁱ	0.57	<0.0001 ⁱⁱⁱ	-0.03	-6%	0
<i>A</i>	<i>divided assembly</i>	-0.61	<0.0001 ⁱⁱⁱ	-0.61	<0.0001 ⁱⁱⁱ	0.004	1%	0
<i>E</i>	<i>election proximity</i>	0.001	0.004 ⁱⁱⁱ	0.001	0.01 ⁱⁱⁱ	-0.0002	-16%	0.007
<i>E</i> ²		8.39×10 ⁻⁷	0.03	6.45×10 ⁻⁷	0.08	-1.94×10 ⁻⁷	-23%	0.05
<i>R</i>	<i>regular session</i>	-0.071	0.57	-0.062	0.61	0.01	13%	0.05
<i>F</i>	<i>fiscal shock</i>	0.25	0.003 ⁱⁱⁱ	0.25	0.002 ⁱⁱⁱ	-0.0002	-0.1%	-0.001
<i>S</i>	<i>Southern state</i>	-0.48	<0.0001 ⁱⁱⁱ	-0.57	<0.0001 ⁱⁱⁱ	-0.09	-19%	0
<i>I</i>	<i>item veto</i>			1.07	<0.0001			

(Table continues next page)

Table 3.A3 (continued)

Log Likelihood =	-2069		-2044	
Model $\chi^2_{(9)}$ or $\chi^2_{(10)}$ =	108	<0.0001	159	<0.0001
Pseudo R^2 =	0.03		0.04	
Number of observations =	798		798	

Notes:

- (i) Negative binomial method of estimation. The number of bills passed in the session serves as the exposure variable. For variable definitions, see Appendix 1.
- (ii) The corresponding standard errors are not robust (cf. White 1980), unlike those of Table 3.4.
- (iii) One-tailed hypothesis test.

Chapter 4

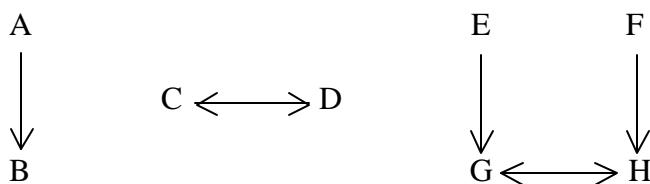
The elusive authority of Argentina's Congress: Decrees, statutes, and veto incidence, 1983-1994

Abstract: I analyze the legislative process in Argentina in the first decade that followed the return to democracy. The period was characterized by an intense use of executive decree authority to adopt policy unilaterally, something many took as evidence that presidential authority has revoked inter-branch exchange, checks, and balances. By combining the decree and statute processes in a single model of policy I am able to document two forms of selection bias, one due to looking at decrees in isolation from statutes, another to overlooking bills that did not make it out of Congress successfully. Joint evidence shows that Congress issued vetoes on executive-initiated policy much more often than the reverse, and that 4 out of 5 times a veto was effective in killing policy the killing agent was Congress, not the president. Although the decree power allows the president to do many things, it has limits.

Individuals associate in one of two ways, in a hierarchy relation or in a market relation (Coase 1937; Williamson 1975). Hierarchy gives rise to *authority*, a rule of obedience from actor B towards the mandates of actor A; authority relations are typically portrayed as a vertical arrow, as in Figure 4.1. The market gives rise to mutually beneficial *exchange* between actors C and D, each of which can choose to withdraw from business whenever a deal is not attainable; exchange relations are commonly represented horizontally. Combinations of the two types result in a simple model of SOP democracy, two subsets of citizens (E and F) determining the actions of their agents, Congress (G) and the president (H); the latter negotiate settlements acceptable to their principal.

Figure 4.1.

Authority and exchange relations (single- and dual-edged arrows, respectively)



Do presidents in Latin America enjoy (de facto) *authority* over Congress, as suggested by the conventional wisdom tied to much of the extant literature?⁴⁹ Or does the (formal) *exchange* relation between the branches mandated by the constitution operate? If the latter were the case, what kind of exchange are presidents and assemblies engaged in? In this chapter I provide answers to these questions by centering in the case of Argentina, 1983-1994. I specify the alleged de facto relation as a null *Authority hypothesis* (H_0) and bring evidence towards its rejection in favor of formally mandated alternative *Exchange Hypothesis* (H_A). The evidence in this chapter is of a qualitative (categorical) nature, thereby impeding a statistical test of the hypotheses. Yet, the findings provide firm grounds to claim that the Exchange hypothesis cannot be rejected: phenomena observed frequently in the course of Argentina's legislative process are contrary to presidential authority. It is also shown

⁴⁹ Examples are Anderson 1967; Carpizo 1978; Dealy 1992; Edelman 1969; García Hamilton 1990; Jorrín 1953; Lambert and Gandolfi 1987; Meham 1959; Meyer and Reyna 1989; O'Donnell 1994; Scott 1958; Segovia 1975; Wiarda 1992.

that phenomena often interpreted as signs of authority cannot unambiguously be said to support one hypothesis or the other.

I constructed the evidence for the chapter by observing the legislative process in Argentina during the first decade that followed the return to democracy. The period under scrutiny (1983-1994) was characterized by an intense use of executive decree authority to adopt policy unilaterally. Decrees are one way policy can be made, statutes are another, and they differ in the way each becomes law. While statutes enjoy the concurrent consent of the legislative and the executive branches of government, decrees obviate passage through Congress and are enacted directly by the executive.

The frequent usage of unilateralism naturally led many to worry that Argentina might well be a case of serious “delegative democracy” (cf. O'Donnell 1994), with the executive usurping legislative power from the assembly (usurpation is one concrete expression of H_0). I contradict this interpretation. One point in the chapter is that any study that overlooks the powers Congress may use to check a president will naturally get a picture of presidential authority. Because the legislature has the ability to act autonomously and mitigate presidential excesses, executive decree power does not necessarily imply presidential dominance. I do not wish to argue that executive decree authority is useless – indeed decrees, especially when combined with a strong executive veto, give the president substantial leverage over the products of policy (Carey and Shugart 1998a). Presidents who enjoy decree power can do things that those who don't cannot. The statistics below show that the president often used decree

power to his advantage in Argentina. But the assembly's powers *do represent* limitations to the advantage of decrees.

Another point in the chapter is the need to include the statutory process in any analysis wishing to assess claims of executive authority. The chapter combines the decree and statute processes into a single model of executive-legislative relations, and then relies on this framework to combine data on decrees and statutes. My combination is tentative due to certain limitations in the data; and yet, innovation compensates potential flaws because, as far as my knowledge goes, no single source has attempted to present statutes and decrees side by side for Argentina. This perspective includes observations of failed executive-initiated bills, thereby making it possible to estimate congressional veto incidence in Argentina. The congressional veto was used 3 or 4 times more often than the executive veto; the evidence tells a very interesting story about the limits of the president's power in Argentina.

The chapter proceeds as follows. Section 1 quickly presents the setting in which decision-making took place in Argentina during the period of observation. The section summarizes the partisan composition of the branches of government, elucidates the structure of executive decree authority and surveys its usage, and describes the data I draw the evidence from. Before combining the decree and the statutory processes I find it useful to understand each in isolation. Accordingly, section 2 provides an overview of the two processes in Argentina, introducing a framework to understand congressional response to decrees, assessing the fate of policy by decree in the period with aggregate data, and presenting similar data on statute production and executive

response. Section 2 can be skipped without losing the main point of the chapter; it becomes useful, however, to get a good sense of the bias that one gets if (a) decrees are observed in isolation from the statutory process or (b) the analysis of the statutory process drops bills that never got out of Congress. Section 3 imports an analytic framework from chapter 1 (the AMPLIFIED SOP game) facilitating the synthesis of data on decrees and statutes, and studies the observed paths of play in the game. I reject the null because, even if little, all evidence that unambiguously favors one or another hypothesis does so for the alternative one of exchange. What is the nature of Exchange? Section 4 provides a tentative answer. Section 5 concludes.

1 The setting

On December 10, 1983 a popularly elected government was inaugurated in Argentina, putting an end to seven years of brutal autocratic rule under the infamous *proceso*. Economic hardship had eroded the bases of support of de facto rulers, who opted to push Argentina into military conflict with Great Britain over the disputed Falkland Islands in a desperate attempt to stir up popularity. Debacle at sea left the military junta with no other option but to call for elections to be held on October 30, 1983. Raúl Alfonsín of the Radical party (*Unión Cívica Radical* or UCR) won an absolute majority of the vote; last minute campaign mistakes by the Peronist party (*Partido Justicialista* or PJ) made a substantial number of voters desert its candidate, Italo Argentino Luder, completing the reversal of an apparently comfortable lead some months before. In contrast to other transitions to democracy, parties in Argentina did not amalgamate in a common front to negotiate the exit of military rulers: the outgoing

regime collapsed because of patent incompetence. Parties thus started competing for access to government right from the outset, in an environment of economic stagnation and rampant inflation (Cavarozzi 1986; Mustapic and Goretti 1992; O'Donnell and Schmitter 1986).

Electoral competition has resulted in the partisan status of government oscillating between near-divided government (when parties in one or both chambers of Congress fail to produce a majority) and unified government. A summary of the composition of the branches of government in Argentina is found in Table 4.1. In 1983 presidential coattails produced a UCR majority in the lower house of Congress, but the PJ managed to capture a plurality of seats in the senate by having a more geographically dispersed vote than the UCR's. In fact this Peronist strength in a majority of provinces allowed the PJ to gain majority status in the upper house in 1989, and retain it thereafter. On the other hand Alfonsín's incapacity to stabilize the economy prompted his party's loss of majority status in the lower house in the midterm election of 1987 (though the UCR retained a plurality of seats); this outcome became a harbinger of the PJ's victory in the 1989 presidential election, when Carlos Saúl Menem was elected president. His party's near control of Congress became complete in the 1993 midterm election with the capture of a majority in the lower house.

A longitudinal cut of the partisan control of the branches of government in Argentina, 1983-1999.

How to read this table: Numbers in parentheses below party labels indicate percentage of seats held in each house; accolade brackets indicate number of seats in excess or defect of majority for the given party. For example, for the period from 10Dec83 to 10Dec87 the presidency was controlled by the UCR, the president's party controlled the lower house of Congress (with 1 seat above majority), yet the upper house was controlled by the PJ (who was only 3 seats below majority). And so forth.

		8 Jul 1989		24Aug1994 (New Con- stitution)		
		↓		↓		
Presidency	Alfonsín - UCR		Menem1 - PJ		Menem2 - PJ	
Upper House	PJ plurality (46%) {-3} UCR minority (39%) {-7}		PJ MAJORITY (54%, then 61%, then 53%) {+1, then +4, then +1} UCR minority (29%, then 21%, then 26%) {-11, then -15, then -18}			
Lower House	UCR MAJORITY (51%) {+1}	UCR plur (45%) {-14}	PJ plurality (47% then 45%) {-8 then -12}	PJ MAJORITY* (49% then 51%) {-2 then +2}	PJ plur (46%) {-10}	
	PJ minority (44% then 24%) {-17 then -66}	PJ min (38%) {-31}	UCR minority (35% then 33%) {-38 then -44}	UCR minority (33% then 27%) {-45 then -61}	Alianza (26%) {-23}	
Timeline	-----+-----+-----+-----+-----+-----+-----+-----+-----+-----+-----+-----+-----+-----+----->					
	10	10	10	10	10	10
	Dec	Dec	Dec	Dec	Dec	Dec
	1983	1987	1989	1993	1995	1999

(Table continues next page)

Table 4.1 (continued)

Party abbreviations: UCR = Unión Cívica Radical; PJ = Partido Justicialista; Alianza = alliance of UCR and Frente País Solidario.

Note: (*) I interpreted the near majority of the PJ in the lower house between 1993 and 1995 as a majority because members of a minor party (UCeDé) held positions in the executive branch, providing the PJ with two missing votes to attain majority status.

Sources: table prepared with data from Molinelli, Palanza, and Sin 1999 tables 2.83 and 2.115; and Pinto 2000.

Just as failure to cope with economic calamities had forced the military to step down, hyperinflation and manifest signs of social breakdown (lots of riots, looting, etc.) also propelled Alfonsín and then president-elect Menem to move up the inauguration on July 8, 1989 (instead of December 10, 1989) in order to handle the emergency. Realizing the destabilizing potential of the economic situation Menem, who had campaigned on a traditional “big government” platform, unexpectedly switched strategies. Structural reform and deregulation was initiated right away, though success in obtaining economic stabilization was meager until the cabinet reshuffle of 1991. Then, under the aegis of economic czar Domingo Cavallo, the administration accelerated a drastic program of reform that sought to deregulate important portions of economic activity and privilege the market as the means to allocate scarce goods. Central components of the reform plan involved tying monetary policy to the U.S. Federal Reserve by creating a currency board and tight control of government spending, imposing fiscal austerity in order to control rampant inflation (which was close to 700% in 1984, then nearly 5,000% in 1989).⁵⁰ The economic team sold off firms and services that had proven to accumulate immense deficits under government administration (telecommunications, water distribution, electricity, and so forth). Hyperinflation was under control by 1991 (the price index on food in great Buenos Aires increased 84 points in 1991, 18 in 1992, 7 in 1993, 4 in 1994) while economic growth went up (the average annual rate of change of the GDP was -0.3% in

⁵⁰ CEPAL (1991), p. 40.

1980-1990, with -6.5% in 1989; in 1991-1994 it was +7.5%).⁵¹ Menem's popularity soared despite policy that blatantly contradicted campaign promises and traditional party positions.

In this context, Menem and former president Alfonsín – who still led a majority faction in the UCR – struck a deal in 1994, the *Pacto de Olivos*, joining efforts to write a new constitution for Argentina. A constituent assembly was elected which engineered a new institutional structure supplanting that which had stood in place since 1853. The new constitution began operating on August 24, 1994.⁵² This constitution opened the possibility for presidents to seek reelection for a second consecutive term (while also shortening subsequent terms from 6 to 4 years). Menem was thus able to capitalize on his ballooning popularity: July 8, 1995 inaugurated his second term in office, now with majorities in both houses of Congress.⁵³ Government remained unified until the 1997 mid-term election, when economic difficulties once again played against the incumbent, the PJ managing to retain its majority only in the upper chamber.

Another significant change brought by the 1994 constitution involved the very structure of separation of power and decision-making in Argentina. Article 99 of the

⁵¹ CEPAL (1996), pp. 74, 106-7.

⁵² An extraordinary description of Argentina's 1853 and 1994 formal institutional settings is found in Jones 1997.

⁵³ The non-concurrence of congressional and presidential terms that resulted from Menem's early inauguration was corrected until 1999 (De la Rúa's inauguration was on 10 December, 1999).

new fundamental norm equips the executive with formal authority to issue policy unilaterally by decree in case of necessity and urgency (*decreto de necesidad y urgencia*).⁵⁴ The executive was not endowed with such authority under the 1853 constitution, albeit a handful of emergency measures were in fact adopted unilaterally by the executive under extreme circumstances – a total estimate of 15 in the democratic governments between 1853 and 1976 (Molinelli, Palanza, and Sin 1999, table 3.49), i.e. a bit over one such measure per decade on average, evenly distributed in the period according to the source. So, for example, one of these emergency measures by president Avellaneda declared a state of siege and temporally relocated the central government in Belgrano after a coup attempt by Buenos Aires governor Carlos Tejedor in 1880 (Ferreira Rubio and Goretti 1996, p. 449n); another decree evacuated older Buenos Aires upon discovery of a plague epidemic at the turn of the century (Molinelli 1999).

The frequency with which presidents relied on this meta-constitutional authority of theirs increased dramatically in the period that followed re-democratization. Between 1983 and 1989 president Alfonsín adopted 10 measures by means of an executive decree: at the 1853-1976 issuance rate obtaining this number of decrees would have taken approximately 80 years! Yet the real boom in the use of this informal power of the president was still to come under Menem's first administration.

⁵⁴ Article 99 paragraph 3 of the *Constitución de la Nación Argentina*.

In his first 5 months in office he issued unilateral policy on 18 occasions,⁵⁵ almost doubling Alfonsín's total. Ferreira Rubio and Goretti (1996, p. 451) report that decrees of necessity and urgency totaled 166 between Menem's inauguration and the abrogation of the 1853 constitution five years later. Maurich (1999a; Molinelli, Palanza, and Sin 1999) corroborated this phenomenon by producing a total estimate very close to Ferreira Rubio and Goretti's for the same period (10 decrees less than they report). In only five years Menem produced 11 times more decrees than all democratic governments of the 130 years before 1983 had, and 17 times more than his immediate predecessor in office did.

Below I shall analyze these executive decrees using Ferreira Rubio and Goretti data (henceforth FR&G). There is one important limitation in the data I construct my argument with. FR&G also report 170 additional unilateral executive measures in the same period that the executive did not explicitly refer to as "*decretos de necesidad y urgencia*" in the enacting text, but which they nonetheless consider as such in their work. FR&G do not provide any information about (1) why these measures are to be distinguished from day-to-day administrative decrees; if so (2) why Menem chose to misreport them; and if so (3) why there were no recorded complains from Congresspersons or Judges. For these reasons I would rather stick to advice by several researchers (Jones 2000; Maurich 1999b; Molinelli 1999) and exclude these 170

⁵⁵ *La Nación*, Buenos Aires, 16 June 2000, p. 1.

measures from the total; FR&G, however, conflate the two categories in the data they report, forcing me to analyze the whole set of 336 “true” and “questionable” decrees.

This limitation in the data, it must be stressed, appear to introduce *a bias in favor of the null hypothesis, not in favor of my alternative one*. A priori, more unilateral measures seem to favor the authority thesis against exchange: if the null can be rejected in this scenario then it should be easily rejected with better information.

Another thing to keep in mind is that all the unilateral executive measures I have been discussing so far were all adopted under the 1853 constitution, when executive decree authority was meta-constitutional. In this institutional environment, the fate of policy enacted unilaterally by the executive therefore rested in the hands of the Supreme Court: in case of divergence between the branches about which policy should prevail (the old statute or the new decree) the Judiciary would enter the field as arbitrator. When Menem attained office the prospects for winning such a confrontation were not too bright: he faced a five-member Supreme Court whose members had all been appointed by Alfonsín after the return to democracy (Spiller and Tommasi n.d., Figure 11).⁵⁶ Until the merits of economic reform generated popularity of their own, Menem’s measures were vulnerable to traditional Peronist interest groups (many of which appeared as clear losers) confronting their unconstitutionality in the

⁵⁶ While Alfonsín had named the five justices, they were generally considered not to be hardcore partisan appointments due to both the delicate nature of the transition process as well as Alfonsín's lack of a majority in the Senate where he needed the PJ to pass anything (for at least the first couple of years the UCR didn't want anything to do with the pivotal *Bloquismo sanjuanino* due to the role played by the party during the *proceso*) (Jones 2000).

courts. This danger was at first discounted by economic emergency: something *had* to be done urgently in 1989. But as the emergency would begin receding, policy by decree would regain vulnerability in the courts. Policy robustness required some guarantee; it came in 1990, when the PJ plurality in Congress, in alliance with small provincial parties (Palanza and Sin 1997)), passed an executive-initiated bill to pack the Supreme Court by increasing membership to 9 justices.⁵⁷ Not too surprisingly, the new Court ruled on the validity of the use of executive decrees in 1990 and sided with Menem afterwards until 1998, when it denied him an opportunity to compete for a third consecutive term in office (see Iaryczower, Spiller, and Tommasi 2000).

The 1994 constitution formalized the Court's ruling and ascertained that Congress retains the last word on the fate of executive decrees. Article 99 mandates that any executive decree has to be submitted to a joint congressional committee (*Comisión Bicameral Permanente*) to decide on its fate within ten days after its issuance. Institutional ambiguity has not fully disappeared despite formalization because a special law that governs executive decree authority and the resolution of

⁵⁷ Law 23,774 raising membership in the Supreme Court from 5 to 9 justices passed on April 5, 1990 (DIP 2001; see also Ferreira Rubio and Goretti 1998, pp. 36-7 and Mustapic 1998 pp. 18-9). The passage of this law begs the question of why in the world should the PJ have supported Menem in his court packing attempt (something Roosevelt attempted in the U.S. in 1937 but failed to accomplish, see Milkis 1993, p. 80). This reform gave Menem additional leverage to resolve the crisis, the solution of which could have represented a collective dilemma for the PJ; the tradeoff could have been increased vulnerability of some of the PJ's core constituents (unions, public sector employees, etc.)

differences between the branches had not yet been passed as of May 19, 2001 (more below).

The debate over the special law revolves around two issues that remain ambiguous in the constitution: (1) whether or not the opposition of a majority in a single house of congress suffices to rescind a decree,⁵⁸ thereby giving more leverage over policy to the second party in situations of split control of Congress; and (2) what exactly the reversion policy in case of rescission is. I expand on the importance of the reversionary policy in the next section, when discussing executive decree authority.

During Menem's administration the Radicals and the Frepaso (a splinter from the PJ which allied with the UCR in 1997 as the *Alianza*) kept voicing concerns about the missing special law, initiating 35 projects establishing the procedures left blank by article 99.3 of the new constitution initiated since 1994; 5 more bills have been initiated after de la Rúa captured the presidency under the aegis of the *Alianza* (I verified the DIP's web page on March 1, 2001).⁵⁹ Members of Congress have sponsored all these bills; 25 were sponsored by the UCR and or Frepaso; 7 by the PJ; and 8 by smaller parties. Initiatives became more frequent, rising from $3\frac{1}{3}$ on average for each year in 1994-96 to $8\frac{2}{3}$ on average in 1997-99. The year 2000 saw a drop to 5 initiatives, a decline that is attributable to UCR and Frepaso submitting one initiative

⁵⁸ *La Nación*, Buenos Aires, 25 June 2000, p. 1.

⁵⁹ Palanza and Ivanier (n.d.) correctly point that resolution initiatives need to be considered as well, the reason being that many in Congress prefer to regulate decrees by this means so as to rid the outcome from the influences of the executive veto (cf. Kiewiet and McCubbins 1988).

each after their alliance captured the presidency. No initiative is reported in 2001. DIP only records committee reports in the initiating chamber for 3 out of the 40 bills, only one of which was not rejected in the floor. The latter bill had received PJ sponsorship in 1994 (when it controlled both houses of Congress), was amended in the revising chamber's committee, but no floor action is reported (DIP 2001). Such projects have not been much more than grandstanding. The PJ, whose status in Congress oscillated between majority and near-majority, exercised negative agenda power throughout Menem's presidency (cf. Cox and McCubbins 1999) to block these initiatives.

Interestingly, when the *Alianza* captured the presidency and a plurality of the lower house in 1999, the partisan roles with respect to the institutional vacuum were reversed. Members of the PJ began demanding passage of the special law, while Frepaso's *Chacho* Alvarez, one of the most vocal critics of decrees under Menem, became a firm supporter of their use upon becoming vice-president in December 1999. Control of the Senate has given the PJ a better bargaining position; parties were on the verge of agreement in April 2000,⁶⁰ but the bill has not gone very far according to the DIP's web-site (which reports no bill on the topic sanctioned recently). The party in control of the presidency it seems, whether the PJ or the UCR+Frepaso *Alianza*, has shown no interest in passing this law. The *Alianza* might continue to drag the process out, particularly as long as the PJ retains a majority in the Senate (Jones 2000).

⁶⁰ *El Clarín*, Buenos Aires, 10 April 2000, p. 1.

All this seems to make clear that a novel pattern in Argentine politics since 1983, and especially since Menem got into office in 1989, is the continuous reliance on executive decree authority, a phenomenon that takes place in an ambiguous institutional environment. Under the 1994 Constitution, Menem remained persistent in this reliance: between August 24, 1994 and August 30, 1998 he issued 58 additional decrees (FR&G quoted in Molinelli, Palanza, and Sin 1999, Table 3.50), 1.2 decrees per month on average. In May 2000, by his fifth month in office, Radical president Fernando de la Rúa had ordered 19 measures by executive decree – one more than Menem had in the same period of his term;⁶¹ by his first year in office de la Rúa's total had receded vis-à-vis Menem's (38 vs. 64), but was still considerable.⁶² This rough picture is suggestive that the novel phenomenon stands regardless of the personality of the occupant of the executive office.

The very high (and increasing in the period) frequency with which policy has the sole signature of the executive since the return to democracy has naturally led scholars and political observers to question whether or not the system of separation of power is working as intended in Argentina. Does the policy-making process in

⁶¹ *La Nación*, Buenos Aires, 16 June 2000.

⁶² *La Nación*, Buenos Aires, 11 December 2000. Menem started relying on large numbers of decrees after his fifth month in office. The early transfer of power in 1989 involved only the presidency, not congressional seats. Between July 8 and December 10, 1989 Menem faced a UCR plurality in the *Cámara de Diputados*. The UCR, however, agreed not to block legislation needed to face the economic emergency: laws 23696 and 23697 delegated ample authority to the executive to handle the economic situation (Palanza and Sin 1996). It's only after the PJ plurality took office that Menem increased the usage of the informal decree authority.

Argentina conform better with a picture of authority on the part of the president? Has the executive usurped legislative power? Has Congress abdicated its policy-making authority? Is there no evidence to suggest that executive-legislative relations in Argentina conform to exchange?

I cannot subject the evidence below to statistical tests to determine its significance, but it very much suggests that separation of power is more than democratic window-dressing in Argentina. I rest this claim on a four-legged argument, developed in the remainder of the chapter and continued in chapter 5. First, there is a problem of observational equivalence: a large number of measures enacted by decree does not necessarily mean that Congress has no influence on policy. Second, measures by decree are only part of the story: more policy was enacted following the standard legislative process. Third, Congress vetoed more executive-initiated measures than the reverse, and such vetoes were more often successful in killing policy change when issued by Congress. And (in the next chapter) fourth, policy by decree has its limitations: there are circumstances where the executive requires a measure to follow the standard legislative process for the sake of policy robustness.

2 The decree and statutory processes in isolation from each other

As I argued in the introduction, an evaluation of the balance of power between executive and legislature – whether the relation is one of authority or one of exchange – requires joint consideration of the processes by which each actor makes policy. Before combining the two processes, however, it is useful to understand each in

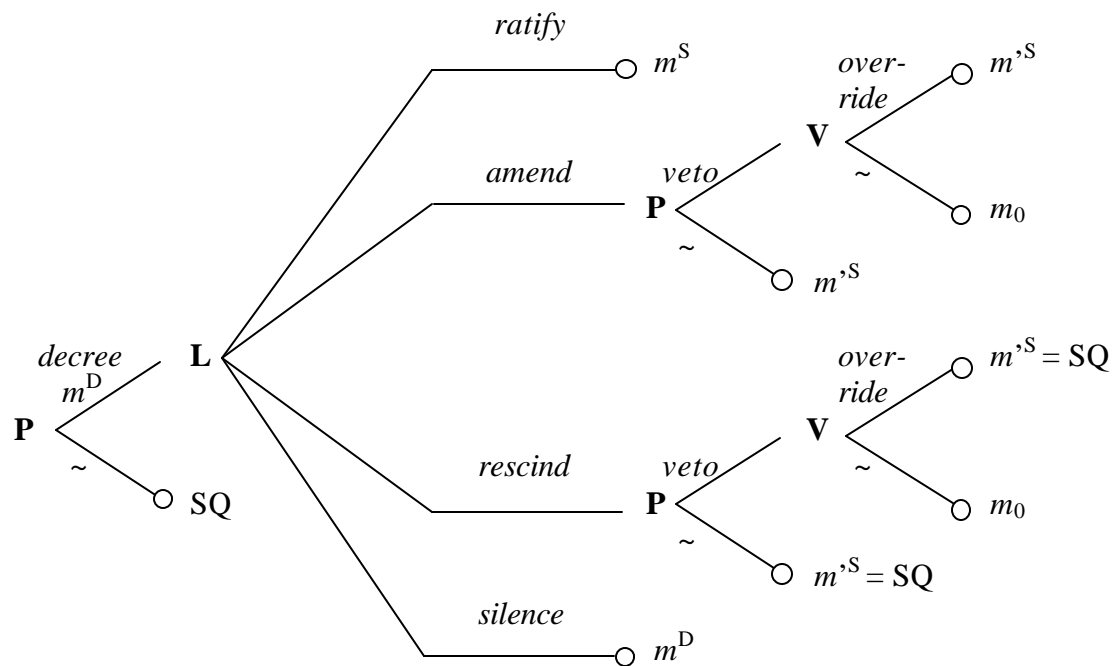
isolation from the other. Accordingly, in this section I provide overviews of the decree and statutory processes. This sets the stage for the joint model in section 3. The separate analysis permits me to carefully address legislative response to decrees, a central feature of executive unilateralism. It also allows me to present the data that I will combine in section 3. Contrasting the lessons drawn from separate and joint analyses will actually provide a good feel of the bias that is introduced by (a) looking only at decrees and (b) not paying attention to bills never sanctioned by Congress.

2.1 A framework to analyze executive decree authority

The formalization of constitutional executive decree authority in 1994 gave Congress the final word with respect to unilateral moves by the president. This subsection takes this feature seriously by clarifying the different options available to the assembly when the president confronts it with unilaterally set policy, as well as possible subsequent moves by the chief executive. Putting Congressional response in boldface serves two purposes. First, it invalidates the claim that executive decrees imply presidential usurpation of assembly prerogatives (Conaghan, Malloy, and Abugattas 1990; Kubicek 1994; O'Donnell 1994) by highlighting a problem of observational equivalence (Carey and Shugart 1998a). Second, the framework I introduce identifies with clarity the consequences for Argentine inter-branch balance of power of the institutional ambiguity ensuing from the lack of the special law discussed above.

Importing the CONDITIONAL DECREE sub-game in chapter 1 offers a convenient starting point to raise the issue of observational equivalence. The essence of the two-

Game Tree 4.1:
A stylization of Argentina's article 99



Players: **P** – president; **L** – leader of the assembly; **V** – veto-override pivot.

Outcomes: SQ – status quo; m^D – measure by decree; m^S – measure by statute; m'^S – amended measure by statute; m_0 – post-veto reversion ($m_0 = \text{SQ}$ or $m_0 = m^D$, see text for details).

player sub-game is that, *after* the president has opted to issue a measure by decree, the leader of the assembly has the option of revoking the measure and reinstating the status quo ante policy (see Game Tree 1.4). No measure that a majority in the assembly dislikes vis-à-vis the status quo can survive very long: the leader of the assembly simply says no. In this context, proof that Congress accepts one, several, or even many decrees can be interpreted as evidence that the assembly has in fact *failed to check* the actions of the executive; the observation, however, can just as plausibly be interpreted as evidence that the executive *anticipates* congressional rescission and thus only decrees policy that the assembly finds preferable to the status quo (or leaves it indifferent). In short, there is a problem of observational equivalence (cf. Weingast 1984; McCubbins and Schwartz 1984; Kiewiet and McCubbins 1991): *perfect usurpation looks identical to perfect anticipation*.⁶³ We need to discard superficial and simplistic readings of available evidence in favor of the Authority hypothesis.

Actual structures of executive decree power, like those of Argentina's article 99, are more complex than suggested by the CONDITIONAL DECREE sub-game. Congress has more options available than a binary choice conflating numerous factors at play in the assembly's decision to act against the executive's choice of policy. I now develop an abstract representation of article 99 where the assembly faces a four-

⁶³ As discussed in chapter 1 costly rescission attenuates this picture: larger costs give the executive more leverage to obtain policy that the majority of the assembly actually dislikes; but this story is different (and more elaborate) than one of presidential usurpation.

fold choice consequent to a decree being issued; congressional moves may be followed by executive moves.

Let m^D represent a measure implemented via executive decree, and m^S the same measure implemented via statute; m'^D and m'^S represent an amended version of the measure in its two forms. In accordance with article 99, when the president opts to issue a decree measure m^D becomes law immediately upon publication in the *Boletín Oficial*.⁶⁴ The assembly then decides the fate of this measure, choosing among the following options (see Game Tree 4.1).

Option 1: Congress can *ratify* it as a statute, turning m^D into m^S . The latter measure is harder to change than the former and (all else equal) is preferable to its supporters. To see why, consider bargaining between the branches far enough into the future that the executive's preferences have changed. A future executive may issue a new measure m'^D that immediately overturns the older decree m^D . But if a future executive issues a new decree m'^D to suppress (or qualify) an older statute m^S , and does so against the will of the congressional majority, the judiciary serves as arbiter. For m'^D to prevail over m^S , the Supreme Court's preferences need to be aligned with those of the president, imposing one additional condition for policy change. Statutes are therefore more robust than decrees.

⁶⁴ An alternative structure would require assembly approval *before* an executive decree becomes law, as was instituted by the Brazilian 1988 constitution; see Amorim Neto and Tafner 1999 and Negretto 2000.

Option 2: Congress may instead *amend* the measure m^D into m'^S . Not only is measure m' different from that dispatched unilaterally by the executive; it is also written as a statute, with added robustness.

Option 3: Congress can also *rescind* the decree m^D by enforcing the status quo ante m^{SQ} . Rescission is actually a special case of decree amendment (amendment back to the status quo); I prefer to keep these distinct from one another to parallel my CONDITIONAL DECREE sub-game. In certain circumstances a negative power may be less costly to use than a proactive, amendatory one: support from an existing coalition should typically be cheaper to get than forming a new coalition to support a different measure.

Option 4: Finally, the assembly has the option to remain silent about measure m^D , indicating a *tacit acceptance*.

When policy contains multiple measures (the president issues $x_P = (m^D, n^D)$ by decree) the four actions above can be carried in *total* or *partial* form by the assembly for policy as a whole. The assembly's response x_L can be total ratification ($x_L = (m^S, n^S)$); or partial ratification by remaining silent about one measure when ratifying the other ($x_L = (m^S, n^D)$); and so forth. Altogether, partial actions over two policies (or two subsets of policy) yield 10 combinations of responses.⁶⁵ Below I report empirical observations of these combinations in Argentina.

⁶⁵ The combinations are the following: (1) Tacit acceptance: $x_L = (m^D, n^D)$; (2) Ratify fully: $x_L = (m^S, n^S)$; (3) Ratify partially: $x_L = (m^S, n^D)$; (4) Modify fully: $x_L = (m'^S, n^S)$ or $x_L = (m'^S, n^{SQ})$; (5) Modify partially: $x_L = (m'^S, n^S)$ or $x_L = (m'^S, n^D)$; (6) Rescind fully: $x_L = (m^{SQ}, n^{SQ})$; (7) Rescind partially: $x_L = (m^{SQ}, n^S)$ or $x_L = (m^{SQ}, n^D)$.

The executive veto is another trait of the stylization of article 99. The president can attempt to stop the bill with which the assembly amends or rescinds a decree. If this executive veto is overridden Congress wins: policy returns to whatever had been decided right before the veto. But if the executive veto is sustained, then a reversionary policy m_0 ensues. I leave the reversion outcome indefinite in Game Tree 4.1 as an analogy of the incomplete-contract nature of article 99 (the special law is missing). Whether the reversionary outcome is defined as the status quo ante ($m_0 = \text{SQ}$) or as the measure that player P decreed ($m_0 = m^D$) will have incisive consequences for the president's bite on policy. If $m_0 = \text{SQ}$ Congress gets the big scoop in inter-branch bargaining: when L chooses to amend the decree (changing m^D into m^S), player P has to accept it unless he or she prefers the status quo reinstated. More dramatically, when L chooses to rescind m^D this is the last word: whatever combination of veto-override actions is subsequently chosen, the outcome will invariably be SQ. In fact, when $m_0 = \text{SQ}$ the subtree that "grows" out of the third branch of Game Tree 4.1 (that labeled *rescind*) can be pruned, leaving a terminal node with SQ as the outcome. If, on the other hand, the reversion is defined as $m_0 = m^D$, then player P gets the privileged position in bargaining. By vetoing Congress's response to a decree (an amendment or a rescission) P is in a position to revert policy back to the decree (m^D) unless Congress has the strength to override the veto. The closer in line are the preferences of player V with those of player P, the greater leverage the latter has on policy.

Reversionary policy has not been defined in Argentina under the 1994 constitution, rendering the situation analogous to that under the 1853 constitution. Game Tree 4.1 consequently captures executive unilateralism *before and after* 1994. The undefined reversion begs a natural question for which I have no final answer: has the Supreme Court ever ruled over this inter-branch constitutional controversy? My understanding is that so far the informal institution has been $m_0 = m^D$, thus advantaging the executive branch in the politics of executive unilateralism.

In any case, the executive decree-executive veto combo equips the president with increased leverage over the outcomes of the legislative process, especially when accompanied by a strong override requirement (Carey and Shugart 1998a). A president may rely on decree authority to influence policy beyond the tolerance of the assembly leader by never exceeding the tolerance of the pivotal veto override player, who can kill the veto aimed towards the rescinding or amending bill. The definition of the reversion determines whether or not the president gets additional leverage over policy. Decree power allows presidents to do more things; this is not to say that the power is unlimited.

Given this scenario, one is left wondering why would an Argentine president ever seek policy by statute. It takes a disciplined majority in each house of Congress for a president to successfully have statutory policy. It takes merely a disciplined third in any one house of Congress for that same policy to survive in decretal form, with the added value that it happens faster and without risking an amendment. The empirical record suggests there must be limits to policy in decretal form.

2.2 The fate of executive decrees in Menem's first term

In this subsection I report secondary source evidence on decree incidence and the congressional response that executive decrees stimulated during most of Menem's first term. The period of observation runs from Menem's inauguration on July 8, 1989 until the abrogation of the 1853 constitution on August 24, 1994, 16 months before the end of his first term (see Table 4.1). I am forced to rely on this cutpoint because I have no detailed information on decrees beyond that date. Yet the cutpoint also has the advantage of controlling for any effect that formalization of executive decree authority may have had but is not captured by my model.

The first column of Table 4.2 lists seven possible responses from the assembly to policy implemented unilaterally by the executive. Responses include variants of congressional assent of policy (responses 1, 2, and 3) and variants of congressional veto (responses 4 to 7). It is quite notable that the modal response was, by far, tacit acceptance: 291 out of 336 executive decrees reported by FR&G (1996) were followed by silence. Almost 9 out of 10 unilateral measures issued by Menem in the period were accepted by omission of the assembly, averaging almost 60 such cases per year. The legislative response that came second in frequency was full ratification, which followed 26 decrees or 8% of all. Tacitly or expressly, Congress endorsed 95% of all measures decided unilaterally by president Menem. This datum faces analysts with the temptation to reject the Exchange Hypothesis in favor of the Authority Hypothesis.

Table 4.2
Outcomes of the decree sub-game in Menem's first presidency^a

Congressional response to an executive decree	Frequency	Percentage ^b
(1) Decree was tacitly accepted	291	(87%)
(2) Decree was fully ratified	26	(8%)
(3) Decree was partially ratified	1	(0.3%)
(4) Decree was fully modified	4	(1%)
(5) Decree was partially modified	10	(3%)
(6) Decree was fully rescinded	3	(1%)
(7) Decree was partially rescinded	1	(0.3%)
Total	336 ^c	(100%)

Notes:

- (a) Decrees observed between 8Jul89 and 24Aug94 (before the 1994 constitution).
- (b) Percentages above 1% are rounded to the closest integer.
- (c) This total breaks into 166 decrees that were recognized as such by the text, and 170 that the source considered as "non-acknowledged" decrees. Since the source fails to give the criterion used to include them, I would rather drop the latter, as Mustapic (1998), Molinelli, Palanza and Sin (1999), and Maurich (1999b) do. But authors do not provide the breakdown in sub-categories, forcing me to retain them in my analysis. See discussion in text.

Source: Prepared with data from Ferreira Rubio and Goretti 1996.

We need not forget that such a conclusion falls prey to the problem of observational equivalence highlighted in the previous sub-section: congressional acceptance is compatible with perfect abdication and perfect anticipation.

On 18 occasions (the joint frequency of responses 4 through 7) Congress chose to use its veto on the president's policy. In relative terms, a bit over 5% of all decrees were followed by Congress writing a bill that modified or rescinded the president's unilaterally set policy (mostly through partial modification of the decree). One out of 20 executive decrees prompted a negative response by Congress. Moreover, Table 4.3

Table 4.3

Bilateral veto game: executive vetoes of congressional vetoes to an executive decree

(A)	(B)	(C)	(D = B–C)	(D÷B)×100
Type of congressional veto on a decree	Frequency	Number of legislative vetoes that the president in turn vetoed	Surviving legislative vetoes	Survival rate
Modify decree totally	4	4	none	(0%)
Modify decree partially	10	9	1	(10%)
Rescind decree totally	3	1	2	(67%)
Rescind decree partially	1	1	none	(0%)
Total	18	15	3	(17%)

Source: same as for Table 4.2.

shows that Menem had little indulgence for such attempts to tamper with his decrees: on 15 of those 18 instances he in turn vetoed the bill passed in the assembly to affect the content of his unilateral measure. 9 out of 10 bills partially modifying a decree of necessity and urgency were vetoed, thus reverting back to the original decree (given that $m_0 = m^D$). All 4 bills carrying total modifications to decrees were vetoed by Menem, and 2 out of 4 partial or total rescissions suffered the same fate. Interestingly, Congress overrode none of these executive vetoes. I address this issue in section 4.

The impression of presidential authority over Congress that this evidence gives rise to, we shall see below, is reinforced by looking at executive decree incidence in isolation from the rest of the legislative process. The president has unilateral policy-making tools, but so does Congress. The preeminence of decrees is attenuated once statutes are brought to their side in section 3.

2.3 The statutory process

The evidence in this subsection has two origins: primary source information on all bills sanctioned (i.e. passed) by the Argentine Congress in the decade after 1983 (DIP 2001) and a machine-readable dataset of a portion of the same information systematized by researchers at the Universidad de San Andrés (CEDI 1999).

Ignoring the president's unilateral provision, the structure of the legislative process in Argentina looks like its U.S. counterpart (see Jones 1995b; 1997). Congress is a bicameral body. The lower chamber (*Cámara de Diputados*) in the 1983-1994 period was composed of 254 representatives elected in 23 multi-member districts (each federal unit is a district, magnitude ranging from 2 to 35) from 1983 until 1990. In 1990 the 24th district (3 members) was added when Tierra del Fuego was recognized as a new federal unit, total membership reaching 257 *diputados*. Seats in each district are allocated by a d'Hondt formula of proportional representation. The upper house (*Senado*) was composed of 2 representatives for each federal unit; there were 23 units from 1983 to 1990, 24 from 1990 on. This added to 46 and then 48 senators elected indirectly by provincial legislatures.⁶⁶ Bills need to be passed in identical form by both houses to be sanctioned, and the president holds a veto power on all or parts of a sanctioned bill. The executive veto is upheld unless two-thirds of each house vote in favor of the bill as originally sanctioned by Congress.

⁶⁶ The 1994 constitution added an extra senator for each provincial unit, corresponding to the runner-up party in the corresponding indirect election. Starting in 2001 all senatorial elections will be direct.

Table 4.4

The standard legislative process in Argentina: observations from the first five Menem (PJ) years, July 8, 1989 to August 24, 1994^a

Bill sponsor	(A) Bills Congress sanctioned	(B) Bills from (A) that were...	(C) vetoed and the veto overridden	(D = A – B) Bills that prevailed as passed in Congress	(E = D×100 ÷ A) (As percentage of bills sanctioned)
		vetoed and the veto sustained			
Executive	355	16	3	339	(95%)
UCR	89	14	1	75	(84%)
UCR + others ^b	5			5	(100%)
PJ	157	15	4	142	(90%)
PJ + others ^b	19		1	19	(100%)
UCR + PJ	32	5		27	(84%)
UCR + PJ + others ^b	37	6	3	31	(84%)
Others ^c	62	5	1	57	(92%)
Total	756	61	13	695	(92%)

Notes: (a) Totals include 86 bills that had been initiated in the Alfonsín period but were sanctioned by Congress with Menem as president before the enactment of the 1994 constitution.

(b) The 'others' category includes parties nominally different than the UCR or the PJ. Some of the small parties in this category are in fact PJ factions electing candidates on their own.

(c) Conflates bills not sponsored by the UCR nor the PJ and bills initiated by special committees.

Source: prepared with data from CEDI 1999 and DIP 2001.

For the purpose of comparability Table 4.4 contains statistics for the same period of observation as in the previous sub-section, excluding the last 16 months of Menem's first term. During the five or so years observed, Congress sanctioned a total of 756 bills (column A). Taking advantage of what we know on decrees we learn that there were $756 \div 336 = 2.25$ bills sanctioned by the legislative branch for every decree issued unilaterally by the executive branch. This ratio includes the 170 "questionable" decrees (see above); excluding them would increase the ratio to 4.55 bills per decree. *Statutes remained the privileged form of policy in the period under study.*⁶⁷

The branches were almost equally productive. Of the set of bills sanctioned in the period, 355 (47%) had been initiated by the executive, while the remainder 401 (53%) corresponded to initiatives of members of the lower and upper houses of Congress or by some bicameral committee. The subset of bills initiated in Congress breaks down into 157 (39% of 401) that had been sponsored only by members of the Peronist majority in one of the houses; 89 (22%) that had received the sponsorship of the main opposition party only, the Radicals; and 69 bills (17%) that were co-sponsored by both major parties.

Columns B and C of Table 4.4 contain the subset of bills from column A that were vetoed by the executive after passage in Congress. Menem vetoed $16 + 3 = 19$ of the 355 bills that he had initiated (19 is 5% of 355). Reliance on the executive veto

⁶⁷ This begs the question of whether or not the two tracks of policy-making contained the same proportion of significant legislation. Answering this will await until data on the content of legislation is available.

suggests that bills amended went beyond the president's tolerance in the bicameral steps of the legislative process, evidence that Congress is more than a rubber stamp of executive initiatives. This type of evidence that contradicts the null hypothesis.

Executive veto incidence was higher on non-executive bills. Of 89 UCR-only-sponsored bills $14 + 1 = 15$ (17% of 89) triggered a veto by Menem. This is a substantial share of bills that cleared the veto gates of the Peronist-controlled houses of Congress, yet failed to clear the check of the executive. Not surprisingly the record of "clearance" of the 157 PJ-only-sponsored bills is better, but notably not much better: $15 + 4 = 19$ (12%) were vetoed by a president they shared a party label with. In an average of four occasions per year observed, Peronists in Congress chose to push policy that Menem failed to sign into law. Instances of confrontation between the PJ in the legislature and the PJ in the executive were particularly frequent when the former sought a multipartisan co-sponsorship: of 37 UCR+PJ+others-sponsored bills, $6 + 3 = 9$ were vetoed (24% of them). One out of four such bills made Menem return them to the assembly, a particularly acute incidence of executive vetoes.

Congress was successful in using its unilateral authority to override the executive veto with some regularity. Given the distribution of seats in the houses of Congress, mustering a two-thirds vote in favor of any bill required the support of large factions of both large parties in at least one of the houses of Congress in the period (see Table 4.1). Despite this difficulty, almost one out of every five vetoes to executive-initiated bills was successfully overridden in Congress. The PJ was in a position to override a bit over 1 of every 4 vetoes to PJ-only-sponsored bills. The

UCR, in the minority throughout the period, had a harder time obtaining the support of a large bloc of the PJ: only 1 out of 14 vetoes to UCR-only-sponsored sanctioned bills was overridden.⁶⁸ It is notable that none of the vetoed bills that had been co-sponsored exclusively by members of both major parties was overridden, while a third (3 out of 9) of those that also included a signature from a member of a minor party were. Altogether, Congress overrode 18% of executive vetoes in the period (13 overrides of 74 vetoes), more evidence against the null. In the end, 92% of bills were signed into law as the congressional majority had intended.

The evidence above constrained the period of observation to match that on decrees. For the sake of perspective, I briefly compare the statute-writing record in the period that antedated the Menem administration in Table 4.5. Unlike Menem, who enjoyed a situation of unified (or quasi-unified) government, Alfonsín faced a split Congress with a Peronist (near-) majority in the Senate. Yet there are a couple of similarities between the two. The proportion of executive- and non-executive-initiated bills sanctioned by Congress is also close to half and half. The breakdown of the 309 non-executive-initiated sanctioned bills is also similar to that under the first five years of Menem's term, with only a higher proportion of PJ-sponsored bills that were

⁶⁸ Mark Jones (2000) has evidence that (a) nothing in 1989-1997 was passed in the legislature without the support of the PJ; and (b) the UCR was always willing to override a presidential veto. He noted that, with one exception, the only times vetoes made it to the floor was when they were going to be overridden (i.e. override attempts succeeded almost 100% of the time).

Table 4.5
The standard legislative process in Argentina: observations from the Alfonsín (UCR) years, December 10, 1983 to July 7, 1989^a

Bill sponsor	(A) Bills Congress sanctioned	(B) Bills from (A) that were...		(D = A – B) Bills that prevailed as passed in Congress	(E = D×100 ÷ A) (As percentage of bills sanctioned)
		vetoed and the veto sustained	vetoed and the veto overridden		
Executive	337	1		336	(99.7%)
UCR	127	12		115	(91%)
UCR + others ^b	5			5	(100%)
PJ	93	24	1	69	(74%)
PJ + others ^b	6			6	(100%)
UCR + PJ	23	6		17	(74%)
UCR + PJ + others ^b	15			15	(100%)
Others ^c	40	1		39	(98%)
Total	646	44	1	602	(93%)

Notes: (a) Totals exclude 87 bills initiated in the period but sanctioned by Congress after Alfonsín's term.

(b) The 'others' category includes parties different than the UCR or the PJ.

(c) Conflates bills not sponsored by the UCR nor the PJ and bills initiated by special committees.

Source: prepared with data from CEDI 1999 and DIP 2001.

sanctioned by Congress – PJ-sponsored bills represented 30% of sanctioned bills in the subset under Menem, UCR-sponsored bills represented 20% of the same subset. The PJ had a better bargaining position in the congressional stages of the legislative process under Alfonsín than did the UCR under Menem. The difference between the two periods rests on the presidential response to bills sanctioned by Congress:

Alfonsín vetoed fewer bills than Menem (7% of bills sanctioned vs. 10%), and Alfonsín had much better coordination with his legislative party. Alfonsín only vetoed one out of 337 executive-initiated sanctioned bills; he vetoed 10% of the bills that were sponsored by the UCR only (12 out of 127 bills sanctioned), and 27% of bills with PJ signatures only or with UCR+PJ signatures (25 out of 93, and 6 out of 23, respectively). Vetoes of executive-initiated bills and PJ-sponsored bills represented a bit more than half of Menem's vetoes; the same combination represented less than a third of Alfonsín's vetoes.⁶⁹

We need to keep in mind that evidence in this subsection deals only with bills that successfully cleared a number of veto gates within Congress. There is an enormous set of initiatives that were killed in Congress or that still remain in it and are bluntly omitted. The next section introduces executive-initiatives that were subject to

⁶⁹ Observations in the Alfonsín period exclude 87 bills that received their first treatment in the period but passed after 8Jul89.

a congressional veto in an effort to reduce the bias that this omission introduces in the statutes-in-isolation evidence.⁷⁰

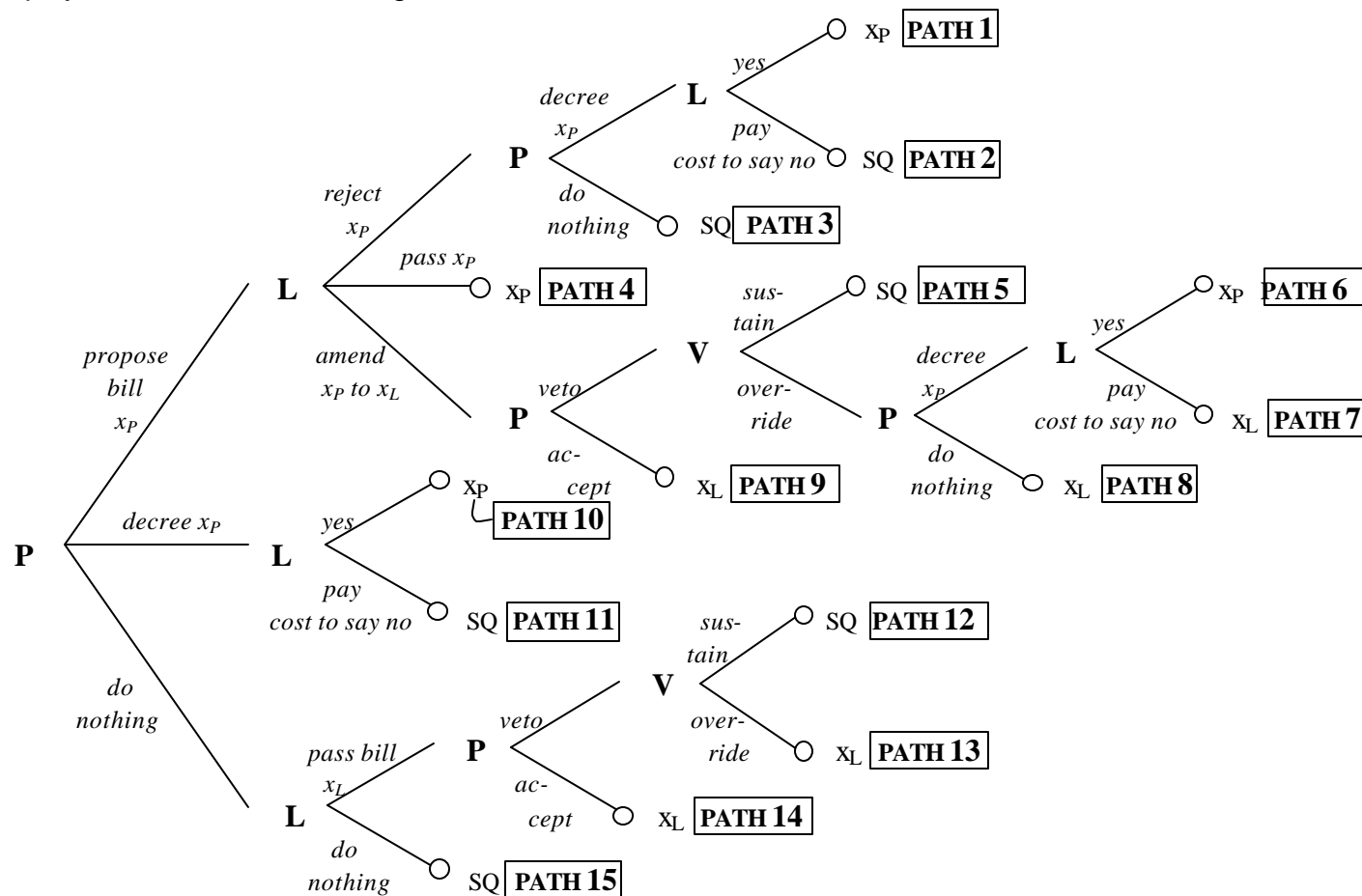
3 Decrees and statutes cohabiting: an analysis of observed paths of play

In this section I return to the main point and contribution of the chapter, a combination of the decree and statute processes in a single model and a single empirical portrait. The sentiment of executive dominance left by the analysis of decrees in isolation from the statutory process fades with synthetic evidence.

Underlying the composite model is the AMPLIFIED SOP game from chapter 1. The game structure, replicated in Game Tree 4.2, represents options available to the executive and legislative branches in the negotiation of policy. The structure has elements of concurrent consent (requiring both branches to agree before the status quo is changed) as well as elements of unilateralism from the executive (usage of his or her decree authority) and from Congress (overriding an executive veto). Game Tree 4.2 names all the paths of play connecting the game's initial node to the different terminal nodes. "Path 1", for example, consists of the president (player P) proposing a bill for consideration in the assembly, the majority in the assembly (player L) opting to reject the proposal, the president then choosing to implement the measure by executive

⁷⁰ Congressional initiatives that stalled in Congress are so numerous that DIP would not provide me with data on it. A complete analysis of the legislative process ought to include these as well.

Game Tree 4.2:
The paths of play of the **AMPLIFIED SOP** game



Players: **P** – president; **L** – leader of the assembly; **V** – veto-override pivot.

Outcomes: SQ – status quo policy; x_P – president’s policy proposal; x_L – assembly leader’s policy proposal.

decree, and finally the majority agreeing to the president's last action; "Path 2" is identical except that the majority opts to pay a cost to revoke policy conceived by executive decree; and so forth. There are 13 other paths of play in the game, for a total of 15.

Paths of play can be broken into two obvious classes, those involving conflict between the branches (e.g. Congress vetoes the president's proposal) and those that do not (e.g. Congress passes and the president signs). Table 4.6 classifies the 15 paths of AMPLIFIED SOP in this manner, providing along information on executive and congressional veto usage. Only five paths involve no observable conflict between the president and the legislature; ten do. Five of the latter paths involve congressional vetoes (used twice in path 2), while four more have Congress amending policy conceived by the president (a proactive veto?). Four paths involve bilateral veto usage (with Congress either rejecting or amending executive policy). An observation of "passes," from 1983 until 1994, pigeonholing each pass into the appropriate path of play, provides an estimate of congressional veto incidence, executive veto incidence, bilateral veto incidence, etc. in Argentina. To this task I turn after reclassifying the paths into more immediately meaningful categories.

We can also arrange the paths of play according to whether the outcome favored the executive (i.e. his proposal survived or he reverted things back to the status quo) or Congress (i.e. its proposal survived or it reverted back to the status quo). Such arrangement could be read as a balance of 'victories' in the game, a relatively good

Table 4.6
Conflict in the AMPLIFIED SOP game

PATH OF PLAY	out- come	executive veto is used	congres- sional veto is used	congressional amendment	executive unilateralism	congressional unilateralism
A standoff between the branches took place						
1 <i>Propose-reject-decree-yes</i>	y _p	-	yes	-	yes	-
2 <i>Propose-reject-decree-no</i>	x ₀	-	twice	-	yes	-
3 <i>Propose-reject-do nothing</i>	x ₀	-	yes	-	-	-
5 <i>Propose-amend-veto-sustain</i>	x ₀	yes	-	yes	-	-
6 <i>Prop.-amend-veto-override-decree-yes</i>	y _p	yes	-	yes	yes	yes
7 <i>Prop.-amend-veto-override-decree-no</i>	x _c	yes	yes	yes	yes	yes
8 <i>Prop.-amend-veto-override-do nothing</i>	x _c	yes	-	yes	-	yes
9 <i>Propose-amend-accept</i>	x _c	-	-	yes	-	-
11 <i>Decree-no</i>	x ₀	-	yes	-	yes	-
12 <i>Do nothing-pass-veto-sustain</i>	x ₀	yes	-	-	-	-
13 <i>Do nothing-pass-veto-override</i>	x _c	yes	-	-	-	yes
No observable conflict took place – both ok						
4 <i>Propose-pass</i>	x _c	-	-	-	-	-
10 <i>Decree-yes</i>	y _p	-	-	-	yes	-
14 <i>Do nothing-pass-accept</i>	x _c	-	-	-	-	-
15 <i>Do nothing-do nothing</i>	x ₀	-	-	-	-	-

Outcomes: x₀ = statutory status quo; x_p = president's statutory proposal;
y_p = president's decretal proposal; x_c = congressional statutory proposal

assessment of the balance of influence between the branches. The problem is that it is not at all obvious what the proper definition of ‘winning’ should be. Consider path 1, and let there be two outcomes, statutory and decretal. On path 1 Congress prefers and gets the statutory status quo x_0 , rejecting the proposal x_P . Thereafter, the president emits a decree y_P , which Congress accepts. It is not obvious that $y_P = x_P$ in spatial terms. It may be ‘half a loaf’ or some other compromise. Whichever it is, it is not easy to see who ‘wins’ here.⁷¹

What is more clear is that some actions in each path of play contradict the null hypothesis; the breakdown appears in Table 4.7. If policy outcomes are established by presidential authority, as claimed by the null, then bills submitted by the executive should be approved in a speedy fashion (as in Mexico, 1946-1997). Such bills *should not* be rejected (as in paths 1-3) nor amended (as in paths 5-9). In path 1, even if $y_P = x_P$ and the president gets decretally the exact same policy he meant to get statutorily (which seems unlikely), the original Congressional rejection remains inconsistent with the null hypothesis of presidential authority.⁷² Neither should Congress override an executive veto (as in paths 6-8, 13), much less amend or rescind an executive decree (as in paths 2, 7, 11). In total, 10 paths of play should not be transited under the null hypothesis of authority. It is interesting to note that a problem of observational

⁷¹ Another fine insight offered by Gary Cox.

⁷² It would be easy to discriminate between a version of the null where Congress is a *subordinate* of the president, from another null with presidential *dominance*, the president always winning second moves.

Table 4.7
 Accordance of paths of play to H_0 (Authority hypothesis) and H_A (Exchange hypothesis)

Path of play	Do actions in the path unambiguously contradict one hypothesis? If yes, which?
Not subject to ambiguity (contradictory actions are underlined)	
1 <i>Propose-<u>reject</u>-decree-yes</i>	yes, H_0
2 <i>Propose-<u>reject</u>-decree-<u>no</u></i>	yes, H_0
3 <i>Propose-<u>reject</u>-do nothing</i>	yes, H_0
5 <i>Propose-<u>amend</u>-veto-sustain</i>	yes, H_0
6 <i>Prop.-<u>amend</u>-veto-<u>override</u>-decree-yes</i>	yes, H_0
7 <i>Prop.-<u>amend</u>-veto-<u>override</u>-decree-<u>no</u></i>	yes, H_0
8 <i>Prop.-<u>amend</u>-veto-<u>override</u>-do nothing</i>	yes, H_0
9 <i>Propose-<u>amend</u>-accept</i>	yes, H_0
11 <i>Decree-<u>no</u></i>	yes, H_0
13 <i>Do nothing-pass-veto-<u>override</u></i>	yes, H_0
Subject to ambiguity because of observational equivalence	
4 <i>Propose-pass</i>	no
10 <i>Decree-yes</i>	no
12 <i>Do nothing-pass-veto-sustain</i>	no
14 <i>Do nothing-pass-accept</i>	no
15 <i>Do nothing-do nothing</i>	no

equivalence blurs the relation between hypotheses and actions in the remainder paths of play. That is, the paths grouped at the bottom of Table 4.7 contain some action that does not discriminate between hypotheses, lending credence to both (hence, in a dichotomous world, to none). Take path 4 for example, where the president initiates a bill that Congress approves. We can think of a story in which Congress responds in the affirmative to anything proposed by the master from the executive branch; the bill is reported by congressional committees in perfect accordance with the master's

preferences, whims, and biases. A completely different story is as plausible: the president, knowing that Congress only approves policy that leaves the majority better off than under the status quo, submits a bill that satisfies the majority, that nods in approval by passing it. Observations falling under path 4 will not help us discriminate between the null and alternative hypotheses. The same ‘test neutrality’ typifies observations in paths 10, 12, 14, and 15.

The empirical task consists of mapping observed events in Argentina, as closely as the information allows, with the 15 stylized options that conform Game Tree 4.2. Doing so produces statistics on the observed paths of play in the context of the Argentine legislative process (as those presented for the case of the U.S. by Cameron, Lapinski, and Riemann 2000). The observed paths of play provide an estimate of veto incidence in Argentina, of both the executive and the congressional variants.

Before moving to the data, I present a set of auxiliary assumptions that I was forced to rely on because of lacunae in the information, as mentioned above. Future research will need to assess the empirical accuracy of these assumptions in order to validate my evidence.

The first auxiliary assumption – “the silence-omission *synonymia*” – permits me to deal with one common problem in the data: the source remains silent about what happened *before* some observed event is recorded (an executive decree or an amendment to an executive-initiated bill). FR&G (1996) observe executive decree issuance and legislative response to executive decrees (the information I portrayed in Table 4.2) making only marginal comments about previous as well as posterior events.

Did the president attempt (and fail) to have a bill passed in Congress, then opt for a decree? I arbitrarily interpreted FR&G's silence as implying that a decree *never* followed a rejection of an executive-initiated bill (i.e. that play never followed Paths 1 and 2 in Game Tree 4.2), nor an override of a veto to an amended executive bill (i.e. that play did not follow Paths 6 and 7). FR&G do not say that this happened; they do not say that it did not happen either (hence the arbitrariness). Future research will need to clarify the extent to which the nil observations in Paths 1, 2, 6, and 7 are an artifice of the silence-omission *synonymia*.

Two more auxiliary assumptions – “the veto-amendment *synonymia*” and “the navette-amendment *synonymia*” – are needed to fill the missing information on amendments to executive-initiated bills. The *Dirección de Información Parlamentaria* (DIP) of the Argentine lower house records day-to-day legislative proceedings but does not report whether or not a bill suffered an amendment during intra- and inter-cameral bargaining.⁷³ One assumption needed to isolate “amended” executive bills from “non-amended” ones is more plausible than the other. “Veto-amendment *synonymia*” (the plausible one) assumes that every executive-initiated bill which was vetoed by the president had been previously amended in the bicameral steps of the legislative process. For simplicity and by construction, Game Tree 4.2 does not allow vetoes of executive-initiated bills that were sanctioned in their original format. This

⁷³ This record can be consulted on the web at <http://www.hcdn.gov.ar/Principal.html> (by following the link *Bases de datos – Proyectos Parlamentarios*). This is the data which CEDI (1999) coded into an SPSS database; the DIP (2001) provided me with an ascii version of the raw data.

assumption assists in approximating, with reasonable confidence, one subset of executive-initiated bills that were amended. “Navette-amendment *synonymia*”, on the other hand, is a priori a much less plausible assumption, and becomes necessary to attempt to disentangle observations in Path 4 (*propose-pass*) from observations in Path 9 (*propose-amend-accept*). The assumption is that every executive-initiated bill that was not sanctioned after treatment in the revising chamber – i.e. a bill that returned to the originating house in the *navette* procedure of Argentina’s bicameralism – had suffered an amendment in one of the houses. Not only does this proxy fail to capture many executive-initiated bills that *were* in fact amended: e.g. a bill that is modified in the originating house and voted as such in the revising house would be amended despite not entering the *navette*. In addition, it is less likely yet possible that an executive-initiated bill entered the *navette* but got out of inter-chamber bargaining in exactly the same form as submitted by the president. Imperfect as they may be, the veto- and navette-amendment *synonymia*, allow to present a tentative breakdown of executive-initiated bills according to whether or not they were amended.

A fourth auxiliary assumption – “one bill actions” – is that *explicit* ratification or rescision of a decree was undertaken by means of a *single* bill. FR&G remained silent about this issue, with one exception: they recorded one encompassing bill (the 1994 budget) ratifying 16 decrees at once (FR&G 1996, p. 457; DIP 2001, law 24307).

For all other cases I followed the “one bill actions” assumption. 313 bills in the period served the purpose of responding to an executive decree.⁷⁴

One final comment before turning to the data. Game Tree 4.2 confounds ratification of an executive decree into law and tacit agreement (silence) by the assembly. For the sake of simplicity the stylization represents tacit and explicit acceptance as a simple yes/no choice by Congress; in this section I aggregate some of the information that I presented in detail in Table 4.2.

Because it is explicitly stated this set of auxiliary assumptions renders limitations in the data distinct; it also makes it possible to assess their plausibility in future research. It should be kept in mind that the tentative nature of the evidence below should be weighed by its novelty. No joint evidence on the statute and decree processes in a separation of power legislative process is available as far as my knowledge goes.

I now analyze observed paths of play of the game from 1983 until the enactment the 1994 constitution. Each observation recorded in Table 4.8 corresponds

⁷⁴ The total reported breaks down as follows. Of the total 328 decrees (10 by Alfonsín + 318 by Menem), 312 (328 decrees – 16 ratified by the omnibus bill) were ratified by “one-bill actions.” The omnibus bill has to be counted in the calculus. $10 + 318 - 16 + 1 = 313$. The omnibus bill is proof that “one-bill actions” may be problematic.

⁷⁴ The proportion could still increase, especially for Menem, if future research shows that some of the decrees in Paths 10 and 11 actually belong in Paths 1 and 2. 10 bills to ratify Alfonsín’s decrees; plus 318 bills to ratify Menem’s decrees; minus 16 decrees which were ratified by law 24307; plus that single bill. $10 + 318 - 16 + 1 = 313$.

Table 4.8
Observed paths of play in Argentina, 1983-1994 (before the new constitution)

PATH OF PLAY	Raúl Alfonsín 10dec83-7jul89		Carlos Menem 8jul89-24aug94	
Versus H₀				
1 <i>Propose-reject-decree-yes</i>	0 ^a	}	0 ^a	}
2 <i>Propose-reject-decree-no</i>	0 ^a		0 ^a	
3 <i>Propose-reject-do nothing</i>	172 ^c 21%		199 ^c 15%	
5 <i>Propose-amend-veto-sustain</i>	1 ^b 0.1%		16 ^b 1%	
6 <i>Prop.-amend-veto-override-decree-yes</i>	0 ^a		0 ^a	
7 <i>Prop.-amend-veto-override-decree-no</i>	0 ^a		0 ^a	
8 <i>Prop.-amend-veto-override-do nothing</i>	0 ^b		3 ^b 0.2%	
9 <i>Propose-amend-accept</i>	44 ^d 5%	}	20 ^d 2%	}
11 <i>Decree-no</i>	0 ^e		18 ^f 1%	
13 <i>Do nothing-pass-veto-override</i>	1 ^b 0.1%		10 ^b 1%	
Ambiguous				
4 <i>Propose-pass</i>	291 ^d 35%	}	316 ^d 24%	}
10 <i>Decree-yes</i>	10 ^e 1%		318 ^g 25%	
12 <i>Do nothing-pass-veto-sustain</i>	43 ^b 5%		45 ^b 3%	
14 <i>Do nothing-pass-accept</i>	265 ^b 32%		346 ^b 27%	
15 <i>Do nothing-do nothing</i>	non-observable		non-observable	
Total passes in observable paths	827	100%	1,291	100%

(Table continued next page)

Table 4.8 (continued)

Notes and sources: Percentages above 1% are rounded to the closest integer.

- (a) The source (Ferreira Rubio and Goretti 1996, pp. 448-452) does not say that any decree followed the rejection/amendment of an executive-initiated bills (but does not say there were any, either). If there were any, then some of the decrees in paths 10 & 11 would belong here.
 - (b) From CEDI 1999.
 - (c) From Bavastro 1999
 - (d) The source (CEDI 1999) conflates observations in paths 4 and 9 by not reporting whether or not the bill was amended in the legislative process. To report this breakdown of the aggregate I resorted to an imperfect proxy for amendment, variable “*navette*”. See text for details.
 - (e) From Ferreira Rubio and Goretti 1996, p. 448. The source states that Alfonsín sought explicit congressional ratification in most cases. Also, see note (a).
 - (f) From Ferreira Rubio and Goretti 1996, pp. 452-7. This figure breaks down as follows: Congress amended 14 decrees (13 of those modifications were vetoed by Menem); Congress rescinded 3 decrees totally (1 case was vetoed) and 1 partially (vetoed). Also, see note (a).
 - (g) From Ferreira Rubio and Goretti 1996, pp. 452-7. This figure breaks down as follows: 26 decrees were ratified into law; 1 was ratified partially; and Congress remained silent about 291 decrees. In addition, there were very numerous instances of delegated decree authority to the executive which are not listed (only the 2 economic emergency statutes which authorized this delegation appear under path 4). Also, see note (a).
-

to one transit or pass over one of 14 observable paths of play; the outcome of a pass can be enactment of policy by statute, enactment by decree, or rejection, depending on the combination of actions that shape the path undertaken. Path 15 (neither the president nor Congress initiate a bill) is not registered because it is unobservable, so these passes are censored from the total reported.

Note first that the Menem administration experienced a busier field of play than the Alfonsín administration: there were more passes through the paths of play in less days. Alfonsín saw, on average, 2 passes every 5 days in office (totaling 827); Menem saw 2 passes every 3 days in office (totaling 1291), 66% more business per day in office. Most of this inflation in passes is due to the frequent reliance on executive decrees: it takes many less steps to enact a decree than it does to enact a statute. Economy notwithstanding, a subtraction of these “time-effective” measures still leaves the field 20% busier per day in office during the Menem presidency (817 statutes in 2036 days vs. 955 in 1873 days). The statute differential most probably responds to unified government: Alfonsín faced an opposition Senate whereas Menem enjoyed (quasi) unified government.

The two administrations display differences and similarities with respect to the relative frequency of passes. Concerning similarities, policy-making was “harmonious” most of the time in both administrations (passes through paths 4, 10, 14, and 15), Menem’s a little bit more so than Alfonsín’s (76% vs. 68% of observable passes). If *do nothing-do nothing* (path 15) choices by players were observable, the harmonious portion of the game would be further inflated. If we took Path 9 (*propose-*

amend-accept) as another type of pass involving no observable conflict, the difference between the Alfonsín and Menem administrations would be very much reduced: no observable conflict in 73% of Alfonsín's passes, 78% of Menem's.

The president accepted a congressional bill almost as often as Congress passed a bill initiated by the president, regardless of whether Alfonsín or Menem was the chief executive. This resemblance is obscured slightly by the presence of many *decree-yes* (path 10) passes under Menem, but relative frequencies in paths 4 (*propose-pass*) and 14 (*do nothing-pass-accept*) are pretty close to each other within each administration (about 35% each for Alfonsín, about 25% each for Menem). Both branches were pretty good at anticipating the tolerance of each other.

From one perspective, the acute proportion of harmonious passes in the two presidencies conforms to the prediction drawn from a version of the game where the goal is to maximize policy concessions (only) from the other player and where each player has complete information on the preferences of the adversary (see chapter 2). Remember that players in this version can anticipate and avoid conflict, and because conflict provides no gain whatsoever, it is totally absent. In an outcome-oriented SETTER game any pass leading to foreseeable conflict that ends with a reinstatement of the status quo (paths 2, 3, 5, 11, and 12) ought to divert to path 15 (do-nothing-do nothing). Passes where the branches wrangle but terminate with a decree/yes combo (paths 1 and 6) should avert fighting by diverting to path 10 (decree-yes) in the first place. In this same fashion, passes through paths 7, 8, and 9 should direct to path 4 (propose-pass), anticipation making the president send a more accommodating

proposal to begin with; and path 13 passes should follow path 14 instead. The modal and notable lack of conflict in Argentina's legislative process is suggestive of these changing courses of action.

From another perspective, it is striking that so many passes involved inter-branch quarrels: close to 1 out of every 4 passes did involve some form of observable executive-legislative clash in both administrations. Alfonsín's was a more conflictive administration: 31% of passes involved some sort of standoff between the branches, compared to 23% for Menem. When conflict arises, the president is successful in using his negative power (killing congressional policy and re-imposing the status quo) in paths 5 and 12; Congress is successful in using its negative power in paths 2, 3, and 11. All these are cases where one branch successfully shuts its veto gate on new policy. The president successfully shut the gate about 5% and 4% for each administration, respectively. On the other side, Congress shut the gate with success in 26% of Alfonsín's passes and 19% of Menem's. This means that congressional successful usage of vetoes was 5 times more frequent than a presidential one, under both Alfonsín and Menem. It seems rather unlikely that such an acute differential *in favor of Congress* would be obtained under the null hypothesis.

Considering veto incidence irrespective of its success in stopping new policy, paths 5, 6, 7, 8, 12, and 13 involve the executive veto whereas paths 1, 2, 3, 7, and 11 involve the congressional veto (see Table 4.6). This provides bases for an estimate of veto incidence in Argentina. An executive veto fell on 45 of Alfonsín's 827 passes (5% of them); the corresponding figure for Menem's 1,291 passes was 74 (6% of

them). Congressional veto incidence was markedly higher in both periods: 172 of Alfonsín's passes (or 21% of all) involved some form of veto by Congress, 217 of Menem's (or 17% of all). The frequency of congressional rejections of executive-initiated changes to the status quo followed with presidential inaction is remarkably high. The split Congress that Alfonsín faced represented a higher hurdle to pass policy than Menem's (quasi) unified assembly, despite the cohesiveness handicap of Peronism vis-à-vis Radicalism (Palanza and Sin 1997). The number of Menem's projects were frozen by his very party indicates that the handicap was not trivial: 199 (or 15%) of his passes followed path 3 (propose-reject-do nothing), compared to 172 (or 21%) of Alfonsín's).⁷⁵

The congressional veto is frequently used in Argentina, more so than the executive veto. This dovetails with the finding that when negative power was effective the issuer was Congress most of the time. Since most studies have so far ignored bills that do not make it out of the congressional maze of the legislative process, this phenomenon had hardly been documented in Argentina (notable exceptions are Bavastro 2001; Maurich n.d.). These differentials will merit attention on their own in the future.

Finally, which hypothesis, authority or exchange, does the evidence favor? The answer will not involve statistical hypothesis testing because the data are of qualitative nature (the frequency of passes through different categories), which does

⁷⁵ The proportion could still increase, especially for Menem, if future research shows that some of the decrees in Paths 10 and 11 actually belong in Paths 1 and 2.

not lend itself to the computations needed to produce this type of statistic. We can nevertheless compare the frequency of passes through different paths to shed light on this issue. The 10 paths of play that are inconsistent with the null hypothesis experienced about a quarter of Alfonsín's passes and about a fifth of Menem's. This is a substantive proportion, especially since the remainder passes are neutral in support. In a counterfactual, if the ambiguous passes broke down 50-50 in favor of each hypothesis, 37% passes would be consistent and 63% inconsistent with the null passes for Alfonsín; comparable figures for Menem would 40% and 60%. For these reasons I consider it safer to reject the null (all non-ambiguous evidence aligned against it) than to reject the alternative (none of the non-ambiguous evidence aligned against it). Analysis at a lower level of aggregation will be needed to discern patterns in the remainder observations.

To be fair, Menem was operating on the margin of constitutionality. But, as long as Congress possessed at the time a capacity to respond to executive decrees (amending or rescinding them) this distinction should not significantly affect the model I above. Not much of the evidence is conclusive but when it is (between $\frac{1}{5}$ and $\frac{1}{4}$ of all evidence) it favors the exchange hypothesis.

A final note on Menem's passes: it is striking that the subset of passes that led to a change in the status quo during Menem's period broke down in fairly equal shares: 38% were assembly-written statutes; 31% were executive-written statutes; and 31% were decrees. It is, in fact, puzzling that the president did not rely on decrees more

often, especially given the high incidence of congressional vetoes. The case study in the next chapter will shed a little light on this puzzle.

Policy implemented unilaterally by executive decree was only part of the story in Menem's first 5 years in office; it cohabited with policy implemented by statute. What appeared as overwhelming executive unilateralism in isolated analyses of decrees (Ferreira Rubio and Goretti 1996; O'Donnell 1994) appears more moderate when the statute writing process is brought into the picture. Menem sought (and got) almost as many bills as he enacted measures by decree. And Congress sanctioned (and the president signed) almost the same number of bills initiated by legislators. Something makes presidents, even those with an "autocratic style" (Mustapic 1998, p. 21) such as Menem, prefer some policy in the form of statutes.

4 What does exchange look like?

Given that we can reject the null hypothesis of presidential authority and accept the alternative of inter-branch exchange, what is the nature of exchange? Does it fit Cox and Morgenstern's (1998) proactive presidents, reactive assemblies?

The findings in section 3 give more substance to our understanding of the role Congress plays in the legislative processes of Argentina's system of separation of power.

Cox and Morgenstern claim (quite counter-intuitively from the perspective of the extant literature) that, despite their reactive role in the legislative process, Latin-American legislatures should in theory influence policy. The law of anticipated reactions suggests that an important role in the legislative process does not always

require proactive powers (such as the capacity to initiate legislation and set the agenda). Such importance also obtains from the ability to amend or kill executive proposals. “These reactive powers, which seem to characterize the Latin-American cases, invite anticipation by the president” (p. 2); from this perspective a good deal of congressional influence on policy takes place behind the scene. The high incidence of congressional vetoes observed in Argentina is an indicator that, in fact, Congress often ‘reacts’ to policy initiated by the executive. If the executive larger staff can make higher-valence proposals (cf. Londregan 2000; Stokes 1963), why not delegate the preparation of the bill, discuss it, make necessary amendments, and pass that into law (or reject it)?

Is the sizeable portion of Congress-initiated legislation that passed in Argentina compatible with a view of an assembly mainly playing a reactive role? Or is Congress more proactive than typically assumed? The reactive assemblies model can be made more general by allowing congressional proactivity to vary across systems instead of fixing it at a small level. Merely reactive assemblies can only prevent change they dislike, not change policy they dislike, so any drop of proactivity adds to congressional influence on policy. Congress in 1989-94 had 346 of its initiatives turned into law while Menem had 316 (plus 318 decrees). The number of successful statutory changes between the branches are pretty close to each other, Congress even surpassing the executive. Congress in Argentina was rather proactive, engaging policy-making effort since the inception of the project.

There is one limitation in my data that plays in favor of Cox and Morgenstern's cautious approach to the phenomenon. Aggregate data say nothing about the policy content of bills and decrees. Skeptics may reasonably entertain the doubt that the distribution of 'important' measures may be skewed in favor of the executive. Because of their perennial lack of staff and resources, Argentine legislators may well be in a position to fashion anything but trivial pieces of legislation (e.g., mandating the minting of one-peso coins with Eva Perón's effigy, law 24,872 of 1997), leaving all policy dealing, for example, with fiscal policy, economic restructuring, and social security to be crafted by the president.

If instrumental legislators expend effort being proactive they must see something of worth in it. As pointed out by Mustapic (1998), even if more mundane the policy made by members of Congress is no less important for their immediate goals.

How large is congressional proactivity in Argentina vis-à-vis the rest of the subcontinent? The little data I have collected from secondary sources suggests that there is substantial variance across systems. Table 4.9 presents Venezuela as having the most proactive assembly in 1959-89, reaching authorship of as much as 71% of policy under non-unified governments. Chile strikes as a case with an acute asymmetry in cross-branch proactivity, only 12% of approved bill having been initiated in Congress. Not too surprising given the structure set by the Chilean constitution: any policy whose implementation requires public monies has to be

Table 4.9

Variance in the proactivity and the reactivity of selected Latin-American legislatures

Case and period (with partisan status of government)	Bills passed that were initiated by members of Congress (as percentage of all bills passed)		Executive-initiated bills that were vetoed by Congress ¹ (as percentage of all executive-initiated bills)	
	N		N	
Argentina				
1983-89 (split Congress)	309	(48%)	172	(34%)
1989-94 (unified government or nearly)	401	(53%)	199	(36%)
Chile				
1990-99 (split Congress)	151	(12%)	280 ⁽²⁾	(26%)
Mexico				
1917-30 (pre-PRI, no majority)	502 ⁽³⁾	(59%)	311 ⁽³⁾	(47%)
1930-45 (PRI formed, unified government)	305 ⁽³⁾	(19%)	92 ⁽³⁾	(7%)
1988-97 (end of PRI control, unified government.)	127 ⁽³⁾	(23%)	4 ⁽³⁾	(1%)
1997-99 (post-PRI, no majority in lower house)	96 ⁽³⁾	(60%)	9 ⁽³⁾	(14%)
Venezuela				
1964-74, 79-84 (no majority party in Congress)	302	(71%)	77	(38%)
1959-64, 74-79, 84-89 (unified government)	268	(64%)	40	(21%)

Notes: (1) Bills that were rejected or remained unresolved in Congress; (2) Excludes 62 bills withdrawn by the president; (3) Public bills only.

Sources: Argentina (CEDI 1999; DIP 2001); Chile (Oficina de Partes 1999); Mexico (Weldon 1997a, Tables 2-3; Weldon 1997b, Tables 2-3; Weldon n.d., Tables 6-7); Venezuela (Archivo de Diputados various years).

initiated by the executive. There should also be a sizeable variation in any system cross-temporally. Mexico shifted from a very proactive assembly in the 1920s, before the PRI existed, to a very reactive assembly between 1930 and 1997, then back up after the demise of the PRI in 1997.

5 Conclusion.

This chapter has analyzed two sides of policy in Argentina, decretal and statutory, from 1983 until 1994. Both need to be taken into account in order to avoid a false impression of presidential Authority in inter-branch bargaining. Executive decree authority, even one as strong as Argentina's, does not turn the president into an autocrat. During Menem's first five years in office he issued a large number of decrees; Congress tacitly or expressly endorsed 95% of this unilateral policy. Most of the remaining 5%, which Congress chose to veto, prompted Menem to kill the congressional veto with a (sustained) veto of his own. An examination of the statutory process that took place in parallel informs us that there were about 2.25 statutes passed for each of Menem's decrees; approximately half the statutes were initiated by each branch of government. Overall, policy in the period breaks down into thirds: decrees, statutes initiated by the president, and statutes initiated by Congress.

The chapter also estimated executive as well as congressional veto incidence by taking into account executive-initiated bills that failed to become law. The president used his veto over 5% of measures initiated in the Alfonsín administration and 6% of Menem's; the assembly relied on the congressional veto on 21% and 17% of measures in each administration. Congressional veto incidence was between 3 and

4 times larger than executive veto incidence in the decade after 1983 in Argentina. Furthermore, if only vetoes that successfully stopped new policy are considered, Congress was the vetoing subject 4 out of 5 times.

The categorical data I construct my evidence with does not lend itself to carry statistical tests of the null and alternative hypotheses. A study with non-aggregated data will also be needed to ascertain the cross-branch distribution of policy relevance. These caveats notwithstanding, there is enough evidence to claim that the null authority hypothesis can be rejected in favor of the exchange hypothesis (a view that Carey and Shugart 1998 substantiated at a theoretical level). Most of the evidence at hand is neutral in supporting one hypothesis or the other. Whatever decisive evidence there is (between a fifth and a fourth of 'passes' in the legislative process), however, is incompatible with the null. Argentina's Congress has authority of its own.

Chapter 5

Seeking robust policy under time pressure: The case of the pensions reform in Argentina, 1992-1993

Abstract: If sheer presidential authority were intrinsic to the legislative process, one would never expect the executive to concede anything to Congress over his or her policy program. Concessions are germane to markets, exchange, and bargaining. A case study of the recent pensions system reform in Argentina uncovers evidence of significant concessions made by president Menem to congresspersons in the course of negotiation. The study also reveals two important limits to executive decree authority: there are occasions when president needs policy to be written as a statute for the sake of robustness, and Congress may be in a position to supersede any decree by crafting legislation. There are conditions under which executive decree power conveys little or no advantage in policy negotiation.

The previous chapter showed that, in the decade that followed the return to democracy in Argentina, Congress relied more often on the veto to block executive-initiated policy than the president did to stop assembly-written legislation. The evidence showed that the president in Argentina did not systematically attempt to circumvent congressional opposition by relying on decree power.

In this chapter I study one concrete example of policy change in Argentina, the reform of the system of pensions in 1992-93. This will serve as an illustration that real bargaining between the branches does indeed occur, at least sometimes. This study will add evidence to the case studies of inter-branch bargaining in fiscal policy (Eaton n.d.): Congress significantly amended bills reforming fiscal policy – crucial for the success of Menem's administration – to accommodate provincial interests. The distribution between federation and provinces of revenues from new taxes, for

example, were often affected in favor of the latter. The same occurred in pensions reform, Congress accommodating disaffected Peronist clientele.

The case study will also add some flesh to the somewhat osseous framework set forth by aggregate data in the previous chapter. It offers an illustration of two points. First, there are two limitations to the advantage that decree power grants the president in business with Congress. On the one hand, presidents at times wish policy to be packaged in the form of a statute, not in the form of a decree. In the case at hand this desire stemmed from a pressure by financial markets to have statutory, not decretal policy. The other limitation arises from the structure of the decree game, which enables Congress to move last. Congress can supersede policy by decree with its own statutory version whenever it can make that final move effective.

Second, the study of changes in the pensions scheme in Argentina suggests how the branches use the tools of concurrent consent and restricted unilateralism, combined with asymmetric information, to extract policy concessions from each other. The picture is suggestive of Cameron's (2000) portrayal of the U.S. legislative process, only reverting the role of veto player. The proceedings of the negotiation, as well as secondary sources, contain evidence that Menem attempted to have a "full" reformation of the structure of pensions passed first, then moderated his offer when it became certain that congressional parties strongly opposed his initiative. Menem thus made important concessions to Congress. In short, the case suggests that *bargaining* characterized inter-branch business, *not presidential authority*.

The chapter proceeds as follows. Section 1 isolates important elements of the political, economic, and institutional context in which the pensions reform took place. President Menem took his own party by surprise when he initiated a program of economic liberalization, some steps of which were became particularly controversial (among which the case at hand). Section 2 describes the state of the pensions system as of 1992: bankrupt and incapable of fulfilling obligations. The section also stresses an indirect goal Menem sought by reforming the dysfunctional system: summoning foreign capital by signaling a commitment to robust market reform. Section 3 documents the steps that were followed en route to reform. Menem's initial reform project was frozen in Congress, and threats to issue it by decree only prompted Congress parties to start drafting a cross-party version of the reform. Menem eventually submitted a more moderate reform initiative, which eventually passed. Section 4 discusses and concludes.

1 The context of reform

The late 1980s and early 1990s were times of serious and deliberate economic change in Latin America. In general terms, the market system was explicitly privileged as the mechanism to allocate scarce goods and provide services that governmental hierarchy had been allocating for decades. A wide range of goods and services which government-owned companies had been producing and distributing, most often accumulating red numbers, were sold to private parties. Water distribution, electricity, gas, and oil companies, road construction and management, airlines, banks

were all turned into private corporations in an effort to boost productivity by means of accrued competition.

Argentina was no exception to this continental trend, initiating a program of liberalization towards the end of 1989. Despite having campaigned and won the presidential election on a 'big government' platform typical of his Peronist party (PJ), Carlos Menem opted for market-oriented reform in the midst of a severe economic and social crisis. Menem appointed neoclassical economist Domingo Cavallo to head the Finance ministry; measures to stabilize macroeconomic indicators were adopted right upon taking office.

Crisis was so severe that the outgoing president Raúl Alfonsín of the Radical party (UCR) even agreed to move up Menem's inauguration by six months! Harsh stagflation, coupled with widespread social unrest, undermined the popularity of lame-duck Alfonsín. The UCR in Congress, which still held a plurality of seats in the lower house (incoming congresspersons did not have their inauguration moved up), even chose to cooperate with the PJ in order to delegate special emergency powers to equip the incoming president with tools to address the crisis more adroitly. Decrees made by a unitary actor take way less effort and time than statutes negotiated between several multimember committees;⁷⁶ moreover, in the context of economic emergency,

⁷⁶ Parties, of course, may alleviate collective actor complications, especially when disciplined and holding a majority of seats (see Cox and McCubbins 1993; Rohde 1991). The extreme (a super-disciplined majority party with the president as unique leader) was found in classical Mexico (1930s-1997) (see Carpizo 1978; Weldon 1997c).

government could take advantage of the executive branch's higher valence in policy-making (cf. Londregan 2000).

The reform program can be broken into two phases: an initial macroeconomic stabilization program, followed by a series of measures to liberalize economic activity. The delegated emergency powers, it must be said, involved the stabilization phase only (the "state reform" and "economic emergency" laws were published on August 23 and September 25, 1989 respectively (DIP 2001, laws 23696 and 23697)).

The stabilization program did not give results immediately. Inflation reached 1,350% in 1990, though it had peaked at 5000% in 1989 (see Table 5.1). 1991 was a turning point in inflationary tendencies, the rate descending abruptly to 18% in 1992, 4% in 1994. Economic growth reached almost 10% in 1991 and continued (albeit more slowly) until 1994. Macroeconomic stabilization boosted president Menem's popularity.

A central component of the second phase of economic reform plan was the aforementioned privatization of government-owned firms. In mid-1992 Menem awaited the bill that would authorize him to initiate a bid to sell YPF, Argentina's parastatal oil company. It was at that time that he submitted to Congress a comprehensive plan to transfer the administration of pension funds to private agents in competition with one another. Menem aimed at replacing the *Sistema Nacional de Pensiones* (SNP), a government-managed monopoly, with a pension scheme akin to the Chilean, which had proved very successful and became a source of inspiration for reformers worldwide (e.g. Mexico adopted such system in the mid-1990s).

Table 5.1
The Argentine economy in numbers

	recent history	1990	1991	1992	1993	1994	1995
	<i>yearly average for 1980-90 1985-90</i>						
Inflation ⁽¹⁾	433% 577%	1350%	84%	18%	7%	4%	2%
Economic growth ⁽²⁾	-0.3% -6.5%	-0.1%	9.5%	8.4%	5.3%	6.7%	-4.6%
	<i>(min / median / max), yearly between 1980-89</i>						
Balance of payments ⁽³⁾	(-3,190 / -1,120 / 1,860)	3,380	-810	3,140	3,040	220	-2,020
Current account	(-4770 / -2,470 / -950)	1,750	-650	-5,490	-8,000	-10,950	-4,940
Capitals account	(-60 / 1,980 / 3,470)	1,630	-160	8,630	11,040	11,170	2,920

Notes: (1) Annual rate of change in the price index. (2) Rate of change of GNP in constant prices. (3) Millions of U.S. dollars.

Source: *Anuario estadístico de América Latina y el Caribe*, various editions (1995, 1996, 1999, 2000), Santiago: UN-CEPAL.

Menem's reform program blatantly contradicted his electoral campaign promises. But that was a minor peccadillo; more fundamentally, economic liberalization hurt the Peronist party at its very core, wrecking the interests of core constituents: government-employees and unions. A good deal of the economic package involved the reduction or even elimination of rents supported by Argentina's corporatist structure of labor-business relations (Collier and Collier 1991). Moreover, the nation's macroeconomic well being was far from being felt in the pocketbook of lower- and middle-income tiers of society: high unemployment was the tradeoff of lower inflation with fixed currency value.

So it came to no one's surprise that the Peronist party in Congress was less than enthusiastic to support the second phase of economic reform. In the beginning, stormy economic emergency left little room to go against stabilization efforts; after the storm room became available to do so (see Palanza and Sin 1996). Subsequent steps of the liberalization program would require careful negotiation between Menem and the Peronist party.

As a result, economic reform in mid-1992 contrasted with the initial days in at least one important respect: its rapidness. The power to privatize, not being contemplated among delegated decree powers to the president, required passage through the standard, statutory legislative process. Some of these measures stalled in Congress, as was the case with the initiative to privatize YPF, the oil company. Such bill had been initiated by the Menem in September 1991, had cleared the upper house

Table 5.2

Partisan composition of Congress during Menem's first term, 1989-95

(parentheses report the number of seats in excess or in defect of absolute majority)

Period	Lower house (<i>Cámara de Diputados</i>)		Upper House (<i>Senado</i>)	
	<i>Partido Justicialista</i> (president's party)	<i>Unión Cívica Radical</i>	<i>Partido Justicialista</i> (president's party)	<i>Unión Cívica Radical</i>
8Jul89-9Dec89 ^a (Early inauguration, economic emergency)	largest minority (-31)	plurality (-14)	pseudo-majority ^b (-3)	largest minority (-7)
10Dec89-9Dec91 (Economic liberalization begins)	plurality (-8)	largest minority (-38)	majority (+1)	largest minority (-11)
10Dec91-9Dec92 (Pensions reform is initiated)	plurality (-12)	largest minority (-44)	majority (+1)	largest minority (-11)
10Dec92-9Dec93 (Pensions reform passes)	plurality (-12)	largest minority (-44)	majority (+4)	largest minority (-15)
10Dec93-9Dec95 (Route towards reelection)	pseudo-majority ^b (-2)	largest minority (-45)	majority (+4)	largest minority (-15)

(Table continued next page)

Table 5.2 (continued)

Notes:

- (a) Menem's inauguration was moved up from 10Dec89 to 8Jul89; elected congresspersons, however, took office on 10Dec89, as mandated by the constitution.
- (b) Because of the close affinity of many provincial parties with the PJ, and their willingness to ally, situations in which the latter party is just a couple of seats short of majority can be coded as de facto majority status (Jones 2000; Palanza and Sin 1997; Pinto 2000).

Source: Prepared with information from Molinelli, Palanza y Sin 1999, tables 2.83 and 2.115.

of Congress on the 25th of the same month, but remained stuck in the lower chamber's Energy and Fuel committee (DIP 2001, law 24145).

The legislative process had been taking place in a situation oscillating between near divided government with split congress and near unified government. The early transfer of the executive office left Menem, for six months, in a situation where his party was only three seats short of majority in the Senate, but in the minority in the lower house. As summarized in Table 5.2, the UCR held only a plurality of seats, so anything required bipartisan support at this stage. The stabilization stage of reform, with its delegation of economic policy authority to the executive, actually passed during this period. Next came a period when Menem's coattails could finally be capitalized. The PJ attained majority status in the Senate when new representatives took office, and controlled a plurality in the lower house (8 seats short of majority).

Congressional terms were staggered under 1853 constitution. The lower house renewed by halves every two years, the senate by thirds every three years (through indirect elections). There were thus three mid-term elections in Argentina's six-year presidential term. The first mid-term (in 1991) left the PJ in very much the same situation as before, its plurality in the lower house shrinking slightly (12 seats short of majority). The second mid-term (in 1992) strengthened the PJ's majority grip of the upper house. The third (in 1993) left the PJ in a de facto situation of unified government: Menem's party was only 2 seats short of majority in the *Cámara de Diputados*, 2 votes that could not too expensively be obtained by one of many provincial parties.

The negotiation of the pensions funds and the YPF privatization was taking place before government became unified. Menem had to overcome the plurality status of his party in the lower house. He also needed to control likely defections from members of his very Peronist party.

2 The pensions system in Argentina as of 1992

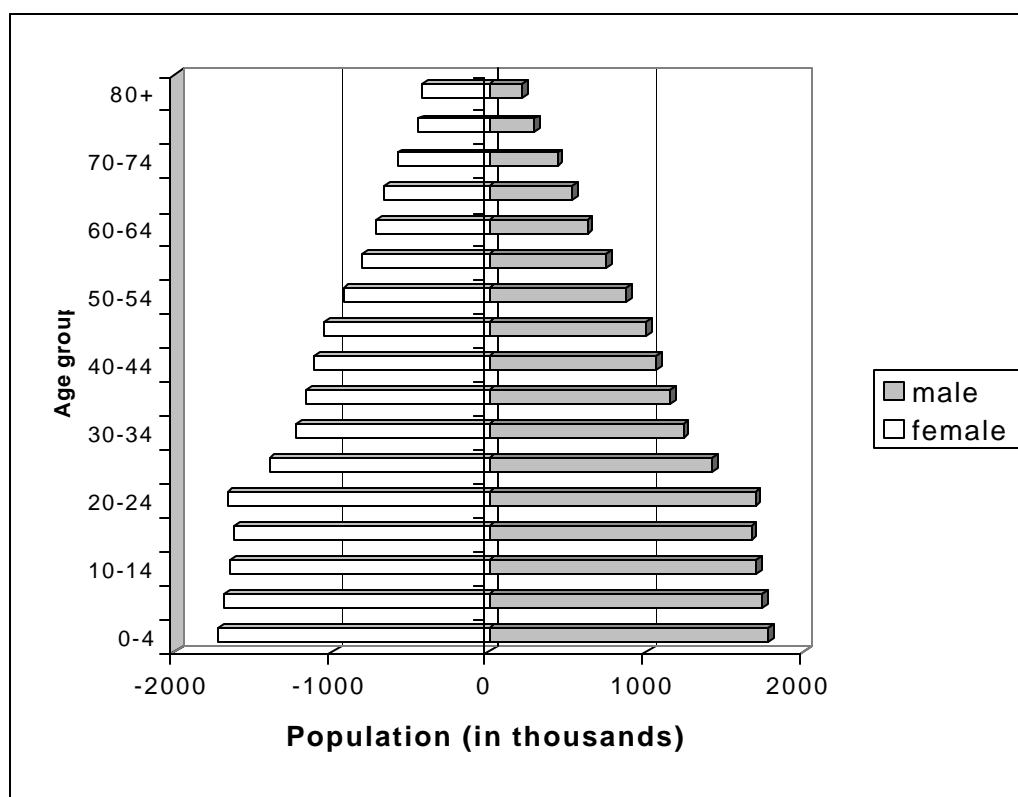
The narrative of the pensions reform by Alonso (1998) suggests that Menem sought to attain two goals by reforming Argentina's SNP pensions system. One goal was to replace the inefficient, corrupt, and bankrupt SNP with a functional and sound new scheme; a second goal was to signal Argentina's commitment to the market system to the world financial community. I analyze each goal in turn.

The status quo was disastrous: for two decades there had been a sharp and constant reduction in resources available for pensions to the elderly. SNP was financed primarily by taxing salaries, so a major problem arose as the real salary plummeted throughout the economic turmoil of the 1980s. Moreover, an estimate of a bit less than half taxpayers were presumably evading their dues. As a result, since its establishment in 1969, SNP generated way less than it had spent, financing as little as one third of its total budget in 1983 (Alonso 1998, pp. 597-9).

The institutional setting worsened this severe resource drought: laws 18037 and 18038 (both were published in the *Boletín Oficial* in 1969)⁷⁷ mandated that any retired citizen was entitled to receive a pension between 70% and 82% of his or her average

⁷⁷ See <http://infoleg.mecon.gov.ar/cnsnorm1.htm>.

Figure 5.1
The age pyramid in Argentina, year 2000 estimates



Source: prepared with data from INDEC 2000.

salary in the last years prior to retirement (Delgado 1994). The average pension paid by SNP between 1984 and 1990 was way below the mandated threshold: 48% instead of the minimum 70% (Alonso 1998, p. 599). Legal suits poured against SNP, further aggravating its financial situation.

Demographics did not help either. The structure of Argentina's population has been losing the pyramidal shape characteristic of developing societies: the 5 smallest five-year cohorts are virtually tied in size in the distribution of ages of Argentina's population (see Figure 4.1). Argentina may soon experience the beginnings of a West European-style inverted pyramid (the "Florida effect"), with more elderly than youngsters. The result: less and less money for increasingly more people.

Approximately 3.2 million retired Argentineans were not receiving from SNP what they were entitled by law. These millions represented about 17% of registered voters (Alonso 1998). Improving their situation could potentially have juicy electoral returns. Hence Menem's wishes for reform.

The second goal behind reform was an attempt to speed up the pace of economic liberalization, which had been slowing. One consequence of international trade deregulation was a large deficit in the current account between 1992-94; given the peso-dollar fixed parity established by a currency board in 1991, this deficit had to be financed through the capitals account. Translation: Argentina needed a large flow of foreign investment; this is pretty evident in Table 5.1. Argentina, however, was not alone in the world financial system. Heavy competition to attract a fixed pool of international financiers came from Chile, Mexico, and other emerging markets in Latin America and South-East Asia. Cajoling these volatile capitals called for legible signals that market reforms would be hard to overturn. Further and speedy

deregulation and privatization with a legal base appeared to be a *sine qua non* for an increased capital flow (Alonso 1998, pp. 596, 602).⁷⁸

Privatization of SNP was a key token to signal both the government's capacity to fix what doesn't work and its strong commitment for the market, or at least that was the belief of Menem and his economic team. Alonso (1998) even conjectures that the second goal (signaling a commitment to economic liberalization) was the priority for Menem: a failure to reduce unemployment would undermine the PJ's electoral prospects in 1993 and 1995.⁷⁹ If this conjecture is true then concessions in the course of bargaining the pensions reform would probably come in detriment of the first goal (generating a sound pensions scheme), not the second.

One complication for Menem in the negotiation of pensions reform arose because he was impeded from taking full advantage of his party's majority status in the senate (with one seat above absolute majority). Because the reform bill involved the creation of new taxes to finance it, Menem was constitutionally forced to submit it

⁷⁸ In October 1991 Finance minister Domingo Cavallo published an article in *La Nación* in which he stated the following: "passing statutes is more difficult than writing decrees of necessity and urgency. But the norms obtained through these statutes produces a superior juridical stability, because it creates the conscience of much more solid and durable solutions, thus generating proper conditions for investment and hence for economic growth". Quoted in Ferreira Rubio and Goretti 1996, p. 446.

⁷⁹ In 1992 the president in Argentina could not reelect; such reform came in 1994 with the new constitution, and operated for the first time in the presidential election of 1995. Yet it seems plausible to suppose that Menem was already preparing the field in case he obtained a constitutional reform that was probably already in the making. Increasing the PJ's share of congressional seats in 1993 would surely help in this direction.

to the lower house of Congress,⁸⁰ where the PJ held only a plurality of seats (45% of them, 12 short of absolute majority).

This complication had to do with the mechanism to resolve inter-cameral differences in legislation under the 1853 constitution.⁸¹ Whenever the two houses disagreed, the bill in dispute would enter the *navette* procedure, shuttling back and forth with the following stopping rule. The originating house (OH) was in a position to veto amendments to a bill undertaken by the revising house (RH), thereby imposing OH's original version of the bill. RH could revoke such veto by a two-thirds vote, but in case this happened OH could still annul RH's override with a two-thirds vote of its own, imposing its version of the bill for submission to the executive.⁸²

The higher share of PJ seats in the upper house, coupled with a smaller chamber size (48 senators vs. 257 *diputados*), would have rendered it the ideal choice of OH. A two-thirds supermajority was cheaper to buy, giving the president better control of the congressional steps of the legislative process, and hence the upper hand in pensions reform bargaining with the least accommodating members of the lower house.

⁸⁰ Art. 44 of the 1853 constitution.

⁸¹ Art. 71.

⁸² This feature changed in the 1994 constitution (art. 81).

3 The path to reform

Menem submitted his reform plan to Congress on June 5, 1992 (Bavastro 1999, project 11-PE-92). Two major changes were contemplated in the bill. On the one hand, pension funds were individualized and their handling was privatized. On the other, a sizeable share of the cost of change would concentrate on a clear subset of Argentines.

The first component of the proposed reform – referred to as “capitalization” in the jargon of the negotiation – was inspired from the system of pensions implemented in Chile some years behind. It worked as follows. Instead of pooling into a government-managed unique fund for redistribution among retired people (as took place under SNP), workers’ contributions would accumulate into individual accounts. The new, personalized pension funds would be administered by private parties (called AFJPs for their Spanish initials) setting rates of return in a competition for patrons.

The second component of Menem’s bill was distributive: costs of the accumulated deficit would transfer to a distinct subset of the population. Put simply, Argentina’s population was divided into two groups: youngsters and elders, defining age 45 as the threshold. The proposed scheme made only elders eligible for the benefits of the traditional, government-managed SNP system. Any youngster would be forced to switch to the new private system in which workers would begin accumulate their pension with monthly deductions to their paychecks deposited in brand new personalized accounts in the AFJP of their choice.

Yet, even though some youngsters were younger than others, all started afresh. “Older” youngsters who had been paying their dues under SNP for a long time would get nothing back, while left with way fewer years among the economically active to amass a sizeable pension for their golden years. This scheme thus represented a transfer of resources from the (formally non-existing group of) middle-aged Argentineans to the elderly. Such a scheme was implemented by other countries but, we shall see below, did not get very far in Argentina.

In Menem’s proposal SNP would survive with a much reduced and shrinking clientele. The project contemplated two supplementary sources to finance SNP until its patrons gradually disappeared in the generational drift. Earnings from the sale of the YPF oil company would be channeled towards SNP. Plus one fifth of the income tax would complement SNP’s income. The project estimated that these would render SNP capable of paying pensions at legally-mandated levels to its patrons (Delgado 1994).

Harsh opposition to SNP reform could be anticipated from unions, which lay at the organizational core of Peronism (Collier and Collier 1991). The reason, I conjecture, is that reform took away one institutional resource to manipulate unionized workers. Both Delgado (1994) and Alonso (1998) attribute SNP’s chronic deficit to a perverse incentive scheme, allowing SNP’s members to defect at the contribution stage while still being entitled (by law) to receive pensions after retiring. However, for this explanation to be sustainable, workers needed to have the option of evading the SNP

tax. SNP contributions were automatically deducted from monthly paychecks by the employer, with little or no monitoring from the revenue service (Gutiérrez 2000).

The employer was thus in a position to either (a) appropriate deductions by retaining them in his own account, (b) fail to make deductions altogether, or (c) some combination of the two. Workers, on the other hand, had the possibility of initiating lawsuits against employers who went for the (a) option, but could also reach a deal to have a (c)-type arrangement. So evasion actually needed the coordination of workers and employers.

The union leadership was in a good position to broker these worker-employer deals. I speculate that union bosses could have workers included or excluded from the deal, thus obtaining selective incentives to spruce up participation in the union. To the extent that these conjectures are true, unions would have had much to lose with the privatized “capitalization” pensions scheme. This would explain another piece documented by Alonso (1998) and Delgado (1994): the violent opposition that unions developed towards Menem’s project as negotiations unfolded.

Menem submitted the bill 3 weeks before the 1992 senatorial election in the capital, offering members of Congress a quick logroll with the oil company privatization bill which awaited committee report in the lower house. If vote on the bill could take place fast enough, then perhaps it would not become fully clear who was paying the lionssshare of the cost of reforming SNP (the middle-aged and unions). Latin-American congresses, with lilliputian staffs compared to those of the executive branch, have a harder time figuring out fast the full implications of new legislation

(Londregan 2000). Obviously Menem's project, drafted in great secrecy in the Social Security Secretariat (Alonso 1998), remained silent about asymmetric costs.

It was uncertain whether or not Menem would be able to arrange a fast vote on the bill by the PJ majority in Congress. Peronists in the last decade had a bit tougher time whipping its backbenchers than Radicals had (Jones 1998; Mustapic and Goretti 1992), and SNP was a divisive issue in the PJ. But the number of Peronist defectors from the bill had to be considerably high, since Menem had proven capable of sweet-talking votes from members of Unión de Centro Democrático (UCeDé) and most center-right provincial parties, particularly the Partido Renovador de Salta (PRS), Partido Demócrata de Mendoza (PD), Acción Chaqueña (ACh), and Fuerza Republicana (FR) (Jones 2000; Palanza and Sin 1996; 1997) to compensate.

Menem publicly endorsed his project, offering retired citizens to pay them 82% average pensions, the upper bound mandated by law, if only Congress approved the oil and pensions bills at once. He attempted in this manner to place members of Congress in an uncomfortable position of receiving the blame for failing to solve the salient issue of pensions, for which there finally was a solution in sight. Promotion of the bill was coined in the language of economic emergency: it's my project or it's chaos, no time for alternatives. "Any improvised de-naturalization of the [pensions] project [by legislators]... would force us to veto it, leaving us without a law, without a reform, and without a solution for retired people" (Menem quoted in Alonso 1998, p. 602).

Despite all this, Menem's attempt failed. Uncertainty about costs vanished rapidly, and opposition increased in Congress: the PJ-controlled Budget and Finance

committee of the lower house rejected the bill fully. The Peronist party exercised negative agenda power: Menem would not get their support on this one.

Unilateral implementation was an open possibility. Menem had so far been frequently relying on emergency decrees to issue policy (see chapter 4). He actually threatened to use his decree authority if Congress failed to pass his pensions reform bill or amended it (Ferreira Rubio and Goretti 1996, pp. 445-46n).⁸³

Peronists in Congress, however, called the shots. The PJ in Congress sought and got the technical support of a technical committee with provincial jurisdiction, COFEPRES (Alonso 1998). This compensated to some extent Congress' informational asymmetry with the executive over policy consequences. What seemed a large cross-party coalition to draft an alternative, congressional pensions reform project began crystallizing. Menem's decree threat was losing its teeth as Congress developed the capacity to write a statute of its own: the latter would supersede the former. The Peronist party in Congress was getting ready to exercise positive agenda power.

There is also ground to consider Menem's decree threat as an exercise of cheap talk. Reform by decree, after all, hurt the second goal of the pensions reform, robust liberalization to attract foreign investment. Menem appeared to be hand-tied by reasons exogenous to the immediate negotiation of the bill. In fact, the decree never came despite the rejection of the bill in the lower house. As a large, cross-party

⁸³ Menem attempted to follow Path 1 or Path 6 of Game Tree 4.2.

coalition amalgamated around a single alternative to the executive's reform bill, Menem opted to submit a second, revised project of reform to the lower house (bill 31-PE-92). Treatment of this new bill began on September 3, 1992 (DIP 1997, law 24241).

Menem's new bill was not frozen in committee as the first one, an indication that it must have contained concessions to members of the lower house of Congress. The bill was reported to the floor with still more amendments on March 3, 1993. The PJ-split *Grupo de los ocho* and the Popular Socialists (that together form today's Frepaso), as well as the Radicals were basically on the same line as the Peronists in the treatment of the project. Evidence of this is that the bill received a committee report accompanied by 2 *disidencias parciales*, but no opposition report was filed alongside.

The bill cleared the lower house on May 6, 1993, and was immediately sent to the senate for ratification. The bill had been negotiated between Peronists, Radicals, and the executive. Menem accepted concessions in many aspects of reform (see Alonso 1998, pp. 610-11).

The lower house's version of the bill created a private and individualized "capitalization" system for pensions, very similar to the one in Menem's original bill. But there was an important difference: it eliminated its mandatory nature for all youngster workers. According to the new bill, whoever desired it could chose to remain in the traditional SNP "distribution" system. On the other hand, the bill deregulated the pensions industry to allow private companies to offer a service parallel to SNP.

Since the oil-company component of the deal had passed on September 24, 1992,⁸⁴ there were funds to improve the financial situation of the new SNP and hence bring improvement in the situation of retired people. This scheme did not necessarily solve the problem in the long run, especially if most workers decided to stay in SNP: the deficit problem could pop up again when oil company's temporal income effect vanished. But all in all, if the Senate passed the bill as well, the Menem administration could advertise this deregulation as one more token for the consolidation of the economic reform.

Upon submission to the upper house of Congress, Menem only voiced opposition to a requirement that the central bank hold part of the future pensions holdings in dollars instead of Argentine pesos. Menem could try to influence the PJ in the Senate (where the party held a majority, not a plurality, of seats) to repeal the dollar clause; he could also seek ratification of the bill as passed by *diputados*. The first option had the drawback of forcing another round of bicameral bargaining, not only consuming time but perhaps unraveling the enacting coalition as well. This was a major shortcoming since time was pressing: international competition for foreign investment was acute. Mexico, for example, was on the verge of striking a deal with the U.S. to create NAFTA under similar time constraints.

⁸⁴ Menem actually item-vetoed law 24145's article 12 and portions of articles 10 and 23 (DIP 1997).

Menem chose instead to push the Senate into ratification, while he negotiated a decree to amend the dollar clause after the law had been published.⁸⁵ The bill cleared the Senate without amendments on September 23, 1993. Menem signed it into law and on May 5, 1994 he issued decree 660/94 modifying art. 40 of law 24241,⁸⁶ thus rescinding the dollar clause (Maurich 1999a).

4 Conclusion

How would the process to legislate a reform to Argentina's pensions system have looked if there existed an authority relation from the executive to the legislative branch? Would the president, in September 1993, have been eager to sign a law with substantial modifications over the project he submitted in June 1992 for congressional ratification? Would congressional amendments essentially mean an abandonment of one of two presidential goals behind reform? Would Menem have placed himself in a position to negotiate a second, more moderate bill with congressional parties? Would Congress have threatened to write a project of its own? Would a bill that was deemed urgent from the outset take 1¼ years to become law? Finally, would threats to decree a law that Congress fails to ratify be utter cheap talk?

The reasonable answer is no to all these questions. The narratives of the pensions reform are very much suggestive that the branches of government were in fact *bargaining* a reform suitable to the interests of both. Bargaining invalidates

⁸⁵ This is a path of play that the my AMPLIFIED SOP game in chapters 1 and 4 excludes: no veto then decree partially.

⁸⁶ *Ley Nacional del Sistema Integrado de Jubilaciones y Pensiones*.

presidential authority. The case of the pensions reform gives a number of clues that the branches of Argentina's separation-of-power system are in a market-like relation of exchange, a sort of policy bazaar.

There is an almost infinite variety of bargaining strategies in situations where a buyer and a seller with reservation prices that leave room for agreement are trying to get the larger piece of the pie. Players in such situations rely on every sort of trick to outsmart the adversary in a game that has infinite equilibrium (a sort of DIVIDE THE DOLLAR game). Structural, cultural, and institutional wrinkles may actually give inherent advantage to one player.

Executive-legislative relations, the case study suggests, is one instance of bargaining. In a situation of uncertainty on whether or not Peronists would support their president – as they had with previous elements of economic liberalization – Menem, it seems, started with an extreme offer to test the responsiveness of his coalition in Congress. He tried to accomplish two goals at once (a long term solution for retired citizens and a privatized system of funds in competition with one another). When it became evident that the PJ was very much against his planned allocation of the costs of reform (to the middle-aged and to union bosses), Menem moderated his proposal. He made enough concessions to legislators so as to effectively impair the long term solution of the pensions crisis. He sacrificed the first goal in order to fulfill the second.

Menem was in a difficult bargaining position. He was vulnerable because he urgently wanted pensions reform. Members of Congress seem to have understood

perfectly their strategic advantage, and pressed for all sorts of concessions from the executive. Executive veto threats were useless in this case, since Menem was among those who most hated the status quo: the persistence of the dysfunctional SNP portrayed him as incapable or unwilling to deepen economic liberalization. Argentina needed massive foreign investment, and financiers were privileging those countries whose government appeared more market-oriented.

For similar reason, the unilateral solution was closed. There appeared to be a threshold of robustness in the new policy below which foreign capital would shun Argentina. Policy by decree, as vulnerable as the whims of a president (or his successor) may be, did not surpass such threshold. Because Menem needed a statute, he had to deal with Congress. “The executive was forced to descend to the bargaining arena without a choice to abandon it by means of the decree strategy” (Alonso 1998, p. 602).

The case study uncovers a second limitation to the usefulness of decree power. When Congress is, for some reason, impaired from producing a new statute, a presidential decree can stand as policy. But when it is clear that Congress can produce such statute, and is willing to (as occurred when Congress began drafting its own project of reform to SNP), then a decree cannot last long.

The veto-decree authority combination is a powerful tool in the hands of the executive. But only under certain conditions. Whenever the executive dislikes the status quo more than congressional majorities, and core constituents demand robust policy, the executive is forced to negotiate with members of Congress.

Chapter 6

Making sound out of fury: The advertising use of vetoes in Chile and in Mexico

Abstract: Two case histories of vetoes as publicity stunts are developed. In Chile president Frei forced the opposition from the right to frustrate labor reform for a second time; this occurred just days before the 1999 presidential election. In Mexico the opposition (incl. the PAN) prepared a bacon-ridden bill for the PRI to veto, either by the Senate or by the executive. The PRI-controlled Senate froze the bill just weeks before the 2000 presidential election. Immediately upon presidential inauguration the new opposition (incl. the PRI) passed the bill in the Senate to force a veto by the new president from the PAN. This reversal of roles is hard to interpret otherwise than as publicity.

In this chapter I present two case histories of vetoes as publicity stunts. Both stories narrate the proceedings of bills that were killed at some point of the legislative process. The first narrative is set in Chile, where the right frustrated an attempt by the center-left government to increase the scope of activity for trade unions. The second narrative is set in Mexico, a little before and a little after the demise of the party that ruled the country for seven decades. Pork barrel policy was designed in 2000 for the president or his party to kill and take the blame; interestingly, when the party label of the president changed the new opposition repeated the maneuver with the very same bill.

When telling these stories I take care of presenting the background on which they developed, highlighting the partisan composition of government, explaining peculiar institutional features relevant for the case at hand, describing who played the role of veto actor, and what advantages a party could have found in engaging in publicity stunts. I also do my best to interpret the sequence of events from the

perspective of two other approaches to conflict in the legislative process, the Linzian and the Cameronian. As pointed out in previous chapters, observable confrontation between the branches of a SOP government is a pretty bad sign for Linz and colleagues in the Comparative field. This tradition reads confrontation as a signal of acute, and most likely increasing, polarization among politicians. Cameron, from a diametrically opposed perspective in Anglo-American politics, reads inter-branch conflict as a sign that politicians are, in fact, bargaining, that they are overcoming their differences by making concessions to each other. The gist in Cameron is that bargaining involves mistaken evaluations of politicians' willingness to concede, and these mistakes get translated into vetoes and rejections.

In the case studies below I try to show that the Linzian and Cameronian analytic lenses do not get as far as a position-taking lens in making sense of what took place. In Chile, President Frei's attempt to have a reform to the labor code passed only two years after the opposition rejected it is hard to rationalize from the perspective of uncertainty and learning. He not only did not make the second proposal more moderate, but actually offered the right a more extreme one. In Mexico the shift in coalitions supporting a bill granting particularistic benefits to a subset of the rural population, I show below, only makes sense as a publicity stunt.

The chapter proceeds as follows. Section 1 presents a case study of the failed attempt to give unions in Chile rights that would have increased the scope of its organization. Section 2 then offers a case study of the bargaining process that led to veto a pork-ridden bill on two occasions. Section 3 concludes.

1 A fly bumping against the window? Mr. Frei's twice attempted labor reform

Santiago de Chile, December 1999. Ten years after adroitly managing to oust Augusto Pinochet under rules designed to perpetuate him in power, the governing left-of-center *Concertación* coalition was under serious electoral challenge. In pursuit of the presidency the coalition's candidate, moderate socialist Ricardo Lagos, was far from unifying the Christian Democracy, the major partner in the *Concertación*. Numerous Christian Democrats still felt capillary electricity at the shadow of Chile's disastrous experience with socialism in the early 1970s.

The field for Lagos' campaign was far from being that wished by anyone waiving the banner of incumbency. Exports had been decimated by East Asia's harsh economic problems, and this seriously slowed Chile's economy, making unemployment soar and urban insecurity gain saliency. Most seriously perhaps, the right-wing *Alianza por Chile* coalition had nominated Joaquín Lavín, the skillful, young, and vibrant mayor of Las Condes in uptown Santiago. Mr. Lavín's campaign was successful in attracting voters by underscoring the need for younger and more creative, yet moderate leadership to captain Chile out of the storm. The *Concertación* elite, after all, was made up of people whose political careers were put to a hold by 17 years of dictatorship; by the time they returned to power the age differential with the median Chilean was notorious. After a decade of *Concertación* government Mr. Lavín's call for "change" had a fresher resonance to many. Thus, Lagos' expected vote in polls was assuredly below the majority needed to win the presidential election

in a single round on December 12; it was also statistically indistinguishable from Mr. Lavín's own (increasing) share.

Two weeks before election day Eduardo Frei, the incumbent Christian Democratic president, attempted to have Congress pass a bill reforming Chile's labor code. Political commentators expressed surprise with this bizarre maneuver: passage was highly unlikely because labor reform, which had been attempted in 1995-97, eventually stalled in the Senate. The bill had remained dormant in committee due to a negative by the senatorial majority to even consider a discussion of the topic. On November 27 Mr. Frei relied on the urgency faculty, giving the labor reform bill a tag of 'immediate discussion'. Urgency is a peculiar constitutional agenda-setting faculty that empowers the Chilean executive to force either house of Congress to act on any bill whose treatment has been lagging. A tag of immediate discussion obliged the Senate to discuss the bill within three labor days.

The result of the president's maneuver was not too much of a surprise. On December 1 the Senate which, by virtue of a biased electoral system was controlled by the right-of-center alliance, rejected anew the bill passed by the lower house, where *Concertación* held a comfortable majority. Urgency, as it turned out, did not affect the outcome in terms of policy: the labor status quo remained firmly in place. The difference, if any, was the allotment of scarce committee and senatorial floor time to a

helpless cause. Not to mention that Mr. Frei was treated as a rather incompetent character by the press.⁸⁷

The story of the bill to reform Chile's labor code takes us straight into politicians' *motivation*. Why did Mr. Frei risk blatant defeat in Congress towards the end of his term (which he in fact got)? What could have motivated him to instigate a confrontation between the two houses of Congress in this episode of Chilean politics? What could Mr. Frei and the *Concertación* have been in likely pursuit of with a second attempt at having a bill passed by the same people who recently rejected it? No new concessions were given to the right prior to the second attempt. So it appears that an important part of the answer to these questions has to do with campaigns and elections. Elections, in addition to being a challenge to secure re-election for oneself or one's party, offer politicians periodic opportunities to get rid of recalcitrant adversaries, antagonists whose very opposition to one's program can in fact serve as cheap advertisement. A central component of politicians' motivation, I have been claiming in this thesis, is the ceaseless quest for position-taking opportunities (Mayhew 1974). Inter-branch conflict, if and when properly managed, can represent a notable publicity stunt serving to remind likely supporters of what parties and coalitions stand for in the competition for policy.

⁸⁷ "Government suffers worst defeat in labor reform" was *La Tercera*'s headline on December 2.

1.1 Concertación's inheritance

General Pinochet's regime (1973-90) gave Chile a new constitution in 1980. It also made it extremely difficult to modify its contents. The constitution reflected the General's deep suspiciousness of the civilian democratic process, while firmly rooting Chile in a market economy. Since their access to power in March 1990, the governments of the *Concertación* – the left-of-center coalition of the Christian Democratic (DC), Socialist (PS), for Democracy (PPD), and Radical (PR) parties – have managed on counted occasions to overcome the conservative bent in order to make some amendments to the constitution, but have failed in doing so for key elements of their political platform. So, for example, *Concertación* managed to reform the constitution in order to make municipal governments elective offices instead of appointments by the central government. They were never able, however, to eliminate “authoritarian enclaves” (Garretón 1989) such as the enormous share of the budget earmarked for Defense, rid the Senate of members appointed by the armed forces, or replace the electoral system with one more faithfully translating votes into seats. Chile remains a ‘protected’ democracy so far ‘guarded’ by the heirs of the military regime.⁸⁸

Mr. Pinochet's legacy also included a complex structure of secondary statutes emanating from the constitution, guiding more mundane aspects of the Chilean polity. The constitution's conservative bias, as we shall see in the case study at hand, has

⁸⁸ For a general description of the 1980 constitution see Siavelis (2000); for an analysis of the binominal electoral system's systematic overrepresentation of the runner-up coalition see Valenzuela and Siavelis (1991).

affected politicians' capacity to amend second-tier institutions as well, a good deal of which regulate the economic realm. A *laissez-faire* structure for economic activity in such close accord with the precepts of the Chicago school as Chile's is found in few nations around the globe. *Concertación* has on several occasions attempted to impose a degree of government regulation onto this structure in order to benefit primary constituencies of theirs. One such attempt, which has failed on repeated occasions, has aimed at increasing the organizational capacity of unions, the historical core of the Socialist party (Drake 1978).

Mr. Pinochet entertains a visceral contempt for organized labor. The former dictator has held Chile's militant, successful, and active labor movement responsible in great part for what he (and many in Chile) still believe represented an imminent overthrow of democratic institutions in 1973 by the left.⁸⁹ Among the first decrees of the military *junta* that seized power on September 11, 1973 were some proscribing unions and banning strikes. In the face of clandestine labor organization, however, a new labor code was enacted in 1979 which lifted the ban on unions and strikes, while making it difficult for workers to organize and placing draconian limitations on the scope of their activities.

⁸⁹ This belief is most implausible given that it was only a matter of weeks before the military in 1973 demobilized leftist armed groups. See Valenzuela (1978).

The 1979 labor code can be summarized as having the following six essential traits.⁹⁰

- (1) **Voluntary affiliation:** Union affiliation was tolerated on a voluntary basis only;
- (2) **High organizational threshold:** Before a union was legalized it required that at least half the labor force in a firm agree to join in;
- (3) **No inter-firm negotiation:** Collective negotiation with the management of several firms at once was out of question, unions being allowed to represent the interests of one firm at a time;
- (4) **Bridge over the picket:** Employers were allowed to hire temporary workers throughout the duration of the strike.
- (5) **Strike expiration date:** Any strike became illegal if no agreement was reached within 60 days; and
- (6) **Arbitrary firing:** Employers could dismiss any worker with no justification in order to adjust to short-term changes.

Shortly after the new *Concertación* government took office, the recently inaugurated president Patricio Aylwin (1990-94), showing his extraordinary bargaining skills, got a limited set of reforms to the labor code through. Strike expiration date and arbitrary firing (items 5 and 6) were dropped from the code in 1990, and the organizational threshold (item 2) was greatly relaxed. This legislative

⁹⁰ A good overview of labor institutions under the dictatorship and beyond is found in Siavelis (2000), chapter 3.

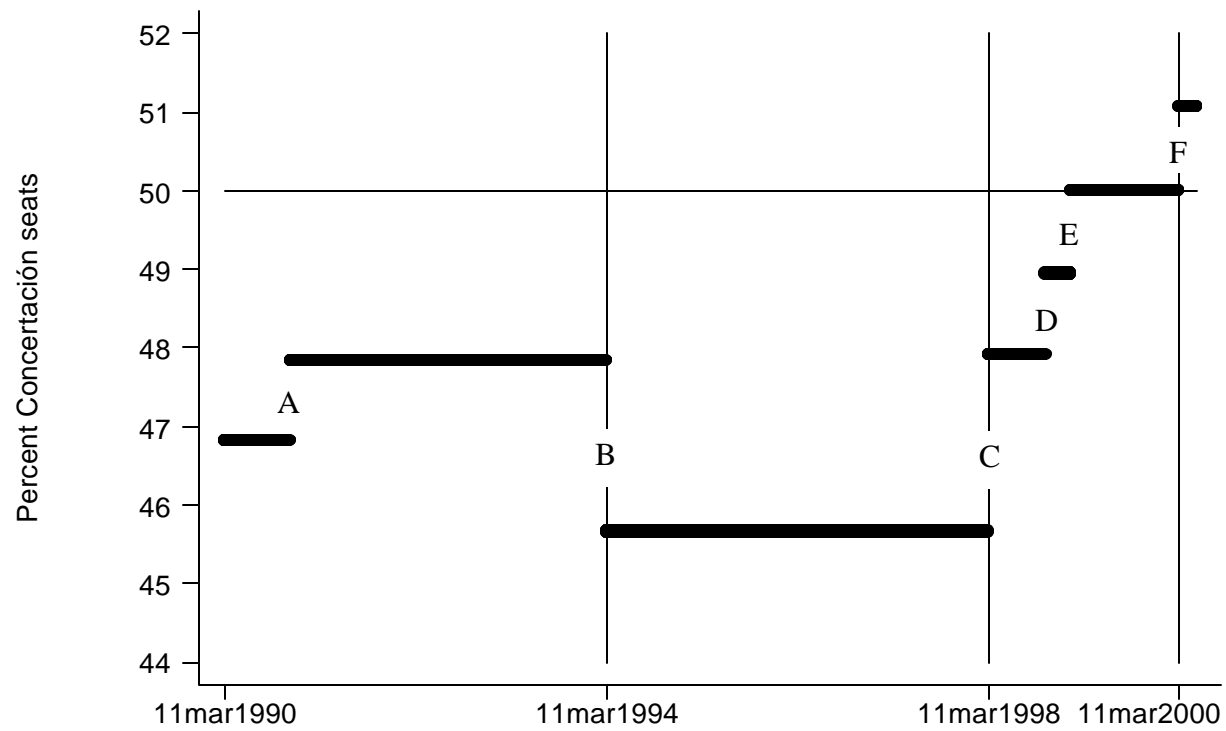
success was by no means trivial. Reform passed with the support of Renovación Nacional (Siavelis 2000, p. 84), heir to the military regime alongside Unión Demócrata Independiente (the two parties form the right-of-center coalition whose name has changed in every election). The support of at least one party to the right of the political spectrum was a necessary condition given the composition of the upper house of Congress.

1.2 The right and its role of veto actor

The Chilean Senate has a built-in bias towards conservatism. The upper chamber of Congress is composed of two subsets of legislators: one subset consists of 38 directly elected members; the other includes non-elected senators. The latter subset consists of former presidents, who acquire tenure for life,⁹¹ and nine appointed Senators serving eight-year terms (like elected ones) who are picked in different proportions by the Supreme Court (three), by the Armed Forces (four), and by the incumbent president (two). As a consequence, a coalition backed by a very substantial majority of the electorate – such as the Concertación since the 1989 general election – is impeded from controlling one house of Congress. This disadvantage can be overcome if the coalition retains its extraordinary electoral backing in several consecutive elections, but it takes time to be achieved.

⁹¹ Patricio Aylwin never got his seat because the constitution restricts it to Presidents serving six-year terms; his was only four years long.

Figure 6.1
 Concertación slowly capturing Chile's Senate
 (Senators in office from Concertación parties or appointed by President Frei)



(Figure continued next page)

Figure 6.1 (continued)

Events affecting the coalitional balance:

- (A)-Appointed senator César Ruiz Danyau died in office, 20nov1990;
- (B) Congressional election, 11mar1994;
- (C) Congressional election and renewal of appointed senators, 11mar1998;
- (D) Augusto Pinochet arrested in London, 17oct1998;
- (E) Senator Francisco Errázuriz prosecuted on criminal charges, 22jan1999;
- (F) Eduardo Frei becomes senator for life.

Sources: prepared with data from IDEAS (1992) for 1990-94; the *Senado* web page at <http://www.senado.cl/> (accessed Dec. 3, 1999) for 1994-98; and inferences from the previous two with guidance from the *Ministerio del Interior* web page at <http://www.elecciones.gov.cl/> (accessed Feb. 15, 2000) for 1998-2000.

Witness in Figure 6.1 how it took about a decade of continual electoral success for the *Concertación* to overcome this bias. It was only in March 2000, exactly ten years after Mr. Aylwin's inauguration, that *Concertación* acquired majority status in the Senate, when Eduardo Frei's presidential term expired and he took his life-tenured seat. *Concertación* was 5 seats below majority in the first post-authoritarian Senate (1990-94). After the election of half the subset of elective senators in 1994 *Concertación* lost 2 seats (1994-98), which it gained back after the election of the other half and the re-appointment of 9 non-elective senators in 1998, leaving it 3 seats below majority. Attrition among the ranks of the right left the Senate in a situation of tie between the two coalitions from January 1999 until March 2000.

A measure of the bias against the electoral victor can be obtained by comparing seat returns in the upper and lower houses. *Concertación's* electoral muscle gave it almost 60% seats in three consecutive *Cámara de Diputados* elections throughout the period, as seen in Table 6.1. The bias against *Concertación* in the upper house was about 10% at the beginning of the period, losing on average one percentage point every year afterwards. The bias is not attributable to a more modest performance of *Concertación* parties in senatorial elections, as evidenced in Table 6.2. *Concertación's* vote returns in senatorial races was higher or equal to those of *Diputados* races at the national level; most regions replicate this trend. There is little ground to believe that ticket splitting between coalitions was a significant factor behind the right's advantage in the upper house.

Table 6.1
Composition of Chile's *Cámara de Diputados*, 1990-2002

Part A: Partisan composition						
Parties	1990-1994		1994-1998		1998-2002	
Concertación members						
Demócrata Cristiano (DC)	39	(33%)	35	(29%)	38	(32%)
Por la Democracia (PPD)	9	(8%)	16	(13%)	16	(13%)
Radical (PR)	5	(4%)	2	(2%)	5	(4%)
Socialista (PS)	18	(15%)	15	(13%)	11	(9%)
Other			1	(1%)		
Right coalition members						
Renovación Nacional (RN)	32	(27%)	31	(26%)	23	(19%)
Unión Democ. Indep. (UDI)	14	(12%)	14	(12%)	21	(18%)
Other			6	(5%)	4	(4%)
Other members						
Independent	3	(3%)			2	(2%)
Total	120	(100%)	120	(100%)	120	(100%)
Part B: Coalitional composition						
Coalition	1990-1994		1994-1998		1998-2002	
Concertación	71	(59%)	69	(58%)	70	(58%)
Right	46	(38%)	51	(43%)	48	(40%)
Independent	3	(3%)			2	(2%)
Total	120	(100%)	120	(100%)	120	(100%)

Sources: OICD (1999) for 1990-94; Ministerio del Interior's web page at <http://www.elecciones.gov.cl> (accessed Feb. 14, 2000) for 1994-98; Cámara de Diputados web page at <http://www.diputados.cl> (accessed Feb. 14, 2000) for 1998-2002.

Table 6.2
 Concertación's vote differential in upper and lower house elections by region, 1989-97

Region	Senado		Diputados		Differential	
	Votes i	(as pct. of valid vote) ii	Votes iii	(as pct. of valid vote) iv	Absolute (i-iii)	Relative (i-iii)×100÷i
1989						
1-Tarapaca	76,223	(47%)	77,092	(48%)	-869	-1%
2-Antofagasta	84,460	(41%)	122,380	(60%)	-37,920	-45%
3-Atacama	67,228	(62%)	48,400	(45%)	+18,828	+28%
4-Coquimbo	88,301	(37%)	138,417	(58%)	-50,116	-57%
5-Valparaíso	358,877	(49%)	366,023	(50%)	-7,146	-2%
6-O'Higgins	211,758	(59%)	169,718	(47%)	+42,040	+20%
7-Maule	255,459	(60%)	252,467	(59%)	+2,992	+1%
8-Bío-Bío	408,785	(47%)	409,353	(47%)	-568	-0%
9-Araucania	192,266	(50%)	173,971	(46%)	+18,295	+10%
10-Lagos	261,195	(57%)	233,597	(51%)	+27,598	+11%
11-Gral. Ibáñez	20,405	(56%)	16,713	(46%)	+3,692	+18%
12-Magallanes	52,282	(66%)	51,403	(65%)	+879	+2%
13-Metropolitana	1,637,587	(60%)	1,440,179	(53%)	+197,408	+12%
Total	3,714,826	(55%)	3,499,713	(51%)	+215,113	+6%

(Table continued next page)

Table 6.2 (continued)

Region	Senado		Diputados		Differential	
	Votes i	(as pct. of valid vote) ii	Votes iii	(as pct. of valid vote) iv	Absolute (i-iii)	Relative (i-iii)×100÷i
1993						
1-Tarapaca	93,038	(58%)	78,236	(48%)	+14,802	+16%
3-Atacama	61,474	(56%)	51,175	(47%)	+10,299	+17%
5-Valparaíso	396,003	(54%)	366,507	(51%)	+29,496	+7%
7-Maule	246,251	(57%)	241,635	(57%)	+4,616	+2%
9-Araucania	209,477	(56%)	196,874	(53%)	+12,603	+6%
11-Gral. Ibáñez	17,162	(45%)	15,574	(42%)	+1,588	+9%
Total	1,023,405	(56%)	950,001	(52%)	+73,404	+7%
1997						
2-Antofagasta	101,511	(61%)	98,568	(60%)	+2,943	+3%
4-Coquimbo	123,059	(57%)	116,686	(54%)	+6,373	+5%
6-O'Higgins	157,974	(48%)	166,247	(51%)	-8,273	-5%
8-Bío-Bío	447,298	(62%)	391,970	(54%)	+55,328	+12%
10-Lagos	205,745	(50%)	204,734	(50%)	+1,011	+0%
12-Magallanes	33,599	(58%)	32,955	(57%)	+644	+2%
13-Metropolitana	1,020,182	(45%)	1,081,470	(48%)	-61,288	-6%
Total	2,089,368	(50%)	2,092,630	(51%)	-3,262	-0%

Sources: Prepared with data from Servicio Electoral 1990 for 1989; Ministerio del Interior 1994 for 1993; Ministerio del Interior web site at <http://www.interior.cl> (accessed April 2, 1998) for 1997.

The immediate consequence of this lag was a headache for Concertación: the right retained the capacity to stop any bill in the legislative process throughout Mr. Aylwin and Mr. Frei's administrations, and hence retain the status quo.⁹² This pure negative power, it must be noted, is a limited one. The limits of this particular authoritarian enclave are to be found in another peculiar feature of the 1980 constitution: the near monopoly in agenda-setting granted to the executive in the legislative process.⁹³ As pointed out by Londregan (2000), following the insights of Romer and Rosenthal (1978), the value for any player of being able to revert legislation back to the status quo depends on the value such player attaches to the status quo. There is always some non-zero probability that an exogenous shock will affect the state of things, rendering it of little (or no) value to any politician; this probability increases as more time goes by.⁹⁴ When this occurs in some dimension of the policy space, the right is at disadvantage with its pure negative power (cf. Kiewiet and McCubbins 1988). The president and his coalition, with their virtual monopoly on the agenda, can impose the policy of their preference (which the right will have to accept to get rid of an even worse status quo).

⁹² The situation improved but has not fully changed for Ricardo Lagos, despite the Concertación enjoying majority status in the Senate. The reason is that the passage of most significant legislation requires qualified majorities.

⁹³ Baldez and Carey (1999) is an excellent analysis of the executive agenda-setting powers and its consequences; also see Siavelis (2000), chap. 1.

⁹⁴ For example, an onerous Defense budget financed mostly through copper sales would be severely affected by a sharp drop in international copper prices.

1.3 Two coalitions learning to cope with each other

With this logic in mind, and to the extent that it is aware of its disadvantage in setting the legislative agenda, it seems a priori plausible that the right in Chile would actually be inclined to exchange its veto on some of Concertación's pieces of legislation in exchange for the president steering other pieces dear to them.⁹⁵ This sort of bargaining between rival coalitions, out of question in a Linzian interpretation of SOP, would actually explain the legislative success of the Mr. Aylwin and Mr. Frei's administrations, both of which were able to enact a large number of bills into law. Many of these bills, Siavelis reports, were quite significant in their policy content (2000, pp. 44-51). The 1990 partial reform to the labor code which got the approval of RN, discussed above, probably was a deal of this sort between Concertación and members of the right.

To get an idea of this success I present some aggregate evidence in Tables 6.xa and 6.xb. As pointed out by previous scholarship (Siavelis 1998; Smok 1994), the president's role has clearly been that of prime legislator in post-authoritarian Chile. The executive initiated about as many bills as congresspersons in 1990-99 (644 and 512 bills by Aylwin and Frei, respectively, against 510 and 730 by the legislatures facing them). The really striking fact, however, has to do with the success of the president's initiatives. About three-quarters of Mr. Aylwin's bills and about two-thirds

⁹⁵ The vote to allow the courts to prosecute Mr. Pinochet for human rights abuses in 2000 comes to mind. Concertación probably bought the former dictator's head paying with some policy concessions for the right.

of Mr. Frei's eventually became law. Mr. Aylwin had on average one bill with his signature turned into statute every three days in office; Mr. Frei had one every week on average. These are remarkable frequencies for presidents facing a Senate controlled by the heirs of the military regime. Both presidents were frequently able to circumvent the veto of the right; could this have been possible without a large degree of *bargaining* between political adversaries?

Table 6.3
The legislative success of the executive in Chile, 1990-99

Fate of the bill	Bill initiated by Mr. Aylwin	Bill initiated by Mr. Frei	Total
Became statute	487 (76%)	327 (64%)	814 (70%)
Was rejected	64 (10%)	31 (6%)	95 (8%)
Was withdrawn	49 (8%)	13 (3%)	62 (5%)
Pending (as of Dec. 99)	44 (7%)	141 (28%)	185 (16%)
Total	644 (100%)	512 (100%)	1156 (100%)

Source: Prepared with data from Oficina de Partes (1999).

The mileage of bills produced by the executive branch stands in distinct contrast with that of bills made by the legislative branch. Most bills drafted by members of Congress were rejected (two-thirds of those initiated under Mr. Aylwin) or got stuck in one of the multiple hurdles of the legislative process (three-fifths of those initiated under Mr. Frei, most of which probably await rejection). Compare with Mr.

Table 6.4
The legislative misfortune of Chilean congresspersons, 1990-99

Fate of the bill	Bill initiated by a legislator during the presidency of		Total
	Patricio Aylwin	Eduardo Frei	
Became statute	76 (15%)	75 (10%)	151 (12%)
Was rejected	344 (67%)	203 (28%)	547 (44%)
Was withdrawn	11 (2%)	12 (2%)	23 (2%)
Pending (as of Dec. 99)	79 (15%)	440 (60%)	519 (42%)
Total	510 (100%)	730 (100%)	1240 (100%)

Source: same as for Table 6.3.

Aylwin's record: one out of ten bills rejected, still less pending (as of December 1999).

Or with Mr. Frei's: 6% rejections, 28% bills pending (with time this figure should drop, mostly in favor of rejections).

It is unfortunate that the source does not allow a tracking of where exactly bills get stuck in the legislative process.⁹⁶ Other sources suggest that few die in the hands of the executive: Siavelis (2000, pp. 24, 45) reports that only 16 bills were vetoed by the executive throughout Mr. Aylwin's presidency. My own interaction with the staff of Chile's Library of Congress very much suggested that the infrequency continued

⁹⁶ This is feasible but requires a longer field trip to the *Biblioteca del Congreso* in Santiago in order to retrieve the information from files containing all the proceedings for every bill initiated in Congress.

throughout Mr. Frei's presidency.⁹⁷ So even if all executive vetoes fell on the set of legislator-initiated bills, most of the set lost its momentum inside Congress, not in the hands of the president. Given the partisan composition of the chambers it is most likely that bills initiated in the lower house found their cemetery in the upper house, and vice versa, coalitions vetoing bills sponsored by the adversary.

Some evidence in favor of this conjecture is contained in Table 6.5. Bills enjoying bold support from members of both coalitions (i.e. those sponsored by 40 to 60% of Concertación members) had a higher rate of success (26% became statute, against 12% for the average) and were less likely to be rejected (29% vs. 52%). The evidence is not as straightforward as one would wish, because the source failed to provide information on who sponsored 30% of legislator-initiated bills. If this omission correlates with the partisan origin of bills then the trends in the table would be biased (the fate of bills with missing information differs somewhat from the rest, less rejections and more bills pending). This caveat should not make us overlook that, among 70% of congresspersons' bills, those with cross-coalitional support were better able to circumvent the bicameral vetoes. Coalitions do seem to bargain with each other in Chile.

⁹⁷ I was surprised to discover that the Chilean Congress, whose orderly, systematized, and transpired record keeping contrasts with Argentina's, does not keep a roster of bills vetoed by the president, nor does it have an aggregate number; neither does the executive's Ministry of the Presidency.

Table 6.5

The breakdown of bills initiated by legislators in Chile by sponsor's affinity with Concertación, 1990-1999

Fate of the bill	Share of sponsors affiliated with Concertación ^a					Partial total	Bills with sponsorship information missing	Total
	0	.01 to .39	.40 to .60	.61 to .99	1			
Became statute	10%	12%	26%	9%	10%	11%	14%	12%
Was rejected	48%	49%	29%	42%	64%	52%	25%	44%
Was withdrawn	2%	0%	0%	1%	2%	1%	3%	2%
Pending (as of Dec. 99)	41%	39%	45%	48%	25%	35%	57%	42%
Total (N)	100% (209)	100% (67)	100% (78)	100% (144)	100% (368)	100% (866)	100% (374)	100% (1240)

(a) So, for example, bill 1247-07 to reform the Civil Procedures Code was sponsored by two Socialists, one Christian Democrat, and one member of Renovación Nacional (the first two parties belong to Concertación, the last doesn't) is coded as having a .75 share of sponsors affiliated with Concertación.

Source: same as for Table 6.3.

1.4 Attempt # 1

The attempt to deepen reforms to the labor code in 1995-97 was an issue where an inter-coalition deal of the sort described above could not be attained. On January 12, 1995 president Frei initiated a bill to rid the labor code inherited by Mr. Pinochet of two more of its restrictive characteristics: the “bridge over the picket” possibility for employers to hire temporary workers during strikes and the prohibition for unions to engage in inter-firm negotiations (items 3 and 4 in the characterization above). The bill, reported by the Labor Committee on August 16, 1995 was approved “in general” on August 22; the president had tagged and untagged the bill with simple urgency on two occasions since January.⁹⁸ On December 12, 1995 the bill was approved “in particular” and sent to the Senate for ratification. This would represent the tough test on the bill’s chances of success.

Mr. Frei scheduled the bill on a special senatorial session in January 1996, then again in September 1997, with no success of even having it reported from committee. The labor reform was in the difficult position of enjoying the support of Concertación senators only. Extensive negotiations with the right-wing majority in the Senate’s Labor and Social Prevision Committee eventually led to a deal, known at the time as

⁹⁸ I drew the information of the proceedings of bill no. 1507-13 from Oficina de Partes (1999) and PAL (1999).

the “Thayer-Arrate” accord.⁹⁹ Concertación accepted to drop inter-firm collective negotiation reform in exchange for the right’s support in ridding the labor code of the bridge over the picket. The amended bill was then reported to the floor. Negotiations, for reasons I have to been able to trace, broke down subsequently. The majority in the Senate opted to not even vote the Thayer-Arrate bill and instead send it on December 16, 1997 to conference committee, where it remained dormant until November 1999. The Senate majority *never formally voted to reject* the bill passed by the lower house. In other words, the right vetoed the reform; the veto, it must be underscored, remained a tacit one, but it represented a veto nonetheless.

The narrative of the 1995-97 episode of reform suggests that three options were under consideration by politicians deciding to reform the labor code. Such options were (a) to make no substantive changes to labor code; (b) to drop only the ‘bridge’ clause from the labor code; and (c) to drop both the ‘bridge’ clause as well as the ban on inter-firm negotiation. The bill passed by the lower house of Congress represented option (c); the Thayer-Arrate deal to amend the bill in the Senate represented option (b); while (a) was the status quo. It is possible to rely on players’ actions, news reports, and one opinion survey to attempt an inference of the preferences entertained by parties and voters regarding these three options.

⁹⁹ Named after its sponsors, then senator William Thayer (former university chancellor turned senator by a Pinochet appointment) and Mr. Frei’s spokesman minister Jorge Arrate (who later became Lagos’ Labor minister).

Table 6.6
Players' likely preference orderings in reforming Chile's labor code

PS	DC-left	DC-right	Right	Median voter
<i>c</i>	<i>b</i>	<i>B</i>	<i>a</i>	<i>b</i>
<i>b</i>	<i>c</i>	<i>A</i>	<i>b</i>	<i>c</i>
<i>a</i>	<i>a</i>	<i>C</i>	<i>c</i>	<i>a</i>

Options available to parties for the labor reform:

- (a) retain labor code as is;
- (b) drop the 'bridge' clause only;
- (c) drop the 'bridge' clause and the ban on inter-firm negotiation.

The right's tacit veto of the bill in the Senate in 1997, despite Thayer-Arrate's concessions, does suggest that the conservative coalition's first preference was option (a). The Thayer-Arrate compromise itself hints that the right preferred option (b) to option (c). Figure 6.y summarizes this imputed preference ordering.

The Socialist party, on the other side of the spectrum, entertained a reverse preference ordering. The two amendments to the labor code would have greatly increased the organizational capacity of unions with employers. Since unions have historically been at the organizational core of the PS, option (c) served core constituents of this party; this was the party's first preference. The PS's last preference was the status quo, which left the organizational capacity of unions untouched. This left option (b) as a second best for Socialists.

For Christian Democrats the issue of labor reform, the development of the episode suggests, was divisive. There was a tension between serving a primary concern of the DC's socialist coalition partner, and being representative to a core

constituency: the middle classes. There was concern among political observers and participants that small- and medium-sized firms – by far the largest employer in Chile – would be put in a disadvantageous position by lifting the ban on inter-firm collective bargaining. The reason, suggested repeatedly in the press, was that small- and medium-sized firms would have been put on par with large corporations with regards to salaries and benefits. Rising unemployment in 1999 made the DC pretty sensitive to the issue.

The DC thus ranked option (b) as its first preference. The right and left of the party, however, appear to have ranked options (a) and (c) differently. As we shall see below, there was a point towards the end of the episode when the approval of option (c) was likelier; statements by DC senators at that moment are very suggestive that they preferred option (a) (no reform) to option (c) (failing to delete the inter-firm ban from the reform).¹⁰⁰ The left of the party, on the other hand, exerted strong pressure on the dissident faction to get their vote for option (c). The left of the DC appeared to believe that concessions to the coalition partner were needed for Concertación's survival.

One opinion poll in November 1999 indicates that the left of the DC was in fact aligned on the issue of labor reform with a majority of the citizenry, and hence with the median voter.¹⁰¹ 75% respondents in the survey answered that employers have no

¹⁰⁰ *La Tercera*, Santiago, 28 November 1999, p. 4.

¹⁰¹ *La Tercera*, Santiago, 2 December 1999, pp. 4-6.

right to hire workers to replace those striking, while 21% said they do (4% expressed no opinion). In contrast, 41% agreed with inter-firm collective bargaining, while 34% disagreed (and a substantial 25% expressed no opinion); the agree/disagree ratio for this question is not statistically discernible from one at standard levels of statistical significance.¹⁰² Survey evidence indicates that the median voter wished to outlaw the hiring of temporary workers (option (b) came first), but wasn't so sure about whether or not inter-firm negotiation would be beneficial. Finally 83% of respondents believed that Chilean workers are legally unprotected, and 75% expressed confidence that any 'labor reform' would improve the situation for workers; this suggests that the median voter placed option (a) in third place, leaving option (c) in second.

1.5 The road to *La Moneda*

Thayer-Arriate had in fact situated the reform project in line with the position of the median voter. The right's rejection of this middle-of-the-road option in 1997 had potential electoral costs. Following the median voter became a more pressing need as the 1999 presidential election approached. Christian Democrats behaved as the median in the next episode of reform. As pointed out in the introduction to the section, Concertación's Ricardo Lagos was in serious danger of not making it to the presidential office in La Moneda in face of Joaquín Lavín's skilful campaign. After

¹⁰² This was a phone survey applied to 299 respondents 18 years of age or older on November 30, 1999. The sample covers towns with 32,000 inhabitants or more, being representative of 72% of Chile's population. The error margin is plus or minus 5.7% at the .05 level. *La Tercera*, Santiago, 2 December 1999, p. 4.

the primary election on May 30, 1999 – in which Lagos defeated Andrés Zaldívar of the DC by a 70-30 vote – the candidate of the Concertación enjoyed the support of 35% respondents in opinion polls, against 28% for Mr. Lavín. Despite the landslide in the primary, Lagos had to spend months healing the scars with the right of the DC, months which Mr. Lavín spent increasing his name recognition by touring solo up and down Chile's geography. By October the standings were 37% to 39% for Messrs. Lagos and Lavín, respectively.¹⁰³ In five months the right gained eleven percentage points; *Concertación* gained only two.

Mr. Lavín's campaign was extremely successful in presenting him as a moderate and fresh alternative, different both to Concertación's sclerotic policy and to the antiquate right. Mr. Lavín, for example, despite serving as a young technocrat in the General's authoritarian government, was careful to distance himself from Mr. Pinochet as early as 1997 (when he was elected mayor of Las Condes, in uptown Santiago). Mr. Lavín endorsed human rights concerns during military rule, failed to attend Mr. Pinochet's birthday parties, and repeatedly called Chileans to forget the past and move on to the future. Mr. Pinochet himself failed to support Mr. Lavín's candidacy, choosing to grant his alleged confidence to Arturo Frei Bolívar, a turkey in the presidential race.¹⁰⁴ This may represent a strategic endorsement by the former dictator of Mr. Lavín's positioning exercise; or perhaps the Honorary Commander in

¹⁰³ *La Tercera*, Santiago, 28 November 1999, p. 2.

¹⁰⁴ *La Tercera*, Santiago, 5 December 1999, pp. 4-8.

Chief of the Armed Forces was really becoming a burden for the new right's ambition to govern Chile.

Lagos' campaign, on the other hand, wanted to prove to voters that Mr. Lavín's discourse of moderation was pure electoral trickery, that many popular reforms were missing not because of Concertación's incompetence, but due to the veto of Mr. Lavín's supporters in Congress. Lagos' problem was to find issues that would simultaneously bring hard evidence of the right's recalcitrance while not dividing Socialists and Christian Democrats in the Concertación.

1.6 Peculiar campaign methods?

The choice, in November 1999, to begin a new attempt at reforming the labor code is hard to isolate from the presidential campaign, despite emphatic declarations by Concertación officials and leaders to the contrary. In 1997 the right had kept its veto to labor reform tacit; Messrs. Frei and Lagos now wanted that veto to explicitly surface to the eyes of the electorate. A strategy was devised to force the right to vote against reform.

This stratagem was, in fact, part of a larger ploy to rely on Concertación's control of the legislative agenda (through the presidency) in order to assist Lagos' campaign. Captained by José Miguel Insulza, socialist minister secretary general of the presidency – the official link between the coalition leaders in Congress and the executive (see Siavelis 1998) – the Concertación leadership designed a legislative agenda to boost Lagos' expected vote. The trick was to bring back to life bills that were pending in congressional committees due to a lack of support from the right. In

choosing such bills, Mr. Insulza and the Concertación leadership were careful to avoid divisive issues among coalition members, such as the divorce law and university fees. They instead “privileged issues that rightist parliamentarians would feel most uncomfortable in rejecting because they could potentially hurt Mr. Lavín’s campaign,” according to a press report.¹⁰⁵ It becomes hard to interpret this behavior as anything other than a position-taking use of veto politics.

Six bills stranded in the Senate were identified as potential targets of this legislative campaign strategy. They included issues such as movie censorship, allowing plebiscites to reform the constitution (so as to bypass the right’s recalcitrance), and the reform to the labor code. The same press report suggests that five of these bills were engaged in the position-taking game, the last in line being the reform to the labor code.

There is also a curious overlap in electoral and legislative times. Officially, electoral campaigns started in mid-September. A special congressional session was called by president Frei on September 18, which lasted until mid-December. The first round of the presidential election took place on December 12. This overlap of the electoral calendar and the last legislative session of Mr. Frei’s presidency, I would suggest, is no coincidence. It conforms with a deliberate campaign strategy by the governing coalition. Concertación wanted the opposition coalition to contradict Mr.

¹⁰⁵ *La Tercera*, Santiago, 28 November 1999, p. 2.

Lavín's campaign promises *with its very actions in Congress*. Concertación, I believe, was hunting for position-taking opportunities.

1.7 Attempt #2

When the Labor committee in the Senate reported the Thayer-Arrate bill (option b) to the floor in 1997, and the majority rejected it, the original bill (option c) was sent to conference (PAL 1999). A two-thirds vote in conference committee (*comisión mixta*) could insist on sending this bill back to the Senate for another vote; otherwise the bill would die.¹⁰⁶ As pointed out, conference refrained from any action on the bill. Until Mr. Frei urged 'immediate discussion' on November 17, 1999, conference was not forced to act. With urgency, conference now had three days to choose whether it would report it back to the Senate or return it to the lower house (in which case the bill was considered rejected and could not be reinitiated within one year). This was a first opportunity to direct the spotlight towards the right's rejection of labor reform.

The right's contingent in conference opted to join Concertación in favor of reporting option (c) back to the Senate floor for a new vote. Mr. Lavín and the conservative coalition, won a few precious days to attempt to manage the effects of a possible rejection down the game tree. The vote in the Senate was scheduled for December 1, eleven days before the presidential election.

¹⁰⁶ Article 67 of the Chilean constitution.

There was a major change in the decision to vote: policy options had changed since the last attempt to reform the labor code. In 1997 the floor faced a choice between options (b) and (a) (Thayer-Arrate vs the status quo); this time the floor considered option (c) against option (a) (the lower house's bill vs the status quo). This change, which stemmed from the 1997 refusal to discuss Thayer-Arrate in the floor of the Senate, was not innocuous. Whereas Concertación would have unanimously picked option (b) over option (a) (as per the preference profile in Table 6.6), the right of the DC preferred to defect (if it could) when voting option (c) against option (a), opting for the status quo.

Members of Concertación in fact threatened to defect as December 1 approached. A group of DC senators, guided by Andrés Zaldívar, Senate president and defeated candidate in Concertación's primary and Alejandro Foxley, former Finance minister, expressed they would only vote in favor of option (c) if Mr. Frei publicly committed to an executive veto on the bill to allow Congress to amend it back to option (b).¹⁰⁷ It is uncertain whether the threat was a credible one for Mr. Frei and other Concertación members. Because the senate was evenly split between the two coalitions (Figure 6.1), any defection was pivotal. Yet it is an open question whether they would leave their president and candidate alone in this critical vote.

What this end of the episode does indicate is that a good part of the DC truly feared retaliation from the electorate because of making too many concessions to the

¹⁰⁷ *La Tercera*, Santiago, 28 November 1999, p. 4.

Socialist agenda. This danger was bigger now that a Socialist was the presidential candidate of the Concertación: middle classes could have defected towards the right coalition.

Mr. Frei never committed in public to using the veto to perfect the bill in case it got passed in the Senate. And yet, all members of the DC aligned with Concertación. On December 1 the bill died in the floor of the Senate, after 23-23 ties occurred twice. Perfect coalition discipline produced both results.

1.8 On motivation

The country must know the truth: for five years the opposition refused to legislate. It had time enough to think and suggest relevant amendments. In yesterday's session it showed once and for all that it does not want changes.
 –President Eduardo Frei, December 2, 1999.¹⁰⁸

Why did Concertación attempt a second reform to the labor code, only two years after the first failure, and without making amendments to policy rejected by conservatives? Is this a case of Linzian polarization? Did Cameronian uncertainty play a central role in generating the vetoes?

Linz's concern with deadlock is that, after one branch has experienced the rejection of its policy by the other, it is tempted to resort to extra-constitutional maneuvers in order to bypass the veto. This illegality erodes democratic institutions, increasing the chances of a democratic breakdown. The episode of the labor reform in Chile contradicts this interpretation: Concertación's second attempt at labor reform

¹⁰⁸ *La Tercera*, Santiago, 3 December 1999, p. 3.

was not undertaken by unconstitutional means. Quite to the contrary, Concertación has abided to the mandates of a constitution they actually dislike. This is a sign of moderation, not increased polarization, I believe. Another sign of polarization is the inclination of both coalitions to bargain the passage of large numbers of pieces of legislation.

On the other hand Cameron's sequential veto bargaining involves a process of learning by players. Concertación might have misjudged the right-wing's tolerance for reform in 1997. The tacit veto could have resulted from incomplete information. But the next steps of the episode fit less well with this framework. The problematic element is that the second attempt did not involve concessions to the right. On the contrary, the second vote involved the more extremist option (c) against the status quo. Concertación did not internalize the learning experience in the second round of bargaining.

The same journalistic account of Mr. Frei's words that open this subsection actually suggests that there was little uncertainty about whether the right-wing veto would in fact come or not on December 1.

[H]igh level officials [interviewed] in La Moneda pointed out... that government always knew it could not negotiate [amendments to the labor code reform] with RN and UDI since they had expressed in private they wanted... first to suppress the prohibition of firms to hire new workers in case of strike and second to totally eliminate inter-firm negotiation.¹⁰⁹

¹⁰⁹ *La Tercera*, Santiago, 3 December 1999, p. 3.

This leaves the position-taking interpretation of the episode as the most plausible. Mr. Frei and the Concertación attempted to take advantage of the opposition's negative power.

The choice to wait until the end of November 1999 to tag the bill urgent was, in fact, a maneuver to turn the right's *tacit* veto of labor reform into an *explicit* one, just two weeks before the December 12 election. Mr. Lavín's campaign had been very successful at placing him as a moderate candidate in the eyes of the electorate; he also underscored Mr. Frei's lack of concrete actions to solve Chile's problems. By provoking a senatorial veto Concertación meant to bring unquestionable evidence that Mr. Lavín's moderate discourse was in great part pure electoral trickery, his supporting coalition in Congress in fact behaving against the median voter's wish for (at least partial) labor reform.

2 Shifting positions in the chain of production of pork

Mexico City, March 2001. It took only three-and-a-half months in office for Vicente Fox to do something his PRI antecessors had not done in more than three decades. On March 15 the president used the executive veto power to stop a bill passed by Congress from becoming law. Mr. Fox's veto should in fact have occurred within his first month in office, but Mexican presidents, who do not enjoy a pocket veto as their Anglo-American peers, have to wait until the beginning of a new legislative session in order to return a bill passed immediately before Congress adjourned. Within a month of change in one independent variable of substantive interest to anyone who studies institutions – the partisan makeup of Mexico's

government – there was a consequential change in the way branches relate to each other.

The veto looked and felt rather odd for anyone who has observed the Mexican legislative process since the 1950s, the epitome of executive-legislative harmony. To be fair, the business of Mexican politics had been changing in recent years, but it hadn't reached this level of confrontation. Senator Raymundo Cárdenas (PRD-Zacatecas) was among those expressing stupefaction. "If the lack of dialog and agreement [between the branches] is repeated," he warned, "the country risks serious legislative stalemate because opposition parties, in reciprocity for the President's posture, can reject the initiatives he presents in Congress".¹¹⁰

Mr Cárdenas was among those who supported the Rural Development Law bill whose fate was now in jeopardy; his impression thus comes as not too much of a surprise from someone hurt by the veto. Yet many in Mexico with no stakes on the issue aligned with the senator's view, taking the veto as evidence that Mexico keeps crawling towards chaos. Despite the smoothness that characterized the discharge in 1997-2000 of the longest ruling party in the world, most political observers share an inclination to tell apocalyptic stories of life after the PRI. Old habits die hard.

The fading regime, of course, was in no small part responsible for this mood. In an attempt keep the ranks of the risk-averse populous, its agents undertook, or at

¹¹⁰ *Reforma*, Mexico City, 17 March 2001, p. 5A.

least endorsed and publicized, much of the effort of pessimistic prognosis.¹¹¹ “If the PRI happens to lose its majority in the Chamber of Deputies”, a political operator and close ally of incumbent president Ernesto Zedillo underscored in a campaign debate towards the 1997 mid-term congressional election, “government paralysis and ungovernability will ensue inevitably”.¹¹²

And yet, the nightmare seems to have had a false start. The PRI lost majority status in one chamber of Mexico’s bicameral Congress in 1997, then in both in 2000 when it also failed to win the presidency. In this section I claim that, despite many signs of belligerence between the parties – within Congress in a first stage, between branches more recently – Mexico is far from a situation of gridlock and paralysis, increased polarization, and chaos.

I set my argument by questioning what Mr. Fox’s veto should be taken as evidence of. Is it an early Linzian sign of the fatal systemic overheating soon to be brought by politicians’ unwillingness or incapacity to bargain out moderate policy? Or did the veto simply result from a Cameronian misjudgment of Mr. Fox’s tolerance for pork? Was it a reputation-building ploy? Or perhaps the episode was merely a publicity stunt, an attempt by some politicians to adopt a clear stand in policy?

¹¹¹ Of course, not all the blame for this pessimistic mood belongs to the PRI intelligentsia. Renowned political observers and participants of all breeds shared similar beliefs. Eloquent expressions of what was then termed the *Train Collision Hypothesis* surrounded the 1994 presidential election. Fuentes 1996 compiles much of this thinking. Also see Ramírez 1995.

¹¹² Esteban Moctezuma Barragán, quoted in Meyer 1998, p. 94.

A case study of the proceedings that led to the adoption of the Rural Development Law bill suggests that uncertainty and position-taking interacted in the episode, although the advertisement component was prevalent. The story goes something like this: I will produce populist policy for you to reject; if you do not reject it, my constituents win; if you do reject it, you take the blame. There is uncertainty as to whether or not the rejecting part will engage his or her negative power, but the structure of the situation is one of publicity-hunting.

The narrative uncovers the coalitions that supported the bill at different stages of negotiation. The changing alignments in committee and the floor of the two chambers, we will see below, are hard to explain from a perspective of ideological polarization or one of pure uncertainty. The case looks very much like an attempt to embarrass the incumbent executive and his party.

2.1 The wearing down of the PRI

Few must have guessed, back in 1929, that the deal struck by incumbents at all levels of government would, in time, become one of the most amazing pieces of institutional machinery designed to perpetuate a clique in power. The National Revolutionary Party was born out of the deal coordinated by Plutarco Elías Calles, so called maximal boss (*jefe máximo*) of the main Revolutionary faction. The PNR was reorganized a couple of times, eventually becoming the Institutional Revolutionary Party (PRI) that ruled Mexico until 1997-2000.

A central piece of the PRI's exceptionality was the unusual degree to which it managed to unify what an SOP constitution meant to keep separate. No less remarkable

is that it managed to do so for 60 years (1937-1997). A hegemonic and tightly disciplined partisan structure, with the incumbent president seating at its top, was the secret formula rendering inter-branch relations as smooth as anyone predisposed against executive-legislative conflict might wish (see Weldon 1997c). The president played the role of chief legislator in this orchestration – at times the role of *unique* legislator – every bill or constitutional reform submitted by him to Congress being approved in timely fashion and at most with only minor amendments by the PRI super-majorities.¹¹³

Mexico's amazing post-revolutionary regime began losing its resemblance to a Swiss high-precision clock under the corrosive effects of a gradual, but steady, increase in electoral competition. This slowly undermined the party's hegemonic condition (see Díaz Cayeros, Magaloni, and Weingast 2000; Molinar 1991).

The PRI lost its grip on power gradually. In 1988 the PRI was unable for the first time in 36 years to contain the defection of a prominent 'out' faction. As a result PRI lost the two-thirds majority in the lower house of Congress. As Carlos Salinas, the newly elected president, was to quickly find out any policy change of middle to high significance would require, under the new situation, the support of at least one major opposition party. The reason for this need to engage in coalition building is that (absolute) majorities do not suffice to govern in Mexico (Lujambio and Vives Segl 2000). The constitution regulates rather intricate details of government activity, so any

¹¹³ There were rare exceptions to this rule, see Weldon (1997a; 1997b).

important change in policy typically requires one or more article of the constitution to be amended, especially when change involves a major economic reform such as that envisioned (and eventually implemented) by Mr. Salinas.

The conservative National Action Party (PAN), Mexico's oldest electoral opposition to the PRI, became Mr. Salinas' legislative partner. Under the leadership of Diego Fernández de Ceballos, PAN traded its votes for economic reform for Mr. Salinas' support in increasing electoral and procedural transparency.¹¹⁴ An even harsher assault on the PRI's capacity to mobilize voters resulted. PRI managed to retain the presidency and majorities in Congress in the 1994 general election. It unprecedently lost majority status in the lower house of Congress in the 1997 mid-term election.

2.2 Having to share one's houses with strangers

The plural composition of the 57th Legislature (1997-2000) opened a new chapter in inter-branch relations in Mexican politics, a period of non-unified government which invalidated one of the necessary conditions for presidential dominance of the legislative process (Weldon 1997c). As can be seen in Table 6.7, it was not divided government as we usually know it because no single party managed to gain a majority of seats in the *Cámara de Diputados*. The PRI actually preserved a

¹¹⁴ The electoral authority was made independent in 1991 with the creation of the Instituto Federal Electoral. Previously elections were administered by the Interior ministry.

Table 6.7
Partisan composition of Mexico's Congress, 1997-2003

	57 th Legislature (1997-2000)		58 th Legislature (2000-2003)	
Part A: lower house (<i>Cámara de Diputados</i>)				
PRI	239	(48%)	211	(42%)
PAN	121	(24%)	207	(41%)
PRD	125	(25%)	52	(10%)
PVEM	8	(2%)	16	(3%)
PT	7	(1%)	8	(2%)
Other			6	(1%)
Total	500	(100%)	500	(100%)
Part B: upper house (<i>Cámara de Senadores</i>)				
PRI	76	(59%)	60	(47%)
PAN	32	(25%)	46	(36%)
PRD	15	(12%)	16	(13%)
PVEM			5	(4%)
CD			1	(1%)
Other	5	(4%)		
Total	128	(100%)	128	(100%)

Sources: Lujambio (2000), p. 9; <http://gaceta.cddhcu.gob.mx/> (accessed April 3, 2001); Lujambio (2000), p. 75; <http://www.senado.gob.mx/> (accessed April 3, 2001).

plurality in the lower house (with 48% of seats) and it retained majority control of the upper house (with 59% of seats). Yet the novelty of the situation made political commentators of all breeds anticipate chaos, immobilism, and further polarization resulting from clashes between the branches.

Evidence would soon show how wrong apocalyptic interpretations of the end of PRI's hegemony had been. The evidence, it must be recognized, was rather silent

and came rather unperceived; the public image was one of partisan confrontation and intransigence. The inauguration of 57th Legislature, in fact, was accompanied by a (failed) attempt from the PRI plurality to seize control of the lower chamber's leadership. The united opposition frustrated what they termed "the bad smell of a coup attempt (*un tufillo golpista*)" by imposing its procedural majority; PRI eventually accepted their new status.¹¹⁵ Instances of confrontation, with violence in some occasions, spurred every time Congress was in session. Simultaneously, but attracting less the attention of the media, the 57th lower house legislated policy into law.

A notorious episode took place on September 11, 1997 – ten days after the start of the session where the PRI no longer held the majority – when deputy Maximiano Barboza (PRD-PR), leader of a large society of debtors who chose to default on their banks was denied by his party leadership an intervention to respond to Finance minister Guillermo Ortiz appearance before the lower house. Mr. Barboza chose to voice his furious response from the floor, but his screams and shouting dissolved in the cacophony of insults produced by so-called *Bronx* deputies (PRI representatives of industrial suburbs North of Mexico City). Mr. Barboza's became brutal: he jumped onto deputy Rafael Ocegüera (PRI-6th district of Sinaloa), hitting him repeatedly in the head. "Stop that bully! or he'll destroy him (*¡Paren a ese cabrón... párenlo o lo va a destruir!*)"¹¹⁶ The fight was stopped fast, but Mr. Ocegüera wore a profusely-

¹¹⁵ *La Jornada*, Mexico City, 31 August 1997.

¹¹⁶ *La Jornada*, Mexico City, 12 September 1997.

bleeding veil as other Bronx members carried him to get medical attention. Rather incredibly, only three years after this bloody episode Mr. *Tyson* Barboza – a some began calling him afterwards – was defecting his party in favor of... the PRI.¹¹⁷

2.3 Parties as unitary actors that unite

There are two pieces of evidence of bargaining between the parties. One piece confirms that the image of parties as cohesive units – an image implicit in all accounts of the legislative process in Mexico – is accurate indeed. The other piece projects an image of unanimous consent backing the production of legislation.

Weldon (n.d.) observed roll call votes in the Chamber of Deputies from October 1998 to October 1999 as a way of verifying party discipline. In order to summarize a large amount of information into some meaningful indicator of discipline, he developed a statistic of cohesion.¹¹⁸ Weldon thus computes the modal behavior that each party's contingent had in every roll call vote in a given set. The resulting cohesion measure result is bounded by $\frac{1}{3}$ (when a party is completely divided in the vote, one third voting yes, one third no, one third abstaining) and one (when all party members vote the same). A given party's cohesion for the set of roll calls held

¹¹⁷ *El Economista*, Mexico City, 12 September 1997; *La Jornada*, Mexico City, 11 January 2000.

¹¹⁸ Conventional cohesion indexes are not suited to handle three voting options available to legislators in Mexico, hence the need for a new one.

between October, 1998 and October, 1999 results from averaging this measure across the set of votes in the period.¹¹⁹

Table 6.8 documents the impressive degree of discipline among Mexico's parties during one full year of sessions in the lower house of the 57th Legislature. The left-wing PRD signaled the most problems in unifying its contingent, and yet this was but a minor problem: 9 out of 10 *perredistas* voted the same way in an average roll call vote. This level of PRD cohesion practically did not change if we only look at votes on public bills or votes where one of the major parties (PRI, PAN or PRD) voted against at least one other major party. On the other extreme of observed cohesiveness PRI manifested nearly perfect discipline, cohesion reaching almost unity across all subsets of votes. Parties in Mexico, Weldon's evidence strongly confirms, can be taken with confidence as the relevant unit of analysis in studying the legislative process.

¹¹⁹ Let $yes_{i,j}$ stand for the share of party j 's members that voted 'yes' on roll call i , $i = 1, \dots, N$ and $j = 1, \dots, P$. Define $no_{i,j}$ and $abstain_{i,j}$ in similar fashion, such that $(yes_{i,j} + no_{i,j} + abstain_{i,j}) = 1$. For each vote compute $mode_{i,j} = \max(yes_{i,j}, no_{i,j}, abstain_{i,j})$. For the set of N roll calls, Weldon's measure of cohesion for party j is defined as

$$cohesion_j = \sum_{i=1}^N \frac{mode_{i,j}}{N}.$$

Table 6.8

Weldon's index of party cohesion in Mexico's Chamber of Deputies, Oct. 1998-Oct. 1999 (number of votes in parentheses)

	PRI	PAN	PRD	PT	PVEM
All votes	.99 (158)	.93 (158)	.9 (158)	.96 (158)	.96 (133)
Votes on public bills only	1 (120)	.93 (120)	.92 (120)	.96 (120)	.98 (98)
Votes where the majority of one major party opposed majorities of one or both other major parties	1 (75)	.9 (75)	.9 (75)	.95 (75)	.95 (56)

Source: Reprinted (and excerpted) from Weldon (n.d.), Table 3.

Now that we know that we can look at parties as cohesive units, how did they oppose each other in the passage of policy? Table 6.9 sheds some light to the pattern of coalition-building that took place in portion of the 57th lower house. The table lists all coalitions that formed from October 1998 to April 1999 to pass 133 pieces of legislation, as reported by Lujambio (2000). The first striking fact from Lujambio's evidence is that, in a storm of partisan fury, 133 pieces got passed in seven months. Since Congress was in session only four and a half of those those months, the resulting average is about one piece of legislation for every day in session. Lujambio also reports that at least a dozen of the 133 bills passed corresponded to which bills of unquestionable relevance (pp. 12, 16n).

Table 6.9
Observed coalitions in the 57th Congress, Oct. 1998-Apr. 1999

	Parties in the coalition	Number of votes where a majority in each party in the coalition voted yes	(Percentage)
Minimal winning coalitions	PAN+PRD+PT	2	(2%)
	PAN+PRI	16	(12%)
Oversized coalitions	PAN+PRI+PT	1	(1%)
	PAN+PRI+PVEM	15	(11%)
	PRI+PRD+PT	2	(2%)
	PAN+PRI+PT+PVEM	14	(11%)
	PRI+PRD+PT+PVEM	1	(1%)
	PAN+PRI+PRD+PT	1	(1%)
	PAN+PRI+PRD+PVEM	1	(1%)
United opposition	PAN+PRD+PT+PVEM	5	(4%)
Unanimous consent	PAN+PRI+PRD+PT+PVE M	75	(56%)
Total		133	(100%)

Source: Reprinted (and excerpted) from Lujambio (2000), p. 12.

A second striking fact in the table is the enormous degree of consensus that parties reached in the observed period. Only 12% of bills passed with the support of a minimal-winning coalition, while 56% of bills aligned all five parties represented in the chamber.

Thirdly, PRI and PAN frequently supported each other, as they have been doing since 1988; they represented the nucleus of most legislating coalitions in the

period of observation. Whether in a minimal winning coalition or accompanied by extra partners, these two parties accounted for 123 successful votes, 92% of the total. Subtracting unanimous consent votes leaves the figures in 48 votes, or 83% of all.

Finally, only 7 bills (5% of all) were passed by coalitions excluding the PRI. The united opposition established a procedural coalition at the beginning of the session to impede the PRI from controlling the chamber. This alignment was not repeated often afterwards to produce legislation. One probable reason has to do with ideological differences between the right (PAN and PVEM) and left (PRD and PT) of opposition. Another no less important reason is that any deal between the opposition, excluding the PRI, was bound to be killed elsewhere. The PRI, we must remember, still held a majority in the Senate, and also controlled the executive; anything passed in the lower house could be vetoed in one of these two instances. Anticipation of this veto probably made parties include the PRI in most deals.

The evidence reported so far suggests that Mexico's parties were, in a sense, simultaneously playing in two fields. This dual game had also been observed at the sub-national level in the state government of Chihuahua in 1992-1996 (Aziz Nassif 1996). One was a field of public confrontation, where parties actively engaged in belligerent outburst of confrontation; position-taking was the dominant motivation here. The other was a field of elite negotiation in smoke-filled backrooms, where parties anticipated the vetoes that each other held in the non-unified status of Mexico's SOP government; anticipation and policy outcomes dominated motivation here. Sound and silence coexisted side to side; many observers took this as a sign of genuine fury.

As seen above only 5% of bills in Lujambio's data corresponded to position-taking exclusions of the PRI. One of them was an initiative to further liberalize the electoral process sponsored by the unified opposition, an attempt that was in fact vetoed by the PRI in the Senate. A question remains open: Why wasn't the position-taking route used more frequently? Opposition parties in Mexico seldom engaged in publicitary maneuvers in the observed period. I will address this question in the final chapter. I now turn to the study of one piece of legislation in contemporary Mexico.

2.4 The Rural Development Law bill

I now analyze one event that took place a year or so after the periods observed above in Mexico. The Rural Development Law offers one example of inter-branch relations where partisan behavior is hard to account from the perspective of Linzian ideological polarization or Cameronian uncertainty, while the search for publicity provides a plausible explanation of observed behavior.

This narrative is set in 2000-2001, in the final year of Ernesto Zedillo's presidential term and Vicente Fox's first. Mr. Fox, charismatic former PAN governor of the state of Guanajuato, was victorious in the July 2, 2000 general election, displacing the PRI from the executive office it held for about 70 years. The PRI's defeat had been heralded by the 1997 mid-term election that gave place to the 57th Legislature discussed above.

A bill to regulate fraction XX of article 27 of the constitution was being concocted in the lower house in the midst of the presidential campaign. On April 11, 2000, three months before the general election, the Agriculture Committee decided to

conflate three initiatives into a single bill reported to the floor of the chamber of Deputies.¹²⁰ In time, the reported bill was to become the Rural Development Law (*Ley de Desarrollo Rural*).

Stripped to its fundamentals, the RDL bill set policy in the following stylized fashion.¹²¹

- (1) It would become mandatory for every state and municipality to set apart 10% of monies they receive from the federal government (*participaciones federales*), and allocate a matching amount from their own resources (art. 146). The pooled resources would result in rural development funds, one for each state.
- (2) Agricultural Councils would then be formed in each state in order to “define regional priorities, plan and distribute” the monies from the state’s rural development fund (art. 23).
- (3) Agricultural Councils would be filled up with appointees of the federal and state governments, in addition to “representatives of social and private organizations of the economic and productive character of the rural sector” (i.e. peasant interest groups) (art. 24).

¹²⁰ One initiative had been co-sponsored by *diputados* of PAN, PRD, PT, and PVEM; another was sponsored by the PAN; one more by members of the PRI. *Gaceta Parlamentaria*, Mexico City, year III, number 490-I, 11 April 2000.

¹²¹ *Gaceta Parlamentaria*, year III, number 490-I, 11 April 2000.

In short, the RDL gave large subsidies to peasant organizations. A good deal of each state's budget would be placed in the hands of Councils packed with the leaders of the organized peasantry. Concentrated benefits with diffuse cost for all the state's taxpayers. The LDR bill fall in the tradition of pure distributive politics, pork barrel style.

Who was responsible for this bill? Given that (a) the largest peasant organization in Mexico is, by far, the CNC;¹²² that (b) by its size CNC would be the chief winner of subsidies; and that (c) CNC is the official "peasant sector" of the PRI's organizational structure, the expectation is quite transparent. PRI should have been the chief sponsor of the LDR bill. Wrong.

The bill reported by the Agriculture Committee was accompanied by a report by PRI members. The PRI considered that the RDL bill reported was plagued with inconsistencies and flaws.

The regulation... proposed in the [Agriculture] Committee's report is not operative and is confusing, and for this reason, if it were approved, it would not only fail to bring benefit whatsoever to the Mexican agricultural sector, it is on the contrary possible that it would worsen its condition.¹²³

The PRI would have wanted to report its own version of the bill instead, making it clear that it recommended rejection of the bill in the floor. It also makes it clear that the opposition was responsible for reporting LDR.

¹²² *Confederación Nacional Campesina*, or National Peasant Confederation.

¹²³ *Gaceta Parlamentaria*, year III, number 490-I, 11 April 2000.

Table 6.10

Partisan vote on LDR in Mexico's Chamber of Deputies, April 27, 2000

Vote	PRI	PAN	PRD	PT	PVEM	Indep.	Total
In favor		107	110	7	3	2	229
Against	219	1					220
Abstained		1				1	2
Absent	26	8	6	5	2	2	49
Total	245	117	116	12	5	5	500

Source: Gaceta Parlamentaria (2000).

LDR was passed in the Chamber of Deputies in a 229-220 vote on April 27, 2000. As reported in Table 6.10, voting followed clear partisan lines. The whole PRI contingent present the day of the session voted together, adding 219 of the 220 votes against LDR; the other vote came from a *panista* who defected from his party's line. PAN also had one member abstaining, but the 107 reminder members present voted in favor. All 110 present members of PRD voted in favor as well.

2.5 Furious politicians

The vote gave rise to public excoriation between the parties. A prominent member of PRI's leadership in the Chamber called the opposition "mechanical, irresponsible, authoritarian, and revengeful" in passing LDR. President Zedillo condemned the "demagogical outbursts (*desplantes demagógicos*)" motivated by an "evident, albeit badly conceived, electoral interest" of opposition legislators. Mr. Zedillo referred to the passage of both LDR and a bill to legalize illegally imported cars from the U.S., passed simultaneously in the lower house by the same partisan alignment. On the other side, Carlos Medina Plascencia, leader of the PAN in the

Chamber, lamented Mr. Zedillo's "political autism" which rendered him insensible to the demands of the citizenry; Mr. Zedillo constantly lobbies U.S. Congressmen, Medina cried, yet is "incapable of discussing... the problems affecting Mexico's population with his very country's Congress." "Childish" was Pablo Gómez's, leader of the PRD, choice of epithet for Mr. Zedillo.¹²⁴

LDR shuttled to the Senate, where it still had to be discussed and voted. PRI senators, who still had a comfortable majority in the upper house, anticipated their rejection of the bill, denouncing that "opposition legislators are trying to make the PRI pay a political and electoral cost." PAN senators, on their side, all expressed that the bill "would never pass in the Senate given the line drawn by president Zedillo for his party" to align.¹²⁵ There was little uncertainty as to what the fate of the bill looked like. And, in case the Senate failed to stop the bill, "the last resource for a case such as this is the presidential veto" threatened the Secretary of Commerce.¹²⁶

The PRI kept its threat in the Senate, using its negative agenda power to prevent the bill from being discussed, much less from being voted. The LDR bill was sent to the Agriculture, Cattle, and Rural Development Committee of the Senate where it remained dormant for the remainder of the 57th Legislature. The PRI thus exercised a tacit veto on the Rural Development bill before the general election.

¹²⁴ *La Jornada*, Mexico City, 28 April 2000.

¹²⁵ *El Universal*, Mexico City, 28 April 2000.

¹²⁶ *La Jornada*, Mexico City, 28 April 2000.

2.6 Resurrecting the dead (for someone else to kill)

December is budgetary month in Mexico. Since 1997 budget bargaining, with its press reports, threats, closed-door meetings, and poignant declarations from members of the parties captures most of the attention paid to the legislative process. In the middle of the controversy leading to the passage of the budget for FY2001, an event took place in the Senate with not too much notice. The Senate's (revamped) Agriculture, Cattle, Rural Development, and Legislative Studies Committees united to report the RDL bill to the floor on December 19, 2000.¹²⁷ The text reported to the floor was identical to the version passed in the lower house eight months earlier. In the meantime, however, Mexico's political landscape had changed beyond recognition. A *panista* now sat in the presidential office of Los Pinos since December 1, 2000; neither house of Congress had a majority party.

Since no party controlled the new Senate, a coalition necessarily had to be formed for this report to make it to the floor. Which parties joined efforts? The history of the RDL bill endorses one more transparent expectation in this respect. RDL had suffered the veto of the PRI in the Senate, but PRI had now lost its capacity to continue doing so. We would thus expect PAN and PRD once again joining efforts to have the bill they jointly passed in the lower house reported. The PRI should have

¹²⁷ A bill that fails to get a committee report before the end of a Congress does not really die in Mexico. The bill does not need to be reintroduced in the floor for the committee(s) to reconsider it.

again opposed the report of a bill they had considered to be fatally flawed. Wrong again, try harder.

This time round it was the PRI who coupled with the PRD to report LDR, against the objections of the PAN. It is less easy to document partisan reactions to the event because the Senate is less open in what it reports to the public, and the press overwhelmingly covered the budgetary battles instead of LDR. The bill was passed with no amendments in a 72-44 vote on December 27, only four days before Congress adjourned.¹²⁸

Senate proceedings do not report roll call votes, but journalistic accounts mention that all *panistas* voted against the bill in the floor, while PRI and PRD coalesced.¹²⁹ If all PRI and PRD senators had been present in the session and had voted favorably, LDR would have obtained 76 ‘yea’ votes; if all PAN members had been in session and teamed in the negative, 46 ‘nay’ votes would have resulted (as per Table 6.7). These additions closely match the actual vote balance.

Senator Juan José Rodríguez Prats (PAN-PR) was in charge of proposing an (unsuccessful) suspension of debate to return the bill to committee. “Why should we approve a law when we are all recognizing it is wrong”, he argued from the tribune.¹³⁰ This appears to be an argument of prudence; with one odd caveat, though: Mr.

¹²⁸ *Versión estenográfica de la sesión pública ordinaria de la H. Cámara de Senadores celebrada el miércoles 27 de diciembre de 2000.* (<http://www.senado.gob.mx/>, accessed March 17, 2001).

¹²⁹ *La Jornada*, Mexico City, 28 December 2000.

Rodríguez Prats had been a deputy in the 57th Legislature. He, in fact, voted in favor of the exact same bill back then.¹³¹ “We hope that the change that PAN and president Fox [whose campaign slogan had been ‘vote for a change’] offered us is not the kind of change we observe in senator [Rodríguez Prats]” ironized senator Lauro Díaz Castro (PRI-Sinaloa), president of the Agriculture Committee, in debate.

Asked to explain the PAN’s schizophrenic behavior, senator Carlos Medina Plascencia (PAN-PR) – who was in the same uncomfortable position as Mr. Rodríguez Prats, with the extra inconvenience of having been PAN’s deputy leader – engaged in abstruse argumentation. Unlike Mr. Zedillo, Vicente Fox’s opposition to RDL was not a symptom of “political autism.” Towards the end of his intervention, however, he pointed out to one evocative reason behind his party’s behavior: position-taking. By passing the LDR “we [the PAN in the 57th lower house] wanted to exhibit in front of the people of Mexico that the PRI did not want to discuss the issue in the Chamber of Deputies”.¹³² The roles of good and bad guys were now reversed between the PRI and the PAN.

Shortly upon passage of LDR, Congress recessed until March 15, 2001. On that date Mr. Fox opted to return the RDL bill to Congress instead of publishing it into law. The executive veto faculty had not been relied upon since 1969 under president Díaz Ordaz (Carpizo 1978). A new episode of partisan excoriation began.

¹³⁰ *La Jornada*, Mexico City, 28 December 2000.

¹³¹ *Gaceta Parlamentaria*, year III, number 490-I, 11 April 2000.

A denial to promulgate [the Rural Development Law] condemns 25 million Mexicans, whose families live in the countryside, to remain in abandonment and backwardness... This gesture shall not be forgotten by future generations of the CNC,¹³³

warned Heladio Ramírez López, secretary general of the PRI's peasant sector. As mentioned above CNC was the big loser with the veto, since it would have received the bulk of peasant subsidies. PRD members were no less alarmist.

This is a national security issue, since a veto will cause an upsurge in our country's food dependency with the exterior, increase the flow of migration, and favor drug traffic... due to a lack of real alternatives to promote development in the countryside,¹³⁴

suggested deputy Silvano Aureoles Conejo (PRD-3rd district of Michoacán), chair of the Rural Development Committee of the lower house. Mr. Aureoles did concede to reporters that the bill had inconsistencies, but he suggested that the president should have signed it into law with a commitment from Congress to immediately amend it.

I believe that a veto will give us all extra time to think [about a bill that is flawed and full of inconsistencies]. Of course, PRI and PRD feel this as an attack and in a way would like to say that what's really going on is that PAN refuses to support the countryside and things of that sort,¹³⁵

retorted deputy Francisco Chico Goerne (PAN-9th district of Guanajuato), secretary of the same committee of the lower house.

¹³² *Reforma*, Mexico City, 17 March 2001, p. 5A.

¹³³ *Reforma*, Mexico City, 14 March 2001.

¹³⁴ *Reforma*, Mexico City, 14 March 2001.

¹³⁵ *Reforma*, Mexico City, 14 March 2001.

2.7 Making sense of the episode

Can Linzian polarization explain the veto? It seems hard. Polarization involves ideology. As hard as this concept is to define (Campbell et al. 1960), one of its basic features is a minimum consistency of elements in the system. Most of the evidence collected by the Michigan school indicated that people often support elements that cannot possibly fit together in a coherent ideology. The least we should expect, however, is that people, in the short run, are consistent vis-à-vis the *same* element. The switching of PAN and PRI behavior is contrary to this view of ideology. Polarization is not the element here.

Can Cameronian uncertainty account for the veto? Again, this seems implausible. Many PRI members at all levels of the hierarchy voiced the party's full opposition to RDL as it was being bargained in the lower house. President Zedillo, the de facto leader of the party, expressed his opposition, directly and indirectly, in several occasions. His party's objections in debate could be taken as a credible commitment that the party would reject the bill in the Senate. So there was no real uncertainty in the first stage.

In the second phase PAN objected the bill as hard as the PRI had. There could be some uncertainty of whether or not Mr. Fox would use his veto on the bill. He actually failed to veto another pork-ridden bill that legalized illegally imported cars. Yet the shift in coalitions, one of the central pieces of the bills congressional transit, is hard to account from the perspective of uncertainty and strategic reputation-building.

The most plausible interpretation of the episode is that it was a bill of the sort ‘I’ll pass populist policy for you to veto; if you do, you take the blame; if you don’t, my constituents win and I take the credit’.

3 Conclusion

This chapter has offered two case histories of vetoes as publicity stunts, developing the contrast between a Cameronian perspective on the legislative process, a Linzian perspective, and my own.

It seems that my perspective of inter-branch conflict as publicity stunts offers a way of interpreting Linz. In Linz’s view, vetoes are simply blocking devices, not bargaining ploys (as in Cameron’s view) nor publicity stunts. In this Linz approaches the SOP constitution as *The Federalist* papers (1788) did. However, Linz does not explicitly say why there are vetoes; vetoes as blocking devices are subject to Hicks’ paradox (1932) – strategic anticipation in theory will deflate their usage. Perhaps a continuum runs from Cameron (vetoes are bargaining ploys) to Magar (vetoes are publicity stunts intended to gain votes at the next election) to Linz (vetoes are signals of ideological purity to followers that may be intended to boost votes or to rally the troops for civil war). In Cameron’s view, vetoes are safe and normal elite politics. In the Magar view, vetoes are ‘going public’ and might spiral into the darker side of the Linzian view (vetoes as polarizing calls to arms).

The two case histories fall close to the middle of the hypothetical continuum. Mr. Frei seems to have pushed labor reform for electoral reasons, not for revolutionary ones. The same can be said from the opposition’s behavior in Mexico. Were Salvador

Allende's vetoes in 1970-73 effective (in which case they were not merely publicity), followed by bargaining (Cameronian), or hopeless gestures of opposition (Linz)? Did Mr. Allende's vetoes follow a pattern that is demonstrably more confrontational or polarized than Mr. Frei's?¹³⁶

Answering these precise questions will require more field research. In the next chapter I return to the bigger picture and develop of the beginnings of a model of the continuum described above.

¹³⁶ Were there any vetoes by Mr. Allende? is the starting question.

Chapter 7

Unifying theories of separation of power

Abstract. In this chapter I use a very general exposition of the model used throughout the thesis to tie major stands of literature together. The result is a sketch of a unified model of the legislative process in systems of SOP. The model combines, in a first step, the Linzian breed of executive-legislative relations to the Cameronian breed; the connecting link is individual motivation. In a second (more tentative) step, the model connects the latter to the literature on democratic breakdown; the connecting link is the party system. The discussion suggests that it is democracies where the prospect for policy change are slim (so as to engage politicians in vote-seeking publicity stunts) and where the party system encourages mobilization (so that publicity stunts further polarize the system) that are under the biggest threat of breakdown. The connection is nonetheless obscured by the mutual determination of politicians' actions and polarization.

In this conclusion, rather than providing a summary of the substantive chapters, I offer a discussion in which I attempt to blend together the theme of the dissertation into a meaningful framework. The purpose is organizational as well as heuristic. It is organizational because the emphasis given by the framework to players' motivation in the legislative process connects several strands of literature that have remained, for the most part, isolated from each other. It is heuristic because in walking through these connections it also sheds light on a number of elements building up into a unified theory of the legislative process under SOP. In this fashion the chapter synthesizes what I have accomplished in my research agenda so far and suggests future developments.

Two central themes run through the chapter. The first is politicians' *motivation* in the process of writing, submitting, amending, and vetoing legislation. What do politicians pursue when they negotiate to change the status quo? Policy only? Votes?

Both? The second is how competition in the *party system* drives politicians' actions, while the party system itself driven by those same actions (i.e. actions and system share an endogenous relation). Too moderate a leader is likely to be abandoned by immoderate supporters: this is one example of the party system guiding the leader's choices. Zapatist rebels since 1994 are being successful at politicizing ethnicity in Mexico: one example of leaders devoting effort in attempts to activate new lines of partisan cleavage.

Bringing motivation to the fore accomplishes the fine task of gap-bridging between the fields of Anglo-American politics and Comparative politics. Each field has grown a sub-field in executive-legislative relations. Yet neither the Anglo-American nor the Comparative studies of inter-branch relations have been interested in each other until fairly recently, and the touch is still very much tangential. Below I sketch a model where a representative piece of each literature is treated as a special case of a more general theory of the legislative process under SOP. Cameron (2000) becomes exemplary of politicians whose sole motivation is policy results in the short run. Linz (1990) yields archetypal politicians who invest in policy results in the long run, devoting effort today to win votes. In between are combinations of these two ideal types.

The Latin American literature offers its own breed of studies in executive-legislative relations. A central claim is that presidential systems (more than parliamentary ones) lead to democratic failure: SOP is too rigid to allow change while its politicians are too impatient to get change (see chapter 1). This chapter examines

this alleged connection between separation of power and democratic breakdown; the strategy is to take a close look at the party system. This connection is harder to pin down than the one above. The reason has to do with mutual causation between (a) players' actions in the political arena and (b) the degree to which the party system is polarized. The discussion is intended to clarify some of the connections between position-taking, polarization, and democratic failure.

Ever since Lowell's (1896) comparative study of the party systems of the U.K. and France *moderation* in partisan competition has been praised as a facilitating condition for democratic stability (e.g. Cox 1997, p. 226; Downs 1957; Linz and Stepan 1978; Sartori 1976). It has also been analyzed extensively (e.g. Cox 1990; Magar, Rosenblum, and Samuels 1998). In the chapter I analyze conditions in a party system that appear to systematically drive office-seeking politicians away from moderation. It seems intuitive to suggest that when such conditions are present, competition for power will be much likelier to lead to democratic failure.

The chapter proceeds as follows. Section 1 presents motivation as the connecting line between the North-American and Comparative studies. Section 2 briefly clarifies that the connection between posturing and democratic failure passes through the party system. Section 3 analyzes one aspect of the party system – the coordinating value of party labels – and ties it to two types of position-taking strategies – centrist or not centrist. Section 4 concludes with a discussion of other nodes where position-taking could play against the stability of democracy.

1 A push towards a more general theory of the legislative process

When we observe a chess player take the white knight with the black rook it is not hard to infer what motivated black's move. Black's intention is almost sure not to be possession of the knight in question; more likely, the aim is to reduce the offensive capacity of the white player while increasing the assault on the white king. There is still a margin for uncertainty in motivation, since each move branches into far too many nodes for anyone's cognitive capacity to see far down or up the game tree. It is precisely this margin of doubt on the adversary's exact tactical motives that makes chess an interesting game to play.

The problem of inferring motivation is magnified in the legislative games I elaborated in previous chapters. More precisely, there are alternative plausible reconstructions of the motivations that guide players' moves. What kind of sign is being emitted in the legislative arena when a president vetoes a bill or an assembly kills a bill initiated by the executive? What can we infer from, say, observing conflict between the executive and the legislative branches? In my elaboration of the subgames I introduced three different conjectures on motivation.

One conjecture is Cameron's.¹³⁷ From his perspective, vetoes, long delays, and overrides are members of a family of *bargaining ploys* continually used by presidents and legislators in their struggle for influence over the products of legislation; following

¹³⁷ To be fair, I am taking Cameron (2000) as representative of a broad scholarly tradition of the legislative process in the Anglo-American politics field (e.g. Baron and Ferejohn 1989; Cox and McCubbins 1991; Hammond and Miller 1987; Krehbiel 1998; McCubbins 1991; McNollgast 1994).

the same logic, decrees, wrangling, and public excoriation should belong in the same family. When players operate in this ‘bargaining mode’ they become single-minded seekers of policy. More specifically, the object of play is concessions on policy by politicians with opposed preferences. Mutual gain over the status quo is possible and the question is who gets a larger share of the available surplus.

An entirely antithetical conjecture is Linz’s.¹³⁸ From his perspective deadlock, obstructionism, intimidation, and other observable instances of discord between presidents and assemblies are an end result, they are evidence of *irreconcilable differences* between elites. When players operate in this ‘polarization mode’, they have such diametrically opposed preferences that there is absolutely no room for agreement between them. They have nothing else to do but break the rules of separation of power and fight.

This thesis adds a third conjecture on motivation. Because they are notable, instances of conflict between the branches can serve as *publicity stunts* when elections approach. When there is little to gain from direct bargaining one alternative is to attempt to replace a political adversary with a more compromising one (or at least improve one’s bargaining strength). When players operate in this ‘position-taking mode’ the object of play is winning extra votes; if successful, this translates into additional seats helpful in opening a veto gate formerly shut by a contumacious rival.

¹³⁸ I am also taking Linz (1990) as a representative token of a family of scholarship in the Comparative Politics field (e.g. Jones 1995a; Mainwaring 1993; Stepan and Skach 1994; Valenzuela 1994).

Players who choose posturing postpone bargaining until the next round and devote present effort to pound fists on the table, browbeat the opponent, mobilize supporters, set ultimatums, show bulgy muscles, and so forth, in an effort to attract voters' attention while advocating policy positions dear to them.

Unlike extreme polarization, posturing is consistent with bargaining. In fact, posturing is a form of long-term bargaining. One way to see the differences is by making an analogy between the legislative process and trading a rug in a bazaar. The merchant wants to get a high price, the buyer want to pay a low one. If there is room for agreement, the buyer's reservation price must be at or above the reservation price of the seller (otherwise the 'contract curve' is empty, voluntary exchange is impossible, and the game reverts to a Linzian mode of play in which the buyer steals the rug or the merchant steals the buyer's money). When contract curves are not empty, though, the question becomes who, the buyer or the seller, will accrue more of the gains from trade? This resembles Divide-the-Dollar, a game that features an infinite number of equilibria (Rasmusen 1989);¹³⁹ it becomes necessary to search for elements outside the game structure to get some grip on possible bargaining solutions. Buyer and merchant typically engage in a circus of bluff and fooling – a presumed-candid “I make no profit at \$150” or a walking-away “You can keep your rug, sir!” These are attempts to bring one's perceived reservation towards the center of the contract curve (Schelling 1960) – i.e. to get concessions.

¹³⁹ Only when reservation prices are equal will the game have a unique equilibrium.

One peculiarity of the legislative process as a commercial transaction is the exit option (Hirschman 1970). One can always stop arguing with one seller in the bazaar and try anew with another, hopefully more accommodating merchant. On the contrary, when the other branch of government is obstinate one has to live with it.¹⁴⁰ There is one important limit, though: terms of office are finite. Although politicians are impeded from searching for friendlier sellers in the space of a single bazaar, they can do it at the next. Instead of voting with their feet, they let constituents settle the issue by removing an obstinate player from a veto gate for round 2 of bargaining. Parties in both situations stop their attempts at clinching a deal and often ritually insult each other.

Before one drops the transaction, though, other strategies may be available. One class of strategies is to involve third parties in the negotiation. Having seen a sympathetic merchant's father sipping tea in front of the shop, for example, one may try to bring him into the discussion. If the buyer can pull the father to his side perhaps he can persuade his son to lower the price. This closely resembles 'going public' strategies of presidential leadership that Kernell (1991; 1993) has amply documented in the U.S., the president attempting to put constituents' clout with members of Congress at his service. Another strategy consists of tying one's hands away from one's reservation price; for this to be credible one needs to incur an observable and

¹⁴⁰ This is the same factor that makes Hotelling (1929) find the median spatial equilibrium undesirable in the stores analogy, but desirable in the candidates analogy.

irreversible loss of freedom of action (North and Weingast 1989; Schelling 1960, chapter 2).

I now show how bringing motivation to the fore offers a simple connection between the Cameronian and the Linzian strands of literature. In my model, actors simultaneously seek policy and position-taking payoffs. More precisely, the utility functions that guide players' actions have two separable and additive components. Letting a stand for a new policy proposal and b stand for a reversionary outcome, the generic form of the function that a player seeks to maximize would look as follows:

$$\begin{aligned} \text{Eu}(\text{veto } a) = & \alpha \text{Pr}[\text{outcome is } b \mid a \text{ was vetoed}] (u(b) - u(a)) \\ & + (1 - \alpha) (\text{electoral value of vetoing } a), \end{aligned}$$

The first component of the expected utility of vetoing proposal a is the *outcome-contingent* payoff. This expression is simply the utility differential of policies a and b , multiplied by the probability that a veto of a actually results in b as the new outcome, and by a weight α . The second component is the *act-contingent* payoff. This expression is simply the value that the player attaches to having the path of the game pass through an observable veto on the way to the final outcome, times a weight.

The parameter weighting the two additive components of utility can be conveniently normalized to $0 \leq \alpha \leq 1$. In this fashion, when $\alpha = 1$ there is pure outcome-orientation in players' motives, when $\alpha = 0$ motivation is entirely act-contingent. All other values of α result in a more or less symmetric mixture of dual motivation.

Two approaches to the study of the legislative process can be conceived in the context of this model of weighted-average motivation. One approach consists of

assuming a priori some specific value for α . A pure Cameronian legislative process can be characterized as $\alpha = 1$, everything revolving around policy outcomes and bargaining ploys. This is manifest in the following passage:

“The [...] separation of powers system is rarely at war with itself. Nonetheless, the Constitution is an invitation to struggle... The checks and balances intended to stop the slide to tyranny also provide each organ with tools for bargaining over policy. In the legislative arena, the veto is the president’s primary tool” (Cameron 2000, p. 16).

On the other hand, a pure Linzian legislative process can be characterized as $\alpha = 0$, where the spin is publicity-stunts and motive is electoral only. Linz never explicitly says deadlock results in electoral appeals but one might confidently rephrase his position this way.¹⁴¹

[W]ho, on the basis of democratic principles, is better legitimated to speak in the name of the people: the president, or the congressional majority that opposes his policies? [C]onflict is always latent and sometimes likely to erupt dramatically (Linz 1994, p. 7).

Shortly below he adds eloquently that

“it becomes easy for a president encountering resistance to his program in the legislature to mobilize the people against the oligarchs, to claim true democratic legitimacy, deny it to his opponents, and confront [them] with his capacity to mobilize his supporters in mass demonstrations” (p. 8).

¹⁴¹ Extreme polarization is conceivable, but not necessarily true. Far more likely is that the president and the assembly do have room to maneuver, that there is mutual gain to be made over the status quo, though such gain may sometimes be very slim. Under conditions of high polarization (*not* irreconcilable differences), players have so little to win from bargaining ploys that they will more often than not engage in making publicity stunts, spending little or no time on the bargaining table.

Obstructionism in the Linzian model can be construed as an extreme form of posturing. Position-taking politicians cease negotiations of policy today and focus in getting votes.

Another approach to the study of the legislative process consists of adopting a more agnostic (empiricist?) perspective and entertain that $0 < \alpha < 1$. Research on the legislative process, from this perspective, gives rise to a much richer range of executive-legislative relations. Presidents and legislators sometimes hinder each other's proposals as the truly obstinate would; presidents and legislators sometimes engage in subterfuge to get concessions; presidents and legislators sometimes engage in ballyhoo to capture the attention (and, of course, the votes) of constituents. To observers of the process all three activities look as plain squabbles between the president and the assembly, each mounted on confronting bully pulpits. It is the value of α that defines the unobservable element – *motivation* – inducing the relative propensities of these activities.

Byzantine arguments to defend specific values of α thus give place to a discussion about the determinants of the value that α adopts in different systems at different times. In some systems, such as the U.S., α appears to tend towards 1 most of the time. In most Latin-American systems position-taking is more prevalent, and at times α clearly tends towards 0, such as in Chile in the midst of 1973 (Valenzuela 1978). What is behind this cross-sectional and cross-temporal variance in α ? In this thesis I have brought evidence in favor of the claim that the electoral calendar exerts a systematic influence on α , both in state governments of the U.S. (chapters 2 and 3) and

to some extent in Chile and Mexico (chapter 6).¹⁴² A model such as the one sketched so far opens a research agenda to inform, both theoretically and empirically, the micro-motives of politicians' willingness to bargain today.

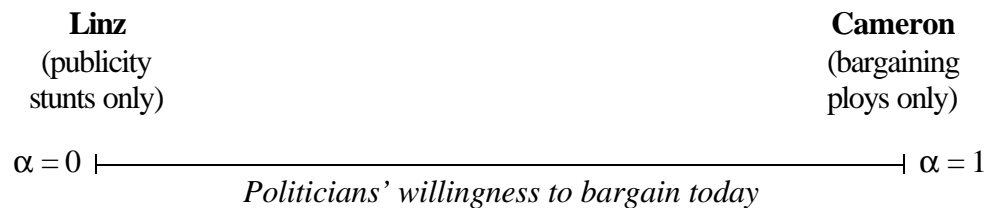
Once Linz is read as an extreme form of a position-taking game, my framework offers a bridge between two literatures that remain nearly isolate. Motivation unifies two models of the legislative process into a single framework, much in the spirit of Strom's (1990) unified theory of competitive political parties.¹⁴³ α is a measure of politicians' willingness to bargain policy today; α can thus become the basis for a continuum of motivation in the legislative process. At one extreme are located players whose moves are publicity stunts only (see Figure 7.1); at the other extreme are located players whose moves are all bargaining ploys. In this manner Linz's extreme position-taking approach and Cameron's bargaining approach become special cases of a more general theory of motivation in the legislative process, each located at one extreme of the continuum of motivation.

¹⁴² Shugart (1995) suggests the electoral calendar affects the propensity of divided government. I follow one consequence of elections, the need to engage in duels to capture the attention of voters one is trying to court.

¹⁴³ Other notable efforts at unifying extant theories are Cox and McCubbins (1993); Kingdon (1977); and Schlesinger (1984).

Figure 7.1

Motivation as the link between existing theories of the legislative process



I plan to push my research agenda to the development of a unified theory of the legislative process in systems of separation of power along the lines of this section. A study of this kind will inform the micro-foundations of politicians' propensity to go bargain or go publicize by approaching α as a dependent variable. In the remainder of the chapter, however, we leave α fixed at a low level (thus isolating a system where politicians seek votes with positions instead of policy through bargaining) and study some consequences of position-taking.

2 Democracy, its failure, and publicity stunts

In this section I turn my attention to democracy and possible relations between its failure and position-taking. In the next section I turn to an analysis of competition for power, in an effort to clarify these relations. Why address these issues?

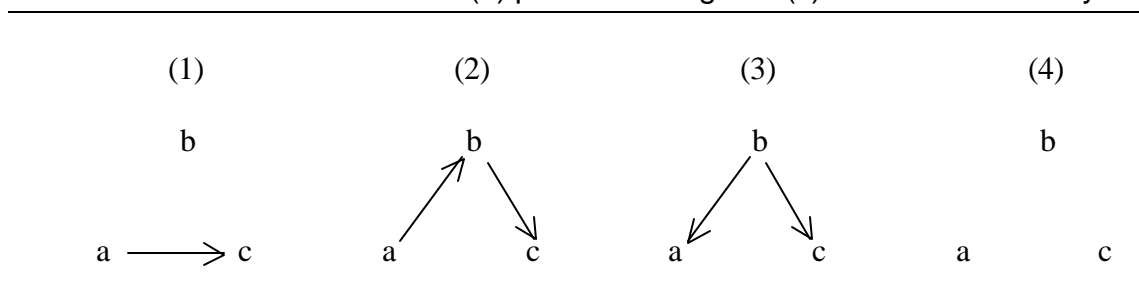
To be fair, my reading of deadlock as an extreme form of position-taking does one injustice to Linz's argument by missing a central theme in his work. In my model, the sort of publicity stunts that players in the position-taking mode engage in appear to

be innocuous for democratic stability; politicians, after all, are only looking for votes. In Linz's model, on the contrary, deadlock is a pretty bad symptom that a coup may well be on its way (see chapter 1). Since the connection between SOP and democratic breakdown is central to the Linzian literature (1990; 1994) its absence appears to open a major lacuna on the side of my model. For this reason I devote the remainder of the chapter to undertake the heuristic exercise of attempting to assess the magnitude of the gap, suggesting on the way some venues for future research.

If, as in my interpretation, deadlock results in a situation whereby politicians spend all of their time and effort posturing, the natural question Linz would suggest us to ask is apparent. Can posturing exercises be detrimental to democratic stability? Figure 7.2 portrays four general answers to this question: yes; yes, but indirectly; yes, but spuriously; and no. That is, either (1) position-taking has some direct effect on democratic stability; (2) position-taking has effect on some other factor with direct effect on democratic stability; (3) position-taking and democratic stability are determined by a common factor; or (4) position-taking is unrelated to democratic stability.

Figure 7.2

Some causal relations between (a) position-taking and (c) democratic stability



Answering Linz's question is beyond the scope of this thesis. Since previous chapters expose arguments under the assumption that (4) is the right answer, though, it will be useful to discuss what the answers might look like. Future research along these lines should teach us when my assumption is safe for the study of the legislative process and when the destabilizing effects of posturing need to be considered.

The literature on ethnic conflict suggests some ideas (a good general overview is Chandra 2001). 'Primordialists' see ethnic strife as determined by age-old belligerence between groups in society (religion, class, language, etc.), segmental leaders simply serving as transmission belts of such conflicts into the public arena (e.g. Geertz 1973; Lijphart 1977). 'Constructivists', more in vogue these days, reverse causality, thus seeing societal polarization as the result of elite mobilization strategies (e.g. Ferree n.d.-a; Laitin 1986). This debate closely resembles one among students of the party system, where a middle of the road approach has proven much more fruitful than one purely primordial or purely constructive (Amorim Neto and Cox 1997); the same advantage should hold here. Type (1) and type (2) answers adopt a constructivist approach; type (3) answers go primordial.

In previous work Linz (1978) in fact held a type (1) constructivist answer when he entertained the thesis that it is not the actions of the extremists that break a democracy (they do not simply seize power) but the incapacity of groups loyal to democracy to remain cohesive in light of the disruptive actions of the extremists. Position-taking actions expressly lead to vituperation, loud pronouncements, and sounding the tocsin of war; this could be affecting the stability of democracy *directly* by undermining the cohesiveness of the regime's supporters.

The constructivist influence, however, passes through the mobilization strategies of segmental leaders. This is suggestive that type (2) answers might be more appropriate, the question being what the intervening factor (b) in Figure 7.2 might be. A good candidate to fill this post is plainly 'competition for power', also known as the party system. Posturing strategies in the legislative process are intimately related to winning votes, which is the way politicians compete for power under democratic rules. Politicians typically gather in parties. And it is the prospect of some party that is not expected to respect the rules of democracy winning that prompts other parties to break the rules first, while still in power.

Democracy rests on a credible commitment by members of a polity that no one, should he or she access office, will in fact use it to transgress the fundamental rights of other citizens. This commitment is credible to the extent that the citizenry can coordinate around a focal point determining what these fundamental rights are and punish sovereigns who renege, hence making them comply by pure self-interest (Weingast 1997). Groups always exist that have a less than credible commitment

towards democracy; their threat has to be weighted against the likelihood that their party will win office to menace other groups. A better understanding of how it is that parties compete for power in different democracies will shed light on circumstances at which posturing may correlate with democratic failure. When is a comparison of the opposition leader with a pig in a televised speech politics as usual, and when is it a step towards civil war?

3 The perils of position-taking

An α that is close to zero is bad news as far as Lijphartian elite mediation of conflict goes. It means that segmental leaders are spending very little time trying to reach political accommodations (Lijphart 1977, pp. 49-50). Their efforts, instead, are almost fully geared to maintaining and increasing the support of the rank and file to beat the adversary. When does ‘beating the adversary’ mean electoral victory and when does it mean physical destruction?

In this section I elaborate a distinction between two types of position-taking strategies that politicians can choose. Each has in mind a fundamentally different way of winning elections. Some position-taking is designed to attract floating moderate voters in a fashion analogous to selling a quality product in the marketplace – I call it Downsian posturing. Other position-taking is designed to assist in the mobilization of supporters and is more akin to a military campaign – I call it Ferreevian posturing. Position-taking of the latter kind seems likelier to be related to the failure of democracy.

3.1 Competing to persuade v competing to outmobilize the adversary

Politicians in different systems respond differently to the approach of an election; an important part of this variance is explained by the coordinating value of party labels in the system.¹⁴⁴

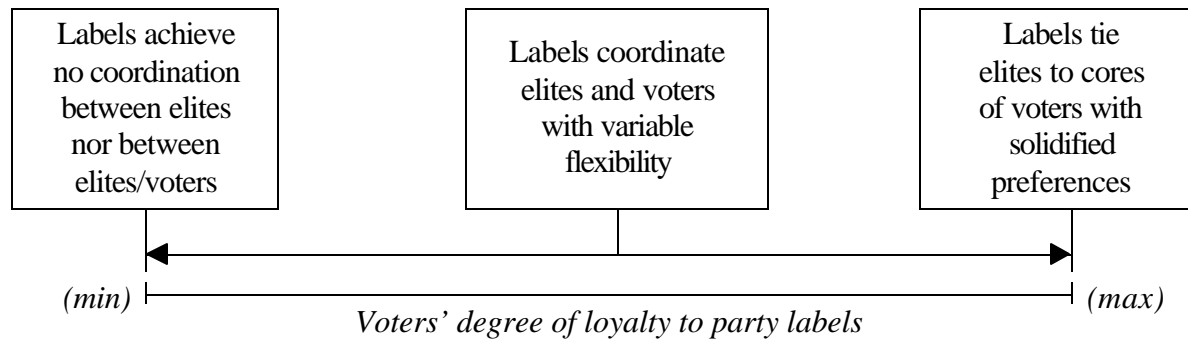
As in Cox (1999, p. 387), by party system I understand the interaction of three electoral activities of parties: coordinating with other like-minded parties or groups; persuading voters of their merits; and mobilizing their supporters. How much energy parties devote to each of these activities distinguish one party system from others.

Party systems have been classified according to several of their distinguishing characteristics, such as the number of parties in competition (Duverger 1951; Laakso and Taagepera 1979), the social bases of parties (Burnham 1970; Lipset and Rokkan 1967), or the spatial proclivity of inter-party competition (Downs 1957; Sartori 1976). We can also arrange party systems along the degree to which party labels capture the allegiance voters, a sort of combination of the second and third criteria for classification in the previous sentence.

Ranking systems of parties according to voter allegiance results in a continuum (portrayed in Figure 7.3) stretching from an imaginable system where no voter is loyal to any party label to an imaginable system where every voter is loyal to a party label.

¹⁴⁴ The ideas in this section were suggested by Gary Cox. They shall be much more clearly exposed by Gary in a forthcoming piece.

Figure 7.3
Party systems and voter loyalty to party labels



In between are systems with two subsets of voters, one disloyal to party labels, the other loyal; the relative sizes of these subsets determine whether the system in question is closer to one or the other end.

Loyalty to party labels is intimately associated with reputation. Elections share pertinent similarities with market exchange: just as good product quality today makes it easier to sell the product tomorrow, good team reputation in government today makes it easier to get team members elected tomorrow. Capable teams (like quality products) acquire a label or brand name that conveys valuable information to voters (consumers). Label loyalty develops among voters as brand loyalty does among consumers; this is what V.O. Key (1964) described as the party-in-the-electorate and the Michigan school construed as affective partisan identification (Campbell et al. 1960).

Building a brand name necessitates a minimum degree of consistency in product quality, in both time and space. In the same fashion the building of a party label requires a minimum degree of coordination. Elite coordination, if successful, produces the right number of candidates to make the most out of the finite number of votes of a group in society (Cox 1997). This results in victory and victory, in turn, assures a team in office. To the extent that it acts cohesively and consistently, the team eventually develops a collective responsibility and a reputation (cf. Cox 1987; Fiorina 1980).

Elite coordination can also fail, thereby making it harder (if not impossible) to build a party label.¹⁴⁵ Socialist voters in France, for example, recognize the organization that François Mitterrand led from the 1960s through the 1990s as the French Socialist Party. Competing political entrepreneurs may challenge the ownership of the socialist label, but their efforts fail as long as Mitterrand's former organization remains united. Socialist elite coordination in France, because it was successful, gave rise to a brand name. Mexico's left from 1977 until 1989, on the other hand, is a case of coordination failure. Half a dozen or so parties claimed to represent 'the authentic left' and competed with each other for the support of Mexican voters of a leftist bent (see Molinar 1991).

The location of the party system in the continuum of loyalty will in theory affect the way office-seeking parties compete for votes. Some campaigns are mobilization contests, others are bids to persuade moderate voters.

The left end. Take the left of the spectrum in Figure 7.3 first, where party systems have a total lack of institutionalization. Too many parties present candidates in such systems: several compete to attract the socialist vote, several try to win the conservative vote; and so forth. Parties will come and go, so none will end up having

¹⁴⁵ If elite coordination fails to limit entry of the "right" number of candidates, coordination can also arise among voters defecting the excess candidates to ensure the election of frontrunners (Duverger 1951). The conditions for this to occur are nevertheless stringent (Cox 1997, pp. 76-80). When voter coordination succeeds the result is the same as when elite coordination is successful: the "right" number of labels survive.

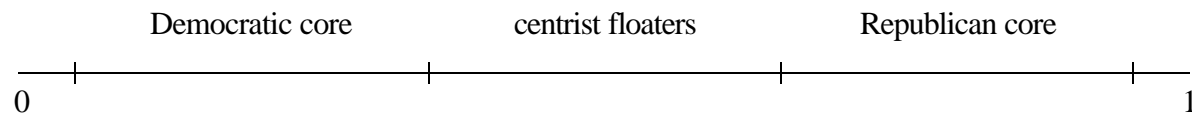
a meaningful reputation that the electorate can take as cue of its likely performance in office. Given the costliness of this kind of information, a rational ignorance model (Downs 1957) suggests citizens who vote would do so based on features other than party labels, such as interest group endorsements or candidate celebrity. Electoral outcomes in systems at (and towards) this extreme tend to be pretty volatile and rather unpredictable.

The center. Party labels acquire a meaning as we move towards the center of the continuum, they are anchored in the beliefs and preferences of a growing subset of citizens. Not all citizens are loyal to a party, though (that would push us to the right extreme of the spectrum). While partisan citizens, when and if they vote, do so for the party they identify with, unattached citizens may cast their ballot for one of several parties.

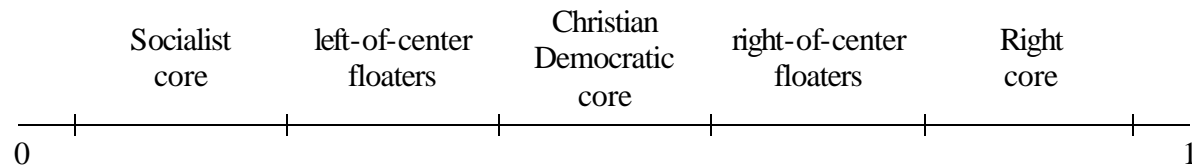
These party systems can be represented spatially, portraying unattached voters as moderate or “floating” voters located on the flanks of core partisan loyals. In system where two parties compete along a single dimension of conflict there would be three distinct, contiguous subsets of voters: core members of the left-wing party; core members of the right-wing party; and a subset of centrist floaters between the two. The U.S. party system is commonly portrayed spatially as in part A of Figure 7.4. Subtler distinctions of the floater category of voters are often made, as in the National Elections Studies seven-point scale of partisan self-placement (‘strong’ Democrats, ‘weak’ Democrats, ‘leaning’ Democrats, Independents, etc.), but the essence remains

Figure 7.4
Floaters and core partisan supporters in unidimensional competition

Part A: A stylization of the U.S. two-party system



Part B: A stylization of Chile's "*tres tercios*" party system



the same. Floaters in multiparty systems are present in both flanks of non-extreme parties. Such is the case of the so-called *tres tercios* (three-thirds) stylization of Chile's party system (see Siavelis 2000, chap. 4), the Christian Democratic party's core supporters set apart from those of the Socialist and Right parties by two buffers of floaters (part B of Figure 4).

Parties in systems located between the extremes of Figure 7.3's continuum of loyalty can count on the votes of their core supporters (provided they turn out to vote) as well as those of floater voters they manage to persuade. The latter task is accomplished by moderating campaign promises so as to approach the party's campaign platform to policy espoused by floaters (cf. Downs 1957). A tension often arises at this point: parties cannot push this moderating effort too far without risking to alienate core supporters, making it hard to make them turn out to vote.

The right end. Proceed now to the right end of the spectrum of voter loyalty in Figure 7.3. Following Ferree (n.d.-a), we can refer to elections at this end as competition between 'polarized voting groups'. Voting preferences in systems where every citizen has perfectly congealed loyalties are determined independently of the policy positions that parties espouse in the campaign.¹⁴⁶ So no campaign strategy will be successful in making a voter cast a ballot for a party other than the one he or she is loyal to. Polarized elections are really contests between parties to bring as many of

¹⁴⁶ There must also exist limits to the 'moderation' a party can engage in before causing core supporters to realign with another party. There must exist some degree of dependence between vote choice and party positions, however small.

their supporters as possible to the ballot box. Nineteenth century U.S. elections fell on this end, party machines competing to get out the vote through patronage and numerous other creative ways (Cox and Kousser 1981; Riordon 1994). Post-Apartheid South Africa is a present-day example of a party system with polarized voting groups, Zulus, non-Zulu Africans, and whites never engaging in cross-ethnic voting (Ferree n.d.-b).

Since elections in polarized party systems are races to out-mobilize the opponent, the outcome of a voting journey should be driven by three factors. First is the relative distribution of loyalties in society, parties endorsed by larger groups having an inherent advantage over others. Second is the differential in voter turnout in each camp, parties enjoying a better capacity to get the vote out of their followers boosting the chances they win seats. Third is an interaction of the previous two factors, an advantage in mobilization potential actually making up for a disadvantageous relative size. Parties with a disproportionate number of loyal voters in society (such as the PRI in classic Mexico or the KMT in classic Taiwan) are nearly certain to be victorious almost regardless of turnout;¹⁴⁷ relative turnout rates become

¹⁴⁷ This does not mean that parties with such an advantage will not exert an enormous effort to mobilize their masses. The turnout rate in lower house elections in Mexico between 1952 and 1985 was on average 63% of registered voters (with standard deviation of 8%) which represented 52% of citizen 18 or more years old (with a standard deviation of 7%) (ITAM 1994).

Table 7.1
Party systems and the object of position-taking

In systems where:	the principal object of posturing in the legislative process is:
Labels coordinate elites and voters with flexibility (non-polarized systems)	to persuade voters on party flanks (cf. Downs)
Labels tie elites to cores of voters with solidified preferences (polarized systems)	to mobilize core supporters (cf. Ferree)

increasingly important in determining the outcome as the density of loyalties among frontrunners tends to even up. Mobilizational dexterity can make a smaller party outperform larger ones.

So depending on the degree of voter loyalty to party labels, inter-party competition will shift from policy bids to attract moderate floating voters to a race to mobilize more supporters than the adversary (see Table 7.1).¹⁴⁸ Moreover, there are reasons to expect the share of loyal voters to correlate with α (politicians' willingness to bargain). Two types of position-taking effort can now be distinguished: Downsian position-taking, aimed at facilitating the competition to get the vote of the median citizen; and Ferreevian position-taking, aimed at creating a beneficial environment to

¹⁴⁸ Systems at the non-institutionalized end of the continuum of loyalty are excluded because of the difficulty in predicting the dynamics of competition.

mobilize supporters. An exposition of the calculi of voting and of mobilization will tell us why the two are likely to be different.

3.2 The calculus of voting

The generic model of instrumental voters builds from Downs (1957). Literally, a voter is assumed to go cast a ballot for his or her preferred party if the benefits accruing from voting exceed the costs of doing so. This approach, as it stands, is not very useful. Rewards from voting come in the form policy choices by the new government (a public good) whereas costs come in the form of time, effort, and resources spent in the act of voting (a private bad). As with any public good, electing an amenable government is subject to the well-known problem that it only makes sense for an individual to incur the costs associated with the act of voting if his or her ballot decides the election (i.e. brings the good); otherwise it is a much better deal to let others pay the costs. The larger the group the more severe this collective action problem (Olson 1965), and electorates are among the largest groups.

Paradoxically, no one should go to the urns, ever: the purely instrumental voter model lacks the capacity to explain observed levels of turnout in democracies, which often are quite high. Arguments have been made that voters, for psychological reasons, tend to overestimate their importance in the election (e.g. Kahneman and Tversky 2000; Moe 1980), which seems rather implausible. No matter how one looks at the issue, the probability of anyone's vote deciding the election remains wafer-thin. A more fruitful line of argument stresses the need to bring social rewards for participating ('solidary' payoffs), the internal satisfaction from fulfilling the duty of

voting ('purposive' payoffs) as well as goodies used as carrots and sticks for participation ('material' payoffs) into the equation (Salisbury 1992; Wilson 1973).

Riker and Ordeshook (1968) formalized the latter line of argument in an attempt to solve the paradox of voting. The trick was to add a term representing payoffs from doing one's civic duty (the "D" term). Cox (1999) construed the elements bundled together in the D-term as a broader category of act-contingent utilities – i.e. rewards accruing from the act of voting itself and which are useful to keep separate from outcome-contingent utilities (the new government's policy). The voter's decision is thus a dichotomous choice between turning out to vote or not (variable T). This decision is governed by the assumption that

$$T = \begin{cases} 0 & \text{if } pB + D \leq C \\ 1 & \text{if } pB + D > C, \end{cases}$$

where

- T is a binary variable equal to 1 if the citizen turns out to vote for his/her preferred candidate, 0 otherwise;
- p is the probability of his or her vote deciding the election;
- B is the value of electing the preferred rather than the dispreferred candidate;
- C represents the direct costs of voting; and
- D stands for any direct benefits of the act of voting.

Term B conflates differences in policy that candidates would execute if elected, such as spending a budget surplus to build a stadium, to build county libraries, or to give tax breaks. Included in term C is a wide scope of burdens associated with the act of voting, such as registering to vote, retrieving costly information on the candidates and what they stand for, transporting oneself to the voting booth while leaving more rewarding activities, and so forth. Outcome-contingent utility ($B > 0$) is deflated in the

model by the probability the act of voting changes the outcome ($p \gg 0$); pB is almost surely smaller than the direct costs of voting ($C > 0$) but act-contingent rewards from going to the voting booth ($D > 0$) will often make up for the difference. Whether in cash or some kind of divisible good, voters are often paid for acting to vote, and the amounts can be substantial.¹⁴⁹ There is a wide range of act-contingent utilities such as automatic voter registration, absentee ballots, or compulsory voting (Lijphart 1997). Of interest to the present argument will be the mobilizational efforts mustered by parties in campaigns.

By mobilization I understand effort devoted by party members to induce citizens to participate in the election (Rosenstone and Hansen 1993). A team of mobilizers, for example, encourages supporters to turn out and vote on election day, sometimes even discouraging opponents (Cox and Kousser 1981), or persuades others to continue such encouragement/discouragement effort; or convinces supporters to contribute money or labor (un- or under-paid) for the campaign.

Each term in the calculus of voting is subject to influence by mobilizational efforts, although some clearly more than others. Probability p can be affected by

¹⁴⁹ Cox and Kousser (1981, p. 654) found vote quotations in their sample of upstate New York articles in newspapers from the 1880s. The reported price of votes oscillated between \$10-15, reaching as much as \$25, a substantial amount at the time. For a tentative comparison, consider nickelodeons charged 5 cents for attending a movie projection c1900. Assuming the relative price of movies has remained the same, \$10 1880-dollars would fit 200 people in a c1900-nickelodeon; fitting that amount of people in a c2000 movie-theater would amount to \$2000! In Yucatán, Mexico, there have been reports of machine-washers and bicycles being distributed to steer-up the PRI vote in 2000.

‘informational cascade’ phenomena (Bikhchandani, Hirshleifer, and Welch 1992; Lohmann 1994). Suppose that the mobilizational effort undertaken until yesterday has been ultra successful, so that a formerly hopeless candidate is now looking more and more like a frontrunner. If there is a way to communicate this success to voter i it would in fact be increasing the chances that his or her support becomes pivotal to get the candidate elected. But even so, p remains tiny.

One way B can be enhanced through mobilization is by subsidizing information on government rewards. A campaign is an attempt to persuade the citizenry that life under candidate 1’s government will be so much better than life under candidate 2’s hideous government, and this form of discourse emphasizing the inter-party differential usually accompanies mobilization efforts. There is a chance supporters become aware of party differences they had not fully present in mind as a result of a contact by a persuasive party worker. Voters’ B s also change when a candidate decides to shift towards the right or the left of the policy spectrum, something which makes it easier or more difficult to mobilize groups in society, as we will see below.

Mobilizational effort can increase D so that it compensates for a high C . Effort in this direction, in practice, translates into a diverse range of campaign activities, a sample of which are listed below:

- canvassing the precinct to get an estimate of how many supporters parties have, where they are, and how likely they are to actually vote;
- pushing rallies for mass registrations of sympathizers;

- engaging in door-to-door communication to augment name recognition of party candidates and make sure citizens do not forget election day;
- providing voters with free transportation to the voting booth (perhaps to more than one);
- exchanging vote promises for material rewards such as free meals, household appliances, sacks of fertilizer, or plain money; and so forth.

Now, this mobilizational effort to affect one or another of the components of voters' calculi involves armies of 'vote promoters', scarce time, and a panoply of material resources. For anyone lacking organizational assets the cost of this enterprise appear prohibitive; for those having them it is still costly, though less so. All this effort will only make sense if targeted voters not only turn out to vote but do so in favor of the right party. Ferree's (n.d.-a, p. 12) example of a party hiring buses to take voters to the polls is illustrative. Without information about the partisanship of passengers, each bus brings a random sample that exactly mirrors the distribution of preferences in the parent population. Busing will bring votes to all parties, increasing overall turnout at the expense of whichever party hired the transportation service.

Enters position-taking again. What kind of publicity stunts can politicians perform that ease the fundamental problem of mobilization from last paragraph? How can position-taking acts in the legislative process be of any help for parties in mobilizing supporters? The literature on when and whom to parties should target the mobilization effort (cf. Key 1949; Rosenstone and Hansen 1993) sheds light on this matter.

3.3 Votes, seats, and gates: the calculus of mobilization

Cox (1999) formalizes the calculus of mobilization – a close relative of the calculus of voting – as follows. A party exerts a level of effort e in mobilizing its followers by a purely instrumental calculus – elites mobilize only if the expected increment in votes that an effort level of e will yield translates into sufficient gains in seats and government clout (call this a ‘portfolio’ increment) to compensate the cost of e . That is,

$$M(e) = \begin{cases} 0 & \text{if } u_s S(V(e)) + u_G G(S(V(E))) \leq c(e) \\ 1 & \text{if } u_s S(V(e)) + u_G G(S(V(E))) > c(e), \end{cases}$$

where

- $M(\bullet)$ is a binary variable equal to 1 if elites exert effort \bullet to mobilize supporters, 0 otherwise;
- $e > 0$ is the level of effort chosen to mobilize supporters;
- $V(e)$ is the expected increment in votes resulting from mobilizational effort e ;
- $S(V)$ is the expected increment in seats resulting from V more votes;
- $G(S)$ is the expected increment in portfolios resulting from S more seats;
- u_s is the value of a seat; and
- u_G is the value of a veto gate.

Parties exert mobilizational effort in order to win more seats.¹⁵⁰ Votes are also valued for a related reason: more seats help to prevent veto gates (those set in place by the system of SOP, see chapter 1) from being operated by opponents or maybe even get control of one such gates.¹⁵¹ The gains of devoting e more units of mobilizational

¹⁵⁰ The executive can be thought of as a single-seat branch.

¹⁵¹ Cox’s (1999) original model had Ps replacing the Gs in the model expositied above. Ps stood for portfolios won. Cox’s model is generalized to regimes both parliamentary

effort are represented by two additive expressions. First, the expected number of seats produced by the extra votes resulting from additional effort e , times the value of each of those seats. Second, the expected number of veto gates that the seats won in the previous expression allow gaining control of, times the value of each additional gate.

The standard way of analyzing the payoffs of devoting extra mobilizational effort e is to take the derivative of function M with respect to e :

$$\frac{\partial M}{\partial e} = u_s \frac{\partial S}{\partial V} \frac{\partial V}{\partial e} + u_p \frac{\partial G}{\partial S} \frac{\partial S}{\partial V} \frac{\partial V}{\partial e}.$$

With a little economy in notation it can be reduced to the formula below (the expressions above and below have their terms arranged in the same sequence to easily see what M' , S' , V' , and G' stand for):

$$M' = u_s S' V' + u_G G' S' V'.$$

The instrumental party devotes additional effort e to mobilize its supporters when (1) the values of seats (u_s) and/or veto-gates (u_G) are higher; (2) mobilization effort translates more favorably into votes (V' is bigger); (3) votes translate more favorably into seats (S' is bigger); or (4) seats translate more favorably into veto gates (G' is bigger).

(fusion of power) and presidential (SOP). I look at the special case of SOP only, where ministerial portfolios are not necessarily tied to legislative coalitions (though often they are, cf. Amorim Neto 1998; Deheza 1998). Under SOP the game consists of getting the ability to block the opponents' actions (forcing concurrent consent) or to gain override capability (getting the power of unilateralism).

Two factors should affect the value of controlling one veto gate, u_G . First, the menace of the opposition, the more dangerous the adversary the more valuable a veto gate. Second, the number of gates already controlled by one's party, a reduced number of gates controlled giving power to retain the status quo (negative power), a high number of gates giving more power to actually change the status quo (positive power). The right in Chile from 1990 to 2000 controlled few veto gates; the PRI until 1997 controlled nearly all the veto gates (see chapter 6). The term u_G should thus increase with higher degrees of polarization in the party system.

Effort translates more favorably into votes when the three following conditions are met (Cox 1999, p. 396).

First, party members must be sure who the supporters are, where to find them, and that they are loyal, so they can target their effort accordingly. Buses need to be full of loyal voters.

Second, party members must be able to efficiently contact their supporters. The best mobilizational investment is that which gains momentum into a secondary wave of mobilization, that is contacts unfolding exponentially into additional contacts (Rosenstone and Hansen 1993, chapter 2). This form of delegation of the mobilization effort takes place through social groups such as churches, sports clubs, professional guilds and unions. The party member will promise some collective reward to the group in question, while the group takes care of providing selective rewards for participation to its rank and file.

Third, party members must have reason to expect that mobilizational contacts will in fact produce a higher turnout among their supporters. The lower the cost of voting are (i.e. the larger $C - D$ is) the more reasonable this expectation is.

Campaign and posturing strategies can make all three conditions easier to fulfil. Any effort to politicize a line of cleavage that segregate groups of perceptibly different citizens help attain the first condition. It is no mystery why language, skin color, attire, religion are popular cleavage lines to activate, though not always successfully. Once race is an issue it becomes easier to locate one's supporters. Posturing in this sense can help by rejecting moderation and openly supporting one group against another; it's 'us' against 'them'. The electoral campaign becomes more and more like a military campaign.

Polarization of the party system can also help get more out of organized groups. Mobilizers sell some particularized policy to an interest group in exchange for its votes. The likelier the policy in question is actually delivered, the more the party can charge in votes for it. But there is always the danger that another organized group may get its piece of pork first in detriment of the first group's. A party can increase the credibility of a pork promise by writing that demand in its manifesto, engaging in marriage with the provision of some particularistic policy. The Peronist party in Argentina, the PRI in Mexico, Socialists in Chile, all incorporated labor into the very structure of the party. This commitment gets the party closer to a group's votes, but its narrowness also takes the party away from the median voter policy-wise. Steps towards polarization, again, make it likelier that the second condition is fulfilled.

Polarization also reduces the direct costs of voting relative to direct benefits by raising the inter-party differential. If this is combined with busing voters to the polls the effect is conceivably large in supporter turnout. Adopting non-moderate policy stands in the legislative process can ease the burden of mobilizing supporters. This electoral strategy, we saw, pays off in already polarized systems where Ferreevian competition prompts parties to a get-out-the-vote strategy. The lack of moderation in politicians' publicity stunts may well encourage further polarization in the party system in a downward spiral to a failure of democracy. The military analogy to electoral campaigns starts being taken more and more literally; party's appeals resemble the famous "We want YOU" conscription poster from WW2.

General strikes, mass mobilization, civil disobedience, a wide range of posturing acts show that 'our side' is strong enough to defeat 'your side', physically if necessary. Chile in 1973 offers countless examples of this behavior, from truckers striking to freeze trade nationally to middle-classes waving empty pots in the streets of Santiago to extreme-left parading to appear paramilitary (Sigmund 1977; Valenzuela 1978). These acts are good to stimulate a sort of 'danger' of not joining in time. Street mobs tend to grow out of rumor, like in Chicago's South Side in 1919: whites instantaneously mobilized when rumor spread of a black uprising. The rumor was credible because it came in retaliation for the drowning of a black youth who accidentally drifted that morning, crossing the invisible line that separated the white and black beaches. Whites kids repelled him with stones. The rumor led to the worse race war in the city, lasting four days, killing 38, injuring 520 (Royko 1971. p. 35).

Extremist position-taking acts in the legislative process can serve to inflame the kinds of rumors that make people mobilize autonomously.

The discussion in this section has suggested that it is democracies where the prospect for policy change are slim (so as to engage politicians in vote-seeking publicity stunts) and where the party system encourages mobilization (so that publicity stunts further polarize the system) that are under the biggest threat of breakdown. The connection is nonetheless obscured by the mutual determination of politicians' actions and polarization.

4 Conclusion

In this chapter I sketched a model of the legislative process under separation of power. The model serves as a link between two strands of literature that developed in isolation. Another way to look at this is that the model takes central insights from the Anglo-American and Latin-American literatures into a unified framework for the study of the legislative process. The connecting link is politicians' *motivations*. At one end are systems where the branches are fully motivated to bargain mutually acceptable policy; fairly diverse and creative stratagems to bluff and attempt to fool the adversary are expected in this mode of executive-legislative relations. At the other end are systems where politicians have fully abandoned bargaining, and instead are motivated to pursue votes; actors' choices are then planned so as to force the adversary to take positions unpopular with constituents. In between are systems where politicians blend both types of motivation – policy bargaining and position-taking – in different proportions.

The chapter then moved to a discussion of factors that may turn position-taking into some sort of catalyst for democratic failure. The purpose was to connect another major claim in the literature to the unified model of SOP. Three general points ensued from this theme. First, the relation between the position-taking strategies of politicians and democratic failure is most likely to pass through the conflicts that define the party system; there is a close relation between the way competition for power takes places in the system and the posturing choices of presidents and legislators. Second, position-taking strategies and polarization in the party system should be thought of as engaged in a mutually endogenous relationship: social conflict both affects and is affected by politicians' mobilization strategies. Third, such party systems in which politicians need to mobilize supporters with solidified preferences generate incentives to use position-taking strategies that are not conducive to centrist moderation.

I close this chapter with suggestions of two more nodes where the perils of position-taking might be exacerbated.

The Fujimori effect. In 1990 the Peruvian economy was in shambles after the populist presidency of Alan García. In the campaign that year the right-of-center candidate, Mario Vargas Llosa, was a clear front-runner, with half a dozen candidates trailing behind. Towards election day, however, the prospects of his victory unexpectedly dimmed when one of the trailing candidates became notable for his ability to cluster the anti-Vargas Llosa vote. Alberto Fujimori came in second, capturing enough votes to force a runoff. One month later an unknown, party-less, and formerly hopeless Mr Fujimori comfortably won the presidency of Peru.

How likely is this sequence of events to happen in, say, the U.S.? The probability that a self-made maverick comes out of nowhere to become the victor in a general election, given what we have seen for more than a century, seems to be rather small. What prevents this in the U.S. is the party system, it seems, whose subsets of loyal voters give a good degree of predictability to the outcome of elections. It is where party systems are not as institutionalized (cf. Mainwaring and Shugart 1997b) that electoral results lose predictability (joining those towards the left end of the spectrum in Figure 7.3).

One way to understand the effect of party institutionalization on electoral results is by means of the standard deviation. Letting $0 \leq R_t \leq 1$ be the proportion of votes the right party gathered in election at time t , and $0 \leq L_t \leq 1$ be the same for the left party, ρ can represent a random shock of votes such that the expected vote for the right in $t+1$, $E(R_{t+1}) = R_t + \rho$ and $E(L_{t+1}) = L_t - \rho$. ρ is a random variable governed by a normal distribution $\rho \sim N(0, \sigma^2)$; it is a measure of the electoral volatility in the system in question. In the U.S., σ is close to zero; in Peru it is closer to $1/2$. Other things constant, the larger σ is the more unpredictable elections become. And potentially more decisive as well: a hopeless party in a volatile system can win enough votes to capture several veto gates at once. In systems with high σ position-taking could be more perilous because it carries the possibility that the adversary will literally crush you at the ballot box.

The Woodrow Wilson effect. Very much against the optimism of Woodrow Wilson (1884), a characteristic of the policy-making process in the U.S. is its decentralized nature. Congress has partitioned the policy space into numerous jurisdictions, each of which is delegated to a congressional committee. The sub-units of the legislature, unlike most other countries, enjoy very strong powers over the matter of their jurisdiction (Shepsle 1979; 1987; but see Cox and McCubbins 1993).

Latin America enjoys a more centralized policy-making process, such as Wilson would probably have liked in the country he eventually governed. Hampered by very limited staff and resources, the committees of Latin American legislatures often cannot really take advantage of specialization. The executive branch, with its overwhelming advantage in staff, typically centralizes policy initiative (Baldez and Carey 1999; Cox and Morgenstern 1998; Shugart and Carey 1992). This is great news if one's party is likely to win the presidency; it is bad news if one's party is to remain in the opposition. More centralized decision-making processes generate situations where fewer veto gates are effective. Position-taking should be more dangerous with more centralization.

Theories of bargaining failure should give other ideas on how to elaborate factors that make players stop negotiating mutually beneficial deals, avoiding frontal confrontation. Studies in labor economics (where strikes often erupt in firm-union bargaining) and geo-politics (where wars among nations are as old as civilization) should have something systematic to say on this front.

References

- Alonso, Guillermo V. 1998. Democracia y reformas: las tensiones entre decretismo y deliberacion; el caso de la reforma previsional argentina. *Desarrollo Económico* 38 (150):595-626.
- Alt, James E., and Robert C. Lowry. 1994. Divided Government, Fiscal Institutions, and Budget Deficits: Evidence from the States. *American Political Science Review* 88 (4):811-828.
- Amorim Neto, Octavio. 1998. Of Presidents, Parties, and Ministers: Cabinet Formation and Legislative Decision-Making under Separation of Powers. Ph.D. dissertation, University of California, San Diego.
- Amorim Neto, Octavio, and Gary W. Cox. 1997. Electoral Institutions, Cleavage Structures, and the Number of Parties. *American Journal of Political Science* 41 (1):149-174.
- Amorim Neto, Octavio, and Paulo Tafner. 1999. O Congresso e as Medidas Provisórias: Delegação Coordenação e Conflito. Paper read at the seminar O Congresso e as Medidas Provisórias, April 26, at IUPERJ, Rio de Janeiro.
- Anderson, Charles W. 1967. *Politics and Economic Change in Latin America*. Princeton: Van Nostrand.
- Archivo de Diputados. various years. Registro de materias, vols I-III. Caracas: Cámara de Diputados.
- Arnold, R. Douglas. 1990. *The Logic of Congressional Action*. New Haven: Yale University Press.
- Arrow, Kenneth J. 1951. *Social Choice and Individual Values*. New Haven: Yale University Press.
- Aziz Nassif, Alberto. 1996. Alternancia primero, gobierno dividido después: el caso de Chihuahua 1992-1996. In *Gobiernos divididos en la federación mexicana*, edited by A. Lujambio. Mexico City: Congreso Nacional de Ciencias Políticas y Administración Pública - Universidad Autónoma Metropolitana - Instituto Federal Electoral.
- Bagehot, Walter. 1867 [1992]. The English Constitution: The Cabinet. In *Parliamentary versus Presidential Government*, edited by A. Lijphart. Oxford: Oxford University Press.

- Baldez, Lisa, and John M. Carey. 1999. Presidential Agenda Control and Spending Policy: Lessons from General Pinochet's Constitution. *American Journal of Political Science* 43 (1):29-55.
- Baron, David P. 1998. Comparative Dynamics of Parliamentary Governments. *American Political Science Review* 92 (3):593-609.
- Baron, David P., and John Ferejohn. 1989. Bargaining in Legislatures. *American Political Science Review* 83 (4):1181-1206.
- Bavastro, Roberto. 1999. Dataset for the research project "La dinámica del presidencialismo: un estudio comparativo de los gobiernos de Alfonsín y Menem entre 1983 y 1995" [floppy disk]: Universidad de Buenos Aires y Universidad del Salvador.
- Bavastro, Roberto. 2001. The Dynamic of Latin American Presidentialism: Government and Opposition in Argentina, 1983-1995. M.Phil. dissertation, University of Oxford.
- Beck, Nathaniel. n.d. Discrete Data Models. Unpublished manuscript: University of California, San Diego.
- Bikhchandani, Sushil, David Hirshleifer, and Ivo Welch. 1992. A Theory of Fads, Fashion, Custom, and Cultural Change as Informational Cascades. *Journal of Political Economy* 100 (5):992-1026.
- Black, Duncan. 1958. *The Theory of Committees and Elections*. Cambridge: Cambridge University Press.
- Burnham, Walter Dean. 1970. *Critical Elections and the Mainsprings of American Politics*. New York: W. W. Norton.
- Cameron, A. Colin, and Pravin K. Trivedi. 1998. *Regression Analysis of Count Data*. Cambridge: Cambridge University Press.
- Cameron, Charles M. 2000. *Veto Bargaining: Presidents and the Politics of Negative Power*. New York: Cambridge University Press.
- Cameron, Charles M., John S. Lapinski, and Charles R. Riemann. 2000. Testing Formal Theories of Political Rhetoric. *Journal of Politics* 62 (1):187-205.
- Campbell, Angus, Philip E. Converse, Warren E. Miller, and Donald E. Stokes. 1960. *The American Voter*. New York: Wiley.

- Canon, David T. 1993. Sacrificial Lambs or Strategic Politicians? Political Amateurs in U.S. House Elections. *American Journal of Political Science* 37 (4):1119-1141.
- Carey, John M., and Matthew Soberg Shugart. 1998a. Calling Out the Tanks or Filling Out the Forms? In *Executive Decree Authority*, edited by J. M. Carey and M. S. Shugart. New York: Cambridge University Press.
- Carey, John M., and Matthew Soberg Shugart, eds. 1998b. *Executive Decree Authority*. New York: Cambridge University Press.
- Carpizo, Jorge. 1978. *El presidencialismo mexicano*. Mexico City: Siglo XXI.
- Cavarozzi, Marcelo. 1986. Political Cycles in Argentina since 1955. In *Transitions from Authoritarian Rule: Latin America*, edited by G. O'Donnell, P. C. Schmitter and L. Whitehead. Baltimore: Johns Hopkins University Press.
- CEDI. 1999. Dataset for the book Congreso, Presidencia, y Justicia en Argentina, by N. Guillermo Molinelli, M. Valeria Palanza, and Gisela Sin.: Centro de Estudios para el Desarrollo Institucional y Fundación Gobierno y Sociedad.
- CEPAL. 1991. *Estudio económico de América Latina y el Caribe 1990, vol. II*. Santiago de Chile: Comisión Económica para América Latina y el Caribe, Naciones Unidas.
- CEPAL. 1996. *Anuario Estadístico de América Latina y el Caribe*. Santiago de Chile: Comisión Económica para América Latina y el Caribe, Naciones Unidas.
- Chandra, Kanchan. 2001. Symposium: Cumulative Findings in the Study of Ethnic Politics. *Newsletter of the Organized Section in Comparative Politics of the American Political Science Association* 12 (1):7-25.
- Coase, Ronald. 1937. The Nature of the Firm. *Economica* 4:386-405.
- Collier, Ruth Berins, and David Collier. 1991. *Shaping the Political Arena: Critical Junctures, the Labor Movement, and Regime Dynamics in Latin America*. Princeton: Princeton University Press.
- Conaghan, Catherine M., James M. Malloy, and Luis A. Abugattas. 1990. Business and the Boys: The Politics of Neoliberalism in the Central Andes. *Latin American Research Review* 25 (1):3-29.
- Copeland, Gary W. 1983. When Congress and the President Collide: Why Presidents Veto Legislation. *Journal of Politics* 45 (3):696-710.

- Cox, Gary W. 1987. *The Efficient Secret: The Cabinet and the Development of Political Parties in Victorian England*. New York: Cambridge University Press.
- Cox, Gary W. 1990. Centripetal and Centrifugal Incentives in Electoral Systems. *American Journal of Political Science* 34 (4):903-935.
- Cox, Gary W. 1997. *Making Votes Count: Strategic Coordination in the World's Electoral Systems*. New York: Cambridge University Press.
- Cox, Gary W. 1999. Electoral Rules and the Calculus of Mobilization. *Legislative Studies Quarterly* 24 (3):387-419.
- Cox, Gary W., and Jonathan N. Katz. 1999. The Reapportionment Revolution and Bias in U.S. Congressional Elections. *American Journal of Political Science* 43 (3):812-841.
- Cox, Gary W., and Samuel Kernell, eds. 1991. *The Politics of Divided Government*. Boulder: Westview Press.
- Cox, Gary W., and J. Morgan Kousser. 1981. Turnout and Rural Corruption: New York as a Test Case. *American Journal of Political Science* 25 (4):646-63.
- Cox, Gary W., and Eric Magar. 1999. How Much is Majority in the U.S. Congress Worth? *American Political Science Review* 93 (1):299-309.
- Cox, Gary W., and Eric Magar. n.d. The Value of Majority Status in the U.S. House. Unpublished typescript: UCSD.
- Cox, Gary W., and Mathew D. McCubbins. 1991. Divided Control of Fiscal Policy. In *The Politics of Divided Government*, edited by G. W. Cox and S. Kernell. Boulder: Westview Press.
- Cox, Gary W., and Mathew D. McCubbins. 1993. *Legislative Leviathan: Party Government in the House*. Berkeley: University of California Press.
- Cox, Gary W., and Mathew D. McCubbins. 1995. Bonding, Structure, and the Stability of Political Parties: Party Government in the House. In *Positive Theories of Congressional Institutions*, edited by K. A. Shepsle and B. R. Weingast. Ann Arbor: Michigan University Press.
- Cox, Gary W., and Mathew D. McCubbins. 1999. Agenda Power in the U.S. House of Representatives. Paper read at the Conference on the History of Congress, January 15-16, at Stanford University.

- Cox, Gary W., and Mathew D. McCubbins. 2001. The Institutional Determinants of Economic Policy Outcomes. In *Presidents, Parliaments, and Policy*, edited by S. Haggard and M. D. McCubbins. New York: Cambridge University Press.
- Cox, Gary W., and Scott Morgenstern. 1998. Reactive Assemblies and Proactive Presidents : A Typology of Latin American Presidents and Legislatures. Paper read at the XXI International Congress of the Latin American Studies Association, at Pittsburgh.
- CSG. Various issues. *The Book of the States*. Vol. 24-30. Lexington KY: Council of State Governments.
- Dealy, Glen C. 1992. Pipe Dreams: The Pluralistic Latins. In *Politics and Social Change in Latin America: Still a Distinct Tradition?*, edited by H. J. Wiarda. Boulder: Westview.
- Deheza, Grace Ivana. 1998. Gobiernos de coalición en el sistema presidencial: América del Sur. In *El presidencialismo renovado: instituciones y cambio político en América Latina*, edited by D. Nohlen and M. Fernández B. Caracas: Nueva Sociedad.
- Delgado, José. 1994. Reforma previsional y opción de reparto - capitalización. Documento de Trabajo No. 41. Buenos Aires: Fundación de Investigaciones Económicas Latinoamericanas - Fundación Konrad Adenauer.
- Den Hartog, Chris. 2000. Federal Delegation to the Courts and the States: Implementation of the Voting Rights Act Under Unified and Divided Government. Paper read at the annual meeting of the Midwest Political Science Association, April 27-30, at Chicago.
- Díaz Cayeros, Alberto, Beatriz Magaloni, and Barry R. Weingast. 2000. Democratization and the Economy in Mexico: Equilibrium (PRI) Hegemony and its Demise. Paper read at the Research Workshop in Political Science, at ITAM, Mexico City, October 13.
- Diermeier, Daniel, and Timothy J. Feddersen. 1998. Cohesion in Legislatures and the Vote of Confidence Procedures. *American Political Science Review* 92 (3):611-622.
- DIP. 2001. Base electrónica de leyes sancionadas [floppy disks]. Buenos Aires: Dirección de Información Parlamentaria de la H. Cámara de Diputados de la Nación.
- Domingo, Pilar, and Scott Morgenstern. n.d. The Success of Presidentialism? Breaking Gridlock in Presidential Regimes. Unpublished typescript: Duke University.

- Downs, Anthony. 1957. *An Economic Theory of Democracy*. New York: Harper & Collins.
- Drake, Paul W. 1978. *Socialism and Populism in Chile*. Urbana: University of Illinois Press.
- Duverger, Maurice. 1951 [1976]. *Les partis politiques*. Paris: Armand Colin.
- Eaton, Kent H. n.d. Fiscal Policy Making in the Argentine Legislature. In *Legislative Politics in Latin America*, edited by S. Morgenstern and B. Nacif. New York: Cambridge University Press.
- Edelmann, Alexander T. 1969. *Latin American Government and Politics: The Dynamics of a Revolutionary Society*. Homewood: Dorsey Press.
- Fenno, Richard F. 1973. *Congressmen in Committees*. Boston: Little, Brown.
- Ferree, Karen. n.d.-a. Beyond the Ethnic Census: How Polarization Affects Party Behavior in Severely Divided Countries. Typescript: Department of Government, Harvard University.
- Ferree, Karen. n.d.-b. Turnout in South Africa: Some Quantitative Tests of Social Psychological and Party-Centric Theories of Ethnic Elections. Typescript: Department of Government, Harvard University.
- Ferreira Rubio, Delia, and Matteo Goretti. 1996. Cuando el presidente gobierna solo: Menem y los decretos de necesidad y urgencia hasta la reforma constitucional (julio 1989-agosto 1994). *Desarrollo Económico* 36 (141):443-474.
- Ferreira Rubio, Delia, and Matteo Goretti. 1998. When the President Governs Alone: The Decretazo in Argentina, 1989-93. In *Executive Decree Authority*, edited by J. M. Carey and M. S. Shugart. New York: Cambridge University Press.
- Fiorina, Morris P. 1980. The Decline of Collective Responsibility in American Politics. *Daedalus* 109 (summer):25-45.
- Fuentes, Carlos, et al. 1996. *Los compromisos con la nación*. Mexico City: Plaza & Janes.
- Gaceta Parlamentaria. 2000. Dictámenes de la Comisión de Agricultura, con Proyecto de Ley de Desarrollo Rural (año III, número 490-I). Mexico City: Cámara de Diputados, April 11 (<http://gaceta.cddhcu.gob.mx/>).
- García Hamilton, José Ignacio. 1990. *Los orígenes de nuestra cultura autoritaria (e improductiva)*. Buenos Aires: Calbino.

- Garretón, Manuel Antonio. 1989. *The Chilean Political Process*. Boston: Unwin Hyman.
- Geertz, Clifford. 1973. The Integrative Revolution: Primordial Sentiments and Civil Politics in the New States. In *The Interpretation of Cultures*. New York: Basic Books.
- Gerber, Elisabeth R. 1996. Legislative Responses to the Threat of Popular Initiatives. *American Journal of Political Science* 40 (1):99-128.
- Gramlich, Edward. 1991. The 1991 State and Local Fiscal Crisis. *Brookings Papers on Economic Activity* 1991:249-85.
- Groseclose, Tim, and Nolan McCarty. 2001. The Politics of Blame: Bargaining Before an Audience. *American Journal of Political Science* 1:100-119.
- Groseclose, Tim, and Jeff Milyo. n.d. Why a Thimble of Position-Taking Swamps a Mountain of Policy Preferences: A Theoretical Result. .
- Gutiérrez, Paula. 2000. Personal communication, 15 June.
- Hamerle, Alfred, and Gerd Ronning. 1995. Panel Analysis for Qualitative Variables. In *Handbook of Statistical Modeling for the Social and Behavioral Sciences*, edited by G. Arminger, C. C. Clogg and M. E. Sobel. New York: Plenum Press.
- Hamilton, Alexander. 1788 [1961]. The Federalist LXXIII. In *The Federalist Papers: Hamilton, Madison, Jay*, edited by C. Rossiter. New York: Penguin.
- Hammond, Thomas H., and Gary J. Miller. 1987. The Core of the Constitution. *American Political Science Review* 81 (4):1155-74.
- Hicks, John R., sir. 1932 [1957]. *The Theory of Wages*. Gloucester, MA: Peter Smith.
- Hirschman, Albert O. 1970. *Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States*. Cambridge, MA: Harvard University Press.
- Holland, Paul W. 1986. Statistics and Causal Inference. *Journal of the American Statistical Association* 81 (396):945-960.
- Hotelling, Harold. 1929. Stability in Competition. *The Economic Journal* 39:41-57.
- Huber, John D. 1996. *Rationalizing Parliament: Legislative Institutions and Party Politics in France*. New York: Cambridge University Press.

- Iaryczower, Matías, Pablo T. Spiller, and Mariano Tommasi. 2000. Judicial Decision Making in Unstable Environments, Argentina 1935-1998. Paper read at the annual meeting of the International Society for New Institutional Economics, September 22-24, at Tübingen, Germany.
- IDEAS. 1992. *Manual del Congreso Nacional: historia, funciones y atribuciones*. Edited by F. Estévez. 2nd ed, *Area de Educación Cívica*. Santiago de Chile: Instituto Democracia, Educación y Acción Social.
- INDEC. 2000. *Proyección de población, por edad y sexo. Total del país. Años 1950-2050*. . Instituto Nacional de Estadísticas y Censos del Ministerio de Economía, Obras y Servicios Públicos, 2000 [cited June 18 2000]. Available from <http://www.indec.mecon.gov.ar/default.htm>.
- Ingherman, Daniel E., and Dennis A. Yao. 1991. Presidential Commitment and the Veto. *American Journal of Political Science* 35 (2):357-89.
- ITAM. 1994. Base de resultados de elecciones para Diputados Federales, 1952-1994: Depto. de Ciencia Política, Instituto Tecnológico Autónomo de México.
- Jones, Mark P. 1995a. *Electoral Laws and the Survival of Presidential Democracies*. Notre Dame: University of Notre Dame Press.
- Jones, Mark P. 1995b. A Guide to the Electoral Systems of the Americas. *Electoral Studies* 14 (1):5-21.
- Jones, Mark P. 1997. Evaluating Argentina's Presidential Democracy. In *Presidentialism and Democracy in Latin America*, edited by S. Mainwaring and M. S. Shugart. New York: Cambridge University Press.
- Jones, Mark P. 1998. Explaining the High Levels of Party Discipline in the Argentine Congress. Paper read at Conference on Latin American Legislatures, at Centro de Investigación y Docencia Económica, Mexico City.
- Jones, Mark P. 2000. Personal communication, 26 September.
- Jorrín, Miguel. 1953. *Governments of Latin America*. New York: Van Nostrand.
- Kanheman, Daniel, and Amos Tversky. 2000. *Choices, Values, and Frames*. New York: Cambridge University Press.
- Kastner, Scott, and Chad Rector. 2000. Partisanship, Domestic Institutions, and International Financial Regulatory Changes. Paper read at the Program on International Security Affairs Globalization Seminar, School of International Relations and Pacific Studies, UCSD, May 17, at San Diego.

- Kernell, Samuel. 1991. Facing an Opposition Congress: The President's Strategic Circumstance. In *The Politics of Divided Government*, edited by G. W. Cox and S. Kernell. Boulder: Westview.
- Kernell, Samuel. 1993. *Going Public: New Strategies of Presidential Leadership*. 2nd ed. Washington, D.C.: CQ Press.
- Key, V. O. 1949. *Southern Politics in State and Nation*. New York: Knopf.
- Key, V. O. 1964. *Politics, Parties, and Pressure Groups*. 5th ed. New York: Crowell.
- Kiewiet, D. Roderick, and Mathew D. McCubbins. 1988. Presidential Influence on Congressional Appropriations. *American Journal of Political Science* 32:713-36.
- Kiewiet, D. Roderick, and Mathew D. McCubbins. 1991. *The Logic of Delegation: Congressional Parties and the Appropriations Process*. Chicago: University of Chicago Press.
- King, Gary. 1997. *A Solution to the Ecological Inference Problem*. Princeton: Princeton University Press.
- King, Gary. 1998. *Unifying Political Methodology: The Likelihood Theory of Statistical Inference*. Ann Arbor: Michigan University Press.
- King, Gary, and Curtis S. Signorino. n.d. The Generalization in the Generalized Event Count Model, with Comments on Achen, Amato, and Londregan. Unpublished manuscript: Dept. of Government, Harvard University.
- Kingdon, John W. 1977. Models of Legislative Voting. *Journal of Politics* 39 (3):563-95.
- Krehbiel, Keith. 1996. Institutional and Partisan Sources of Gridlock: A Theory of Divided and Unified Government. *Journal of Theoretical Politics* 8 (1):7-40.
- Krehbiel, Keith. 1998. *Pivotal Politics: A Theory of U.S. Lawmaking*. Chicago: Chicago University Press.
- Kreps, David M. 1990. *A Course in Microeconomic Theory*. Princeton: Princeton University Press.
- Kubicek, Paul. 1994. Delegative Democracy in Russia and Ukraine. *Communist and Post-Communist Studies* 27 (4):411-423.

- Laakso, Marku, and Rein Taagepera. 1979. Effective Number of Parties: A Measure with Application to Western Europe. *Comparative Political Studies* 12 (1):3-27.
- Laitin, David D. 1986. *Hegemony and Culture: Politics and Religious Change Among the Yoruba*. Chicago: Chicago University Press.
- Lambert, Jacques. 1971. *Latin America: Social Structure and Political Institutions*. Berkeley: University of California Press.
- Lambert, Jacques, and Alain Gandolfi. 1987. *Le système politique de l'Amérique latine*. Paris: Presses Universitaires de France.
- Lee, Jong R. 1975. Presidential Vetoes from Washington to Nixon. *Journal of Politics* 37 (2):522-46.
- Lijphart, Arend. 1977. *Democracy in Plural Societies: A Comparative Exploration*. New Haven: Yale University Press.
- Lijphart, Arend. 1984. *Democracies: Patterns of Majoritarian and Consensus Government in Twenty-One Countries*. New Haven: Yale University Press.
- Lijphart, Arend. 1997. Unequal Participation: Democracy's Unresolved Dilemma. *American Political Science Review* 91 (1):1-14.
- Linz, Juan J. 1978. Crisis, Breakdown, and Reequilibration. In *The Breakdown of Democratic Regimes*, edited by J. J. Linz and A. Stepan. Baltimore: Johns Hopkins University Press.
- Linz, Juan J. 1990. The Perils of Presidentialism. *Journal of Democracy* 1 (1):51-69.
- Linz, Juan J. 1994. Presidential or Parliamentary Democracy: Does it Make a Difference? In *The Failure of Presidential Democracy: Comparative Perspectives*, edited by J. J. Linz and A. Valenzuela. Baltimore: Johns Hopkins University Press.
- Linz, Juan J., and Alfred Stepan, eds. 1978. *The Breakdown of Democratic Regimes*. 4 vols. Baltimore: Johns Hopkins University Press.
- Linz, Juan J., and Arturo Valenzuela, eds. 1994. *The Failure of Presidential Democracy*. Edited by J. J. Linz and A. Valenzuela. 2 vols. Baltimore: Johns Hopkins University Press.
- Lipset, Seymour Martin, and Stein Rokkan. 1967. Cleavage Structures, Party Systems, and Voter Alignments: An Introduction. In *Party Systems and Voter Alignments*, edited by S. M. Lipset and S. Rokkan. New York: The Free Press.

- Locke, John. 1690 [1988]. *Two Treatises of Government*. Student ed. Cambridge: Cambridge University Press.
- Lohmann, Susanne. 1994. The Dynamics of Informational Cascades: The Monday Demonstrations in Leipzig, East Germany, 1989-91. *World Politics* 47 (October):42-101.
- Londregan, John B. 2000. *Legislative Institutions and Ideology in Chile's Democratic Transition*. New York: Cambridge University Press.
- Lowell, A. Lawrence. 1896. *Governments and Parties in Continental Europe*. Boston and New York: Houghton, Mifflin and Co.
- Lujambio, Alonso. 2000. Adiós a la excepcionalidad. *Este País* 107 ((Feb.)):2-16.
- Lujambio, Alonso, and Horacio Vives Segl. 2000. *El poder compartido: un ensayo sobre la democratización mexicana*. Mexico City: Océano.
- Lupia, Arthur, and Mathew D. McCubbins. 1997. On the Stability of Social Choice: Implementation, Information, and the Barriers to Change. Paper read at the annual meeting of the Midwest Political Science Association, September 3-6, at Chicago, April 10-12.
- Madison, James. 1788 [1961]. The Federalist LI. In *The Federalist Papers: Hamilton, Madison, Jay*, edited by C. Rossiter. New York: Penguin.
- Magar, Eric. 1998. The Deadlock of Democracy Revisited: A model of Executive-Legislative Relations in Separation-of-Power Regimes. Paper read at the annual meeting of the American Political Science Association, September 3-6, at Boston.
- Magar, Eric, Marc R. Rosenblum, and David Samuels. 1998. On the Absence of Centripetal Incentives in Double-Member Districts: The Case of Chile. *Comparative Political Studies* 31 (6):714-739.
- Mainwaring, Scott. 1993. Presidentialism, Multipartism, and Democracy: The Difficult Combination. *Comparative Political Studies* 26 (2):198-228.
- Mainwaring, Scott, and Matthew Soberg Shugart, eds. 1997a. *Presidentialism and Democracy in Latin America*. New York: Cambridge University Press.
- Mainwaring, Scott, and Matthew Soberg Shugart. 1997b. Presidentialism and Democracy in Latin America: Rethinking the terms of the Debate. In *Presidentialism and Democracy in Latin America*, edited by S. Mainwaring and M. S. Shugart. New York: Cambridge University Press.

- Marcano, Thien. 1995. Leyes devueltas por el Ejecutivo Nacional para su reconsideración por el Poder Legislativo (art. 173 de la Constitución); última actualización 29/11/1995. Caracas: Servicio Autónomo de Información Legislativa del Congreso.
- Maurich, Mario. 1999a. Base electrónica de Decretos de Necesidad y Urgencia [floppy disks]. Buenos Aires: Universidad del Salvador.
- Maurich, Mario. 1999b. Interview, November 5, Buenos Aires.
- Maurich, Mario. n.d. Decretismo y democracia en perspectiva comparada: Argentina, Brasil y Perú en los 80s y 90s. Typescript: Universidad del Salvador, Buenos Aires.
- Mayhew, David R. 1974. *Congress: The Electoral Connection*. New Haven: Yale University Press.
- McCarty, Nolan M. 1997. Presidential Reputation and the Veto. *Economics and Politics* 9 (1):1-26.
- McCarty, Nolan M. 2000. Presidential Pork: Executive Veto Power and Distributive Politics. *American Political Science Review* 94 (1):117-130.
- McCarty, Nolan M., and Keith T. Poole. 1995. Veto Power and Legislation: An Empirical Analysis of Executive and Legislative Bargaining from 1961 to 1986. *Journal of Law, Economics, and Organization* 11 (2):282-312.
- McCubbins, Mathew D. 1991. Governments on Lay-Away: Federal Spending and Deficits under Divided Party Control. In *The Politics of Divided Government*, edited by G. W. Cox and S. Kernell. Boulder: Westview.
- McCubbins, Mathew D., and Thomas Schwartz. 1984. Congressional Oversight Overlooked: Police Patrols Versus Fire Alarms. *American Journal of Political Science* 28 (1):165-79.
- McCubbins, Mathew D., and Terry Sullivan, eds. 1987. *Congress: Structure and Policy*. New York: Cambridge University Press.
- McCubbins, Mathew D., and Michael F. Thies. n.d. Rationality, Positive Political Theory, and the Study of Law. Typescript: UCSD.
- McKelvey, Richard D. 1976. Intransitivities in Multidimensional Voting Models and some Implications for Agenda Control. *Journal of Economic Theory* 12:472-82.

- McNollgast. 1994. Legislative Intent: The Use of Positive Political Theory in Statutory Interpretation. *Law and Contemporary Problems* 57 (1):3-37.
- Mecham, J. Lloyd. 1959. Latin American Constitutions: Nominal and Real. *Journal of Politics* 21:258-75.
- Meyer, Lorenzo. 1998. *Fin de régimen y democracia incipiente: México hacia el siglo XXI*. Mexico City: Océano.
- Meyer, Lorenzo, and José Luis Reyna. 1989. Introducción. In *Los sistemas políticos de América Latina*, edited by L. Meyer and J. L. Reyna. Mexico City: Siglo XXI.
- Milkis, Sidney M. 1993. *The President and the Parties: The Transformation of the American Party System since the New Deal*. New York: Oxford University Press.
- Ministerio del Interior. 1994. Informativo Elecciones 1993, cómputo No. 4. Santiago: Ministerio del Interior (photocopies).
- Moe, Terry M. 1980. *The Organization of Interests: Incentives and the Internal Dynamics of Political Interest Groups*. Chicago: Chicago University Press.
- Moe, Terry M., and William G. Howell. 1999. The Presidential Power of Unilateral Action. *Journal of Law, Economics, and Organization* 15 (1):132-79.
- Molinar, Juan. 1991. *El tiempo de la legitimidad: elecciones, autoritarismo y democracia en México*. Mexico City: Cal y arena.
- Molinelli, N. Guillermo. 1991. *Presidentes y congresos en Argentina: mitos y realidades*. Buenos Aires: Grupo Editor Latinoamericano.
- Molinelli, N. Guillermo. 1999. Interview, September 24, Buenos Aires.
- Molinelli, N. Guillermo, M. Valeria Palanza, and Gisela Sin. 1999. *Congreso, presidencia y justicia en Argentina: materiales para su estudio.*, *Colección política y sociedad*. Buenos Aires: Fundación Gobierno y Sociedad - Temas Grupo Editorial.
- Montesquieu, Charles-Louis de Secondat (Baron de la Brède et de). 1748 [1956]. *De l'esprit des lois*. Paris: Garnier Frères.
- Morgenstern, Scott J. 1996. The Electoral Connection and the Legislative Process in Latin America: Factions, Parties, and Alliances in Theory and Practice. Ph.D. dissertation, University of California, San Diego.

- Morris, Jonathan. 1999. The Determinants of One-Minute Speeches in the U.S. Congress: A Comparison of Event-Count Models. Paper read at the annual meeting of the Southwestern Social Science Association, September 3-6, at San Antonio, Texas.
- Morrow, James D. 1994. *Game Theory for Political Scientists*. Princeton: Princeton University Press.
- Mustapic, Ana María. 1998. Oficialistas y diputados: las relaciones Ejecutivo-Legislativo en la Argentina. Paper read at the Conference on Latin American Legislatures, at Centro de Investigación y Docencia Económica, Mexico City.
- Mustapic, Ana María, and Matteo Goretti. 1992. Gobierno y oposición en el Congreso: la práctica de la cohabitación durante la presidencia de Alfonsín. *Desarrollo Económico* 32 (126):251-69.
- Negretto, Gabriel L. 2000. Does the President Govern Alone? Legislative Decree Authority and Institutional Design in Brazil and Argentina. Mexico City: CIDE-DEP.
- Neustadt, Richard E. 1990. *Presidential Power and the Modern Presidents: The Politics of Leadership from Roosevelt to Reagan*. New York: The Free Press.
- North, Douglass C., and Barry Weingast. 1989. Constitutions and Commitment: Evolution of the Institutions Governing Public Choice in Seventeenth-Century England. *Journal of Economic History* 49 (December):803-32.
- O'Donnell, Guillermo. 1973. *Modernization and Bureaucratic Authoritarianism*. Berkeley: Institute of International Studies.
- O'Donnell, Guillermo. 1994. Delegative Democracy. *Journal of Democracy* 5 (1):55-69.
- O'Donnell, Guillermo, and Philippe C. Schmitter. 1986. *Transitions from Authoritarian Rule: Tentative Conclusions about Uncertain Democracies*. Baltimore: Johns Hopkins University Press.
- Oficina de Partes. 1999. Nómina electrónica de proyectos de ley [floppy disks]. Valparaíso: Oficina de Partes de la Cámara de Diputados de la República de Chile.
- OICD. 1999. Nómina de Diputados, Período Legislativo 1990-1994. Valparaíso (photocopies): Oficina de Informaciones de la Cámara de Diputados.
- Olson, Mancur. 1965. *The Logic of Collective Action: Public Goods and the Theory of Groups*. Cambridge: Harvard University Press.

- PAL. 1999. Proyecto de Ley que modifica el Código del Trabajo en materia de negociación colectiva y organizaciones sindicales (ficha extraordinaria de seguimiento). Programa de Asesoría Legislativa, Ficha Legislativa No. 981 (November 16-20). Santiago: Fundación Tiempo 2000.
- Palanza, M. Valeria, and Ariel Ivanier. n.d. Creación de una Comisión Bicameral Permanente: análisis de los proyectos presentados en el Congreso. Working paper, Centro de Estudios para el Desarrollo Institucional, Buenos Aires.
- Palanza, M. Valeria, and Gisela Sin. 1996. Estudios de caso: ley 23696 (reforma de estado), ley 23697 (emergencia económica): Typescript: Universidad del Salvador, Buenos Aires.
- Palanza, M. Valeria, and Gisela Sin. 1997. Partidos provinciales y gobierno nacional en el Congreso, 1983-1995. *Boletín de la Sociedad Argentina de Análisis Político* 3 (5):46-94.
- Pierson, William W., and Federico G. Gil. 1957. *Governments of Latin America*. New York: McGraw-Hill.
- Pinto, Pablo. 2000. Personal communication, 27 September.
- Pious, Richard M. 1979. *The American Presidency*. New York: Basic Books.
- Plott, Charles R. 1967. A Notion of Equilibrium and its Possibility under Majority Rule. *American Economic Review* 57:787-806.
- Poterba, James M. 1994. State Responses to Fiscal Crises: The Effects of Budgetary Institutions and Politics. *Journal of Political Economy* 102 (4):799-822.
- Power, Timothy J. 1998. The Pen is Mightier than the Congress: Presidential Decree Power in Brazil. In *Executive Decree Authority*, edited by J. M. Carey and M. S. Shugart. Cambridge: Cambridge University Press.
- PRODASEN. 1996. Banco de datos MATE: search query 'vetad/.ultima ação' [printout of all bills totally or partially vetoed]. Brasilia: Senado Federal.
- Przeworski, Adam. 1991. *Democracy and the Market: Political and Economic Reforms in Eastern Europe and Latin America*. Cambridge: Cambridge University Press.
- Ramírez, Carlos. 1995. *Cuando pudimos y no quisimos: el decenio del derrumbe, la transición y el caos*. Mexico City: Océano.
- Rasmusen, Eric. 1989. *Games and Information: An Introduction to Game Theory*. Second ed. Cambridge: Blackwell.

- Remington, Thomas F., Steven S. Smith, and Moshe Haspel. 1998. Decrees, Laws, and Inter-Branch Relations in the Russian Federation. *Post-Soviet Affairs* 14 (4):287-322.
- Riker, William H. 1980. Implications from the Disequilibrium of Majority Rule for the Study of Institutions. *American Political Science Review* 74:432-446.
- Riker, William H., and Peter C. Ordeshook. 1968. The Calculus of Voting. *American Political Science Review* 62 (1):25-42.
- Riordon, William L. 1994. Plunkitt of Tamany Hall: A Series of Very Plain Talks on Very Practical Politics. In *Plunkitt of Tamany Hall*, edited by T. J. McDonald. Boston: Bedford.
- Rohde, David W. 1991. *Parties and Leaders in the Postreform House*. Chicago: University of Chicago Press.
- Rohde, David W., and Dennis M. Simon. 1985. Presidential Vetoes and Congressional Response: A Study of Institutional Conflict. *American Journal of Political Science* 29 (3):397-427.
- Romer, Thomas, and Howard Rosenthal. 1978. Political Resource Allocation, Controlled Agendas, and the Status Quo. *Public Choice* 33:27-44.
- Romero, Sylvio. 1893 [1979]. *Parlamentarismo e presidencialismo*. Brasilia: Senado Federal.
- Rosenblum, Marc R. 2000. At Home and Abroad: The Foreign and Domestic Sources of U.S. Immigration Policy. Ph.D. dissertation, University of California, San Diego.
- Rosenstone, Steven J., and John Mark Hansen. 1993. *Mobilization, Participation, and Democracy in America*. New York: Macmillan.
- Rosenthal, Howard. 1990. The Setter Model. In *Advances in the Spatial Theory of Voting*, edited by J. M. Enelow and M. J. Hinich. Cambridge: Cambridge University Press.
- Roth, Alvin E. 1995. Bargaining Experiments. In *The Handbook of Experimental Economics*, edited by J. H. Kagel and A. E. Roth. Princeton: Princeton University Press.
- Royko, Mike. 1971. *Boss Richard J. Daley of Chicago*. New York: Penguin.

- Sala, Brian R. 1998. In Search of the Administrative President: Presidential "Decree" Powers and Policy Implementation in the United States. In *Executive Decree Authority*, edited by J. M. Carey and M. S. Shugart. Cambridge: Cambridge University Press.
- Salisbury, Robert H. 1992. *Interests and Institutions: Substance and Structure in American Politics*. Pittsburgh: University of Pittsburgh Press.
- Sartori, Giovanni. 1976. *Parties and Party Systems: A Framework for Analysis*. Cambridge: Cambridge University Press.
- Schattschneider, Elmer E. 1960. *The Semisovereign People: A Realist's View of Democracy in America*. New York: Holt, Rinehart and Wiston.
- Schelling, Thomas C. 1960. *The Strategy of Conflict*. Cambridge: Harvard University Press.
- Schlesinger, Joseph A. 1984. On the Theory of Party Organization. *Journal of Politics* 46 (2):369-400.
- Schofield, Norman. 1983. Generic Instability of Majority Rule. *Review of Economic Studies* 50:695-705.
- Scott, Robert E. 1958. Legislatures and Legislation. In *Government and Politics in Latin America*, edited by H. E. Davis. New York: Ronald Press.
- Segovia, Rafael. 1975. *La politización del niño mexicano*. Mexico City: El Colegio de México.
- Servicio Electoral. 1990. Resultados: plebiscitos y elecciones 1988-1989. Santiago: Ministerio del Interior (photocopies).
- Shepsle, Kenneth A. 1979. Institutional Arrangements and Equilibrium in Multidimensional Voting Models. *American Journal of Political Science* 23 (1):27-59.
- Shepsle, Kenneth A., and Barry R. Weingast. 1987. The Institutional Foundations of Committee Power. *American Political Science Review* 81 (1):85-104.
- Shugart, Matthew Soberg. 1995. The Electoral Cycle and Institutional Sources of Divided Presidential Government. *American Political Science Review* 89 (2):327-343.
- Shugart, Matthew Soberg. 1998. The Inverse Relationship between Party Strength and Executive Strength: A Theory of Politicians' Constitutional Choices. *British Journal of Political Science* 28 (1):1-29.

- Shugart, Matthew Soberg, and John M. Carey. 1992. *Presidents and Assemblies: Constitutional Design and Electoral Dynamics*. New York: Cambridge University Press.
- Siavelis, Peter. 1998. Exaggerated Presidentialism and Moderate Presidents: Executive/Legislative Relations in Chile. Paper read at Conference on Latin American Legislatures, at Centro de Investigación y Docencia Económica, Mexico City.
- Siavelis, Peter M. 2000. *The President and Congress in Postauthoritarian Chile: Institutional Constraints to Democratic Consolidation*. University Park: Pennsylvania State University Press.
- Sigmund, Paul E. 1977. *The Overthrow of Allende and the Politics of Chile, 1964-1976*. Pittsburgh: University of Pittsburgh Press.
- Sloss, Judith. 1973. Stable Outcomes in Majority Rule Voting Games. *Public Choice* 15:19-48.
- Smok, Carlos. 1994. Proceso legislativo chileno, un enfoque cuantitativo: la transición democrática 1990-1994. In *Proyecto de Modernización*. Valparaíso: Congreso Nacional de Chile.
- Spiller, Pablo T., and Mariano Tommasi. n.d. *Las fuentes institucionales del desarrollo argentino: hacia una agenda institucional*. Buenos Aires: Centro de Estudios para el Desarrollo Institucional - Fundación Gobierno y Sociedad.
- StataCorp. 1997. *Stata Reference Manual: Release 5*. Vol. 3. College Station, TX: Stata Press.
- Stepan, Alfred, and Cindy Skach. 1994. Presidentialism and Parliamentarism in Comparative Perspective. In *The Failure of Presidential Democracy: Comparative Perspectives*, edited by J. J. Linz and A. Valenzuela. Baltimore: Johns Hopkins University Press.
- Stokes, Donald E. 1963. Spatial Models of Party Competition. *American Political Science Review* 57 (2):368-377.
- Strom, Kaare. 1990. A Behavioral Theory of Competitive Political Parties. *American Journal of Political Science* 34 (2):565-98.
- Tena Ramírez, Felipe. 1949. *Derecho constitucional mexicano*. Mexico City: Porrúa.
- Tsebelis, George. 1995. Decision Making in Political Systems: Veto Players in Presidentialism, Parliamentarism, Multicameralism and Multipartism. *British Journal of Political Science* 25:289-325.

- Tsebelis, George, and Jeannette Money. 1997. *Bicameralism*. New York: Cambridge University Press.
- Valenzuela, Arturo. 1978. Chile. In *The Breakdown of Democratic Regimes.*, edited by J. J. Linz and A. Stepan. Baltimore: Johns Hopkins University Press.
- Valenzuela, Arturo. 1994. Party Politics and the Crisis of Presidentialism in Chile: A Proposal for a Parliamentary Form of Government. In *The Failure of Presidential Democracy: Comparative Perspectives.*, edited by J. J. Linz and A. Valenzuela. Baltimore: Johns Hopkins University Press.
- Valenzuela, Arturo, and Peter Siavelis. 1991. Ley electoral y estabilidad democrática: un ejercicio de simulación para el caso de Chile. *Estudio Públicos* 43:27-87.
- Weingast, Barry R. 1984. The Congressional-Bureaucratic System: A Principal Agent Perspective (with Applications to the SEC). *Public Choice* 44:147-91.
- Weingast, Barry R. 1997. The Political Foundations of Democracy and the Rule of Law. *American Political Science Review* 91 (2):245-63.
- Weldon, Jeffrey A. 1997a. El crecimiento de los poderes metaconstitucionales de Cárdenas y Avila Camacho: su desempeño legislativo, 1934-1946. *Diálogo y Debate* 1 (1):11-28.
- Weldon, Jeffrey A. 1997b. El presidente como legislador, 1917-1934. In *El Poder Legislativo en las décadas revolucionarias, 1908-1934*, edited by P. A. Piccato Rodríguez. Mexico City: Instituto de Investigaciones Legislativas, Cámara de Diputados, LVI Legislatura.
- Weldon, Jeffrey A. 1997c. The Political Sources of Presidentialismo in Mexico. In *Presidentialism and Democracy in Latin America*, edited by S. Mainwaring and M. S. Shugart. New York: Cambridge University Press.
- Weldon, Jeffrey A. n.d. Executive-Legislative Relations in Mexico in the 1990s. In *Dilemmas of Change in Mexican Politics*, edited by K. J. Middlebrook. La Jolla: Center for U.S.-Mexican Studies, UC-San Diego.
- White, Halbert. 1980. A Heteroskedasticity-Consistent Covariance Matrix Estimator and a Direct Test for Heteroskedasticity. *Econometrica* 48 (4):817-38.
- Wiarda, Howard J. 1992. Social Change, Political Development, and Tradition. In *Politics and Social Change in Latin America: Still a Distinct Tradition?*, edited by H. J. Wiarda. Boulder: Westview.
- Williamson, Oliver E. 1975. *Markets and Hierarchies: Analysis and Antitrust Implications*. New York: The Free Press.

- Wilson, James Q. 1973. *Political Organizations*. New York: Basic Books.
- Wilson, Woodrow. 1884 [1992]. Committee or Cabinet Government. In *Parliamentary versus Presidential Government*, edited by A. Lijphart. Oxford: Oxford University Press.
- Wonnacott, Thomas H., and Ronald J. Wonnacott. 1990. *Introductory Statistics for Business and Economics*. 4th ed. New York: John Wiley & Sons.
- Woolley, John T. 1991. Institutions, the Election Cycle, and the Presidential Veto. *American Journal of Political Science* 35 (2):279-304.