

The effects of negotiation democracy: A comparative analysis

KLAUS ARMINGEON

Institute of Political Science, University of Berne, Switzerland

Abstract. To what extent are variations in public attitudes and outcomes of social/economic policies caused by institutions like consociational democracy, corporatism and regimes of veto players? In dealing with this question, this paper starts from a critical review of Arend Lijphart's argument in *Patterns of Democracy* that consensus democracies are better, kinder and gentler democracies. I agree that consociational democracy, corporatism, and regimes with veto players have different effects on attitudes and policy outcomes – even after controlling for effects of political power distribution, as well as domestic and international contexts of policymaking. However, consociational democracy is not a 'better, gentler and kinder' democracy, though neither is it worse than majoritarian democracy in governing societies. Corporatism is efficient in reducing unemployment and inflation, and in expanding public receipts and the reach of the welfare state. Finally, regimes of veto players constrain expansion of public receipts. This analysis is based on data covering 22 OECD countries, 1971–1996.

Introduction

For a long time the British political system has been considered an approximation of the ideal type of democracy. The main characteristics of that ideal type are:

- (a) Political parties compete for governmental offices. Each major party has a significant opportunity to become the ruling party or the official opposition in parliament. There is neither need for nor possibility of a formal or informal grand coalition.
- (b) Once a political party is in office, there are few political and institutional hurdles to impede the realization of its party manifesto. There are no institutional constraints on the power of the majority in parliament.
- (c) Interest groups exert pressure on parliament, administration and government. Their influence, however, is moderated by pluralistic competition and by the fact that the execution of public policy is performed solely by public administration. There is no systematic incorporation of interest groups in policy formulation and implementation.

Most democracies do not meet these criteria of the ideal type of competitive, majoritarian, Westminster democracy. Majority rule is not the dominant

decision rule (Lehmbruch 1993b). Rather, decisions are taken in the course of bargaining as compromises, as pork-barrel-deals or, in Austrian terminology, as *Junktim* (i.e., making one action dependent on another). Encompassing terms for such democracies are 'negotiation democracies' or 'bargaining democracies'. My guiding question concerns the policy effects of such negotiation democracies. I argue that negotiation democracy has three forms that differ significantly in impact upon attitudes and policy outcomes: consociational democracy, corporatism and systems of veto players. Consociational democracy is no worse than majoritarian democracy with regard to macro-economic performance and the quality of democracy, but it is superior in social integration. A strong system of institutional veto players restricts expansion of big government, while corporatism improves economic outcomes and spurs welfare state expansion. My hypothesis is not compatible with theories that explain the variation in political behaviour and policy outcomes, first and foremost, by political power distribution. Furthermore, my argument is incompatible with theories that explain these variations by the functional requirements of, and room to manoeuvre in, modern societies (cf. for an overview of approaches, Schmidt 1996). Although I support the view that institutions matter (Keman 1997), I disagree with Arend Lijphart's (1999) hypotheses that negotiation democracies – and especially their 'consociational' forms – are better, kinder and gentler democracies.

In the next section, I will define the three types of negotiation democracy and develop hypotheses about their impact on attitudes and policy outcomes. As a second step I will discuss the core definitions and results of path-breaking work by Arend Lijphart (1999). As a third step I will replicate his empirical analyses on another broader and more systematic data base using multivariate analyses.

Three types of negotiation democracy and their impacts

Although all three forms of negotiation democracy use non-majoritarian decision-making rules, they differ in their policy outcomes. This is due to differences in types of actors, their fields of action, the options available to them and their underlying strategic reasoning.

Consociational democracy

Consociational democracies emerged in culturally segmented societies where no socio-cultural groups had had the chance to form the majority. The classic example is the Netherlands (Lijphart 1968). There, none of the three large societal groups – Calvinists, Catholics and socialists – has ever had a majority.

Nevertheless, each of these groups has been large enough to endanger the stability of the political system, particularly if their interests were to be continuously neglected. A second well-known example is **Switzerland**. There, regional and linguistic groups have gained representational rights in a complex system of proportionality rules (Lehmbruch 1967, 1974, 1993a; Steiner 1974). The political representatives of these segments – usually regional political parties¹ – would not have access to much political power without mutual co-operation. **Failed cooperation is the worst-case scenario** since actors in the consociational arena cannot pursue their own goals without support from other political actors. These actors represent large socio-cultural groups and not task-specific institutions. As such, attempting to marginalize one of these groups risks destabilizing the political situation. A further **incentive for co-operation** is grounded in the **continuous and personalized contact between representatives of the respective groups** combined with the encompassing responsibility of the consociational cartel of elites. A strategy of obstruction in one policy field carries the **danger of tit-for-tat retribution** in another. In short, such consociational democracies institutionalize cooperation between political parties and groups, securing system integration in segmented societies. In principle, there are no reasons why consociational systems should be less capable of determining the framework of economic and social action. There are two qualifications, however, both related to the **time-consuming processes of striking a bargain**. On the one hand, **consociational democracies are probably slower than centralized majority systems in reacting to sudden economic and social problems**. On the other hand, **radical and volatile policies are not likely**. Government policy, for example, can easily be anticipated by business leaders. Economic losses and irritations, which are due to **majoritarian zigzag policies** in the course of alternating governments, can be avoided.

Consociational democracies are **systems that attempt to integrate several large minorities**. Thus, ‘majoritarian’ minorities – such as women – should experience preferential treatment. The same applies to large income groups that are at the bottom of the earnings hierarchy. Nonetheless, there is no reason why consociational democracies should have a better quality political process – more political participation, more political interest, etc. – or should be kinder and gentler to all small minorities (e.g., criminals) as long as the support of the latter is not needed to govern the country and to guarantee political stability.

Corporatism

Corporatist systems of **interest representation** are made up of **public administration linked with interest organizations**. A well-known example is the coop-

eration between trade unions, employers' organizations and government in Finland, Norway and – formerly – in Sweden. But working corporatist systems also exist in the Netherlands (with the famous example of the Wassenaar agreement to rebuild the welfare state) (Visser & Hemerijck 1997), in Luxembourg, in Switzerland (Armingeon 1997) and in Austria (Traxler 1995, 1998). Cooperation, however, presupposes many conditions regarding organizational structures and resources, and political context. The instability of Belgian (Vilrocx & Van Leemput 1998) and Swedish corporatism (Kjellberg 1998) are cases in point. Nevertheless, as soon as stability is achieved, with actors not having more attractive options, cooperation pays off for all members of the corporatist regime. Due to the actors' interests, the corporatist form of cooperation typically aims at reaching several goals of economic and social policy simultaneously. Usually these are high levels of employment, economic growth and competitiveness, as well as price stability, social security and a balanced public account. Unlike consociational democracy, one has to expect that corporatism will have a direct economic effect. This is due to the inclusion of business and labour in the arrangement. A government's economic policies are not restricted to shaping the framework of economic action and using fiscal measures. Rather, in a corporatist system, government, employers and unions are – together and directly – concerned with the development of working conditions, prices, employment and any public policy relevant to the economic system. In addition, due to the principle of trustful bargaining and moderation of claims, corporatist systems are better at avoiding industrial unrest. This is beneficial to economic growth and price stability (Armingeon 2000; Woldendorp 1997; OECD 1997a).

Regimes of veto players

A third type of negotiation democracy emerged long before the present form of British Westminster democracy took shape. The majority of the founding fathers of the democracy of the United States of America were convinced that the power of a central government and a central legislative assembly has to be moderated by checks and balances. The basic reasoning was that the creation of a large number of independent public institutions would make both these branches capable of action in a defined area and able to veto decisions by a central government: '... the great security against a gradual concentration of the several powers in the same department consists in giving to those who administer each department the necessary constitutional means and personal motives to resist encroachments of the others. Ambition must be made to counteract ambition' (Madison et al. 1987 [1788]: Federalist Paper No. 51,

319). Systems of veto players are intended to break political cartels with strong distributive and redistributive tendencies motivated by the hopes of politicians (Frey 1994). The players act as brakes: the more actors have to concur with a political reform, the more they are divided on ideological grounds and the more the respective groups of actors are cohesive, the more likely is the persistence of the status quo (Tsebelis 1995). Unlike consociational democracy, the institutional actors have autonomous, creative political power even when cooperation with other institutions fails. In addition, interlocking institutions of veto players are confined to a few policy fields. If, for example, a state does not cooperate in a system of inter-state traffic, possible retribution is restricted to these and other related inter-state policy fields. It is of no relevance to other issues like monetary policy or judicial review as it is other players that meet and interact in these fields. Furthermore, actors are defined by their institutional mandates and interests: a constitutional judge or a member of the central bank's board of directors is tied primarily to the norms and resources of his or her institution alone. Much less than in the case of consociational democracy, a lack of willingness to compromise can be explained by the personal characteristics of the individual actor. Finally, in a typical case of failed cooperation, no system instability (at least in the long term) should be expected. It is only the additional gains from successful cooperation that are lost. These differences between a consociational and a veto player setting have been described as 'joint responsibility/joint power vs. divided responsibility/divided power' (Lijphart 1999: 185) or as collective versus competitive veto points (Birchfeld & Crepaz 1998). The latter often leads to policy deadlock while the former presents incentives for successful negotiation. In systems with strong veto players – or 'counter-majoritarian' institutions – distributive and redistributive policies or problem-solving bargains are not very likely (see, in particular, Scharpf 1987, 1994, 1996). In short, these systems should be strong in limiting the expansion of public expenditure and in keeping price increases down. They do not, however, attempt to bring more income equality, a bigger welfare state, full employment or integration of minorities.

In summary, negotiation democracies perform differently than competitive democracies: consociational democracies are not superior with regard to economic performance or kindness and gentleness towards minorities. They do, however, have higher capabilities for integrating large minorities and are better suited for segmented societies (which otherwise would have to cope with the dangers of political instability). Corporatist systems are superior to pluralist systems with regard to achieving macro-economic goals because they have greater capacity to steer the economy and to moderate social conflict in the field of labour relations. Systems with strong veto players limit both central

government power and the distributive and redistributive abilities of politician cartels which otherwise might expand state expenditures with the hope of being re-elected.

A major contribution to this debate on the relationship between institutional features and the performance of modern democracies is made by Arend Lijphart. In the next section I will discuss this path-breaking work, which I will then use as the point of departure for empirical analysis in the last section of the paper.

Government forms and performance: The contribution by Arend Lijphart (1999)

A major deficit in former research on consociational democracy is the low operational precision. The lack of majoritarian rules as the dominant technique of decision making is hard to measure. In previous research, the country classification frequently was based on case studies by different authors with different criteria and expert ratings which were susceptible to subjective evaluation (McRae 1974). Lijphart tries to improve the situation by gauging not consociational democracy directly, but rather its structural preconditions – at least with regard to what he calls the dimension of power sharing/joint responsibility.² He labels this form of government ‘consensus democracy’. It is measured using an additive index of ten indicators. The first five are clearly related to the structural preconditions of consociational democracy, while the last five concern counter-majoritarian institutions or veto players.

This latter dimension is that of power distribution or divided responsibility with the five indicators being: federalism, bicameralism, constitutional rigidity, judicial review and central bank independence. As shorthand, Lijphart calls this the ‘federal-unitary’ dimension. The aggregated index is strongly correlated with other indices of counter-majoritarian institutions. Thus, in the following empirical analyses there is no reason why the Lijphart index of counter-majoritarian institutions should not be used as it measures similar kinds of arrangements as captured by other studies (e.g., of veto players) (for data see Table 1).

Lijphart’s first five indices are closely related to consociational characteristics, the shorthand being the ‘parties-executive’ dimension. They are: number of effective parliamentary parties, share of time when the country was governed by minimal-winning one-party cabinets, indices of executive dominance, disproportionality of electoral rules and interest group pluralism. The fifth index on interest group pluralism has been further developed by Alan Siaroff (1999). It concerns the aspect of corporatism in the sense of

Table 1. Correlations of indices of counter-majoritarian institutions in 22 advanced OECD-countries^a (Spearman's rho)

	Lijphart	Schmidt	Kaiser	Huber et al.	Colomer
Lijphart	1.00	.76	.62	.69	.83
Schmidt		1.00	.60	.66	.80
Kaiser			1.00	.48	.69
Huber et al.				1.00	.74

^a Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, UK, USA.

Sources: Lijphart Federal-unitary index 1971–96: Lijphart 1999: 312; Kaiser 1997; data for the indices developed by Schmidt, Huber et al. and Colomer are taken from Schmidt 2000: 352.

concertation of private and public policies (Lehmbruch 1979; Lehmbruch & Schmitter 1982).

Looking closer at these operational definitions, Lijphart shows that both dimensions are differently related to the performance of democracies. The underlying statistical model is – with few exceptions – a bivariate correlation. The overall result of his analysis is twofold. The dimension of counter-majoritarian institutions is hardly correlated with performance indicators, except price stability. Countries with a strong division of power have less inflation. The dimension of power sharing also correlates only weakly with economic indicators. However, there are strong correlations with the extent of egalitarian and social security policies. In particular, countries that are strong on the first dimension of consensus democracy indicators are ‘kinder and gentler’, giving women a greater say in society and being less punitive against criminals. In economic policies, consensus democracies are no worse than majoritarian democracies. Hence they are not a second-best solution if a majoritarian system is not feasible in a country. In addition, the quality of democracy – measured for example by voter turnout – is better. This is a remarkable finding judging by the former state of research in Anglo-Saxon countries. It took some time to learn that consociational democracies are not necessarily less democratic than the Anglo-Saxon political systems. Once this was accepted, however, the basic suspicion has been that the performance of these democracies – in particular with regard to steering economy and society – is worse than Westminster-type democracies. According to Lijphart, this is not true and inefficiency is not a cost that has to be paid when a segmented society is unable to construct a competitive democracy.

Several criticisms can be launched against this analysis (see also Schmidt 2000: 346–351). My first criticism concerns the selection of the countries under study. Thirty-six democracies with very different levels of socio-economic development are used: Botswana and Costa Rica are compared with the USA and Switzerland. This is problematic since public policy is shaped by the wealth of a nation – a developed economy and a modern society create functional requirements needing a welfare state. The income needs of a growing cohort of elderly is a prominent example. In addition, rich societies can afford a large public sector (Wilensky 1975). Dividing the countries into two groups of about equal size according to the extent of consensus democracy (the power-sharing or ‘consociationalism’ dimension), 15 of the 19 countries with strong elements of consociationalism belong to the group of socially and economically advanced democracies (making up the Organization of Economic Development and Co-operation (OECD)). In contrast, among the 17 majoritarian democracies there are only eight OECD members. The extent of consensus democracy in 1945–1996 (first five indices) is strongly correlated with GNP per capita in USD 1995 ($r = 0.47$; Sources: World Bank 1997; Fischer Weltalmanach 1998; Lijphart 1999: 312). In short, some of the assumed effects of consensus democracy could instead be an effect of modernity (both in economy and society), although at various places Lijphart tries to control for this effect by including a human development index in the regression models. On these grounds, in order to avoid mixing up most similar and most dissimilar case designs, it is a much more prudent procedure to concentrate only on economically similar countries – the OECD countries.

Lijphart selected the countries according to whether they have been continuously democratic since at least 1977. This excludes all new democracies in Central and Eastern Europe. A second criticism would point out that, at least for the second half of the 1990s, it makes as much sense to examine the impact of democratic institutions in Poland and the Czech Republic as it does in Colombia or Trinidad.

A third criticism concerns the merger of consociationalism and corporatism. This does not create major problems for analysis in countries where both institutions have historically been together: Switzerland and the Netherlands are cases in point (Lehmbruch 1993a, 1996). For other (particularly Scandinavian) countries, this merger is more problematic (Keman & Pennings 1995; Lane & Errson 1997). In short, it is not possible on the basis of Lijphart’s summary measure to discern whether a specific impact is caused by consociational democracy or by corporatism. This is why corporatism should be treated separately from consociationalism (for data see Table 2).

The operationalization of the first group of consensus democracy measures is open to critique as well, even if only the first four indices (i.e., excluding cor-

poratism) are considered. Lijphart's summary index is the averaged addition of each indices' z-score which gives each index the same weight. Why should the index of disproportionality and of executive dominance be of the same importance as the number of parliamentary parties and the share of minimal-winning cabinets? The less the index of consociationalism/consensus democracy (first dimension) is composed of different single indices, the less is it assumption loaded. As such, it might make sense to confine the variables to those two which are core to the idea of consensus democracy as structural precondition for consociationalism: number of parties and share of minimal-winning one-party cabinets. A further advantage is that these are much easier to measure than the other two variables (which are open to much debate over precise measurement). The higher the effective number of parties is, the greater the need to bargain and compromise. And if there is a minimal-winning one-party cabinet, government does not have to negotiate between parliamentary factions. In all other cases, bargaining and compromise cannot be avoided. An oversized and/or multi-party government cannot solely pursue the program of one of the governing parties. The same applies to minority governments that have to build a majority in parliament. Calculating a much simpler index of consensus democracy – being the arithmetic mean of z-scores for number of parties and share of time of minimal-winning one-party cabinets – yields a distribution very similar to those arrived at by a much more assumption-laden procedure. Both indices are strongly correlated ($r = 0.94$). Hence, in what follows, I use the index of structural preconditions of consociationalism as an indicator of consociational democracy, being the index of consensus democracy (first dimension) based on the two variables 'number of parties' and 'share of minimal-winning one-party cabinets'.

Another critique of Lijphart's analysis concerns some weak and non-systematic characteristics of his data base. The number of cases varies from policy field to policy field. Sometimes it is below 20, while sometimes all 36 countries are covered. Given this wide variation some findings could simply be artifacts of the country selection due to available data.

A sixth critique is the assumption of linear relationships. For example, in an analysis of the unemployment crises in the 1990s, I found evidence that those countries which did well were those which had either strong majoritarian democracy (allowing for coherent neo-liberal labour market policy), strong corporatism or strong consociational democracy (Armingeon 1999b). The worst of all worlds were the cases in-between, which were neither able to form a coherent liberal policy nor able to efficiently bargain over macro-economic policy.

Finally, my most serious critique relates to the consideration of alternative explanations and the use of control variables, in particular with regard to

Table 2. Indicators of consensus democracy (executive-parties dimension), consociationalism, corporatism and counter-majoritarian institutions (federal-unitary dimension)

Country	Lijphart Indicator, executive parties dimension 1971–1996	Consociationalism 1971–1996	Corporatism 1970s–1990s	Counter- majoritarian institutions, 1971–1996 (federal- unitary dimension)
Australia	–.67	–1.08	2.84	1.72
Austria	.26	–.53	4.63	1.08
Belgium	1.42	1.22	3.91	.21
Canada	–1.07	–1.18	1.72	1.88
Denmark	1.45	1.14	4.22	–.38
Finland	1.66	1.46	4.09	–.83
France	–.93	–.16	2.06	–.17
Germany	.23	–.17	4.13	2.53
Greece	–.74	–1.27	1.81	–.75
Ireland	.12	–.38	2.38	–.42
Italy	1.16	1.43	2.47	–.11
Japan	.85	.59	3.50	.22
Luxembourg	.29	.12	4.13	–.89
Netherlands	1.16	.74	4.03	.35
New Zealand	–1.12	–1.40	2.31	–1.77
Norway	.92	.17	4.63	–.65
Portugal	.36	.13	2.38	–.70
Spain	–.59	–.64	1.94	.42
Sweden	1.04	.19	4.69	–.79
Switzerland	1.87	1.73	4.38	1.61
United Kingdom	–1.39	–1.21	1.97	–1.19
United States	–.52	–.90	1.94	2.36

Sources: Lijphart Indicator 1971–1996: Recalculated for the 22 OECD countries according to the raw data given by Lijphart (1999: 312–313). Arithmetic mean of the z-scores of the five variables of the first dimension. Percentage of minimal winning one-party cabinets, index of executive dominance and index of disproportionality inverted. Consociationalism 1971–1996: Based on the raw data given by Lijphart (1999: 312–313). Arithmetic mean of z-scores of effective number of parliamentary parties and (inverted) percentage of minimal winning one-party-cabinets. Corporatism: Arithmetic mean of the data given by Siaroff (1999) for the late 1960s, 1970s, 1980s, and mid-1990s. Counter-majoritarian institutions 1971–1996: Based on the raw data given by Lijphart (1999: 313–314). Arithmetic mean of the z-scores of indices of federalism, of bicameralism, of constitutional rigidity, and of central bank independence.

policy variables like social security transfers. Comparative political science possesses a fund of knowledge concerning the determinants of some key international variations in policy outcomes and democratic performance. For control variables, however, Lijphart primarily uses only the human development index (a composite measure of income, life expectancy and educational attainment) and population size. He controls for economic openness by excluding the five smallest countries, being extremely vulnerable to international influences. Since we know of other important influences on policies and performance, it is worthwhile to include them systematically in order to gauge the explanatory power of institutional variables (see, e.g., Castles 1999; Lane & Ersson 1999; Schmidt 1996, 1998). These variables can be grouped into four categories:

- (a) **Socio-economic preconditions and functional requirements originating within the national society.** A good example is the proportion of elderly (65+ years) in the population which explains to a large extent the size of social security transfers. In modern societies life expectancy is higher, making a working pension system necessary and increasing public expenditures – since more elderly people will need a share of the national income through pensions and contributions to the healthcare system. The classical study in this regard is by Wilensky (1975).
- (b) **Socio-economic preconditions and functional requirements originating outside of the national society.** In a seminal contribution, David Cameron (1978) has shown that greater economic openness increases a country's social risks which then have to be buffered by a comparatively large welfare state.
- (c) **Political power distribution and deep-seated cultural peculiarities.** The expansion of the European welfare state can be related to the weakness of the liberal-conservative political parties and the strength of the trade unions (Kersbergen 1995; Schmidt 1998). As to cultural variables, in countries with strong Catholicism, for example, female labour force participation is lower and divorce legislation is more restrictive.
- (d) **Political legacies (Rose & Davies 1994) and path dependency (Pierson 2000).** New governments never start from scratch – they begin exactly where the outgoing government has stopped. In addition, policy is path dependent. Once a country has started down a certain track, the costs of reversal are very high due to the entrenchment of certain institutional arrangements. Therefore, in a short-to-medium-run perspective, prior policies, behaviour or structures have to be taken into account when looking at the outcomes of more current policy. This can be done using a lagged dependent variable on the right-hand side of the regression equation or

by using data aggregated over a longer period of time whenever possible and, at least for the independent variable, making the assumption that the value of the dependent variable at the end of the period of study developed in a near-to-linear way (over the longer period under investigation).

The effects of consociational democracy, corporatism, and counter-majoritarian institutions

Lijphart's analysis of the impact of institutions is path-breaking but deficient. It is path-breaking because the effects of negotiation democracy institutions are systematically examined. It is deficient because these institutions are not sufficiently differentiated, and because competing and empirically confirmed explanations are not considered. In this section, I follow Lijphart in systematically analyzing institutions' impact. I go on however, to test alternative explanations and limit comparison to countries which are similar with regard to levels of economic and societal development. I analyze the 22 OECD countries found in Table 2 whenever possible. The period under consideration is 1971–1996. Using this relatively long period of a quarter-century and the aggregation of data over time mitigates against the problem of determination of a phenomena at time t by its value at $t-1$.

My hypotheses about the differential effects of the three dimensions of negotiation democracy are:

- (a) The impact of institutions varies by policy field or aspect of performance.
- (b) Consociational democracies are not superior to Westminster democracies in economic policy or outcomes, but are superior in the integration of large minorities.
- (c) Consociational democracies are – apart from the integration of large minorities – not kinder and gentler than Westminster democracies with regard to small minorities, and are not better democracies with regard to the quality of the democratic process.
- (d) Corporatist systems are more successful than pluralist systems of interest intermediation in achieving macro-economic goals like high employment and price stability.
- (e) Corporatism leads to greater expansion of the welfare state.
- (f) Counter-majoritarian systems limit the ability of politicians to increase budget, debt and social security spending, and consequently inflation.

My empirical results support these hypotheses. I proceeded in three steps: First, the dependent variable was selected according to my guiding hypothesis. In addition, for the sake of comparability with and replication of the

Lijphart study, I attempted to have the same, similar, or functionally equivalent variables as he does. Second, for the independent institutional variables and the dependent performance/policy variables I calculated bivariate correlations. As a criterion for further discussion, I used (following Lijphart) the significance level of 0.05 (one-tailed test). Correlations which did not meet that criterion were not further considered and the underlying hypothesis was rejected.³ Third, those institutional variables which were significant were included in models with two independent variables, the other being a control variable.

Table 3 lists the **dependent variables** indicating 'better, kinder and gentler', 'integrative', and 'economically more efficient' democracies. (It should be noted that Lijphart puts the integrative aspects of democracy under the header of 'kinder and gentler'.) The second column depicts the institution that should have an impact with regard to the respective variable. In some cases, I follow exactly what Lijphart wrote (e.g., with regard to voter turnout or women in parliament); in other cases, I deduced the relationship between dependent and independent variable from the general reasoning in Lijphart's *Patterns of Democracy*. The fourth and fifth columns contain the institutional variables and the direction of the relationship developed in the discussion on the preceding pages.

Calculating **bivariate correlation** between Lijphart's institutional variables and the policy or performance variables yielded **mostly insignificant** coefficients. There were three exceptions. The parties-executive variable was significantly related, and in the expected direction, to the income situation of the lowest quintile of the population and to social security expenditures in 1995, but not to the average social security transfers 1971–1996. Also, the federal-unitarian dimension was negatively correlated with high inflation. These findings of mostly non-relationships do not mean that Lijphart is wrong.⁴ Rather, one of his main hypotheses states that consensus democracies are not worse than majoritarian democracies. My analysis supports that view. It does not, however, support the view that consensus democracies are better, kinder and gentler.

More significant correlations – although not a thorough confirmation of all of the alternative hypotheses – are found if institutions are better differentiated, as was argued when discussing Lijphart's conceptualization. The bivariate correlation coefficients are presented in Table 4.⁵ The major findings are:

- (a) **Consociational** democracy contributes to the integration of **large minorities and does no harm to the economy**. Together with corporatism, it expands the welfare state and benefits lower-income people.
- (b) **Corporatism** is related to low unemployment, high price stability and expansion of the welfare state. With regard to the size of the public sector,

Table 3. Dependent variables, assumed impacts and data sources

Dependent variable	Relevant institution (Lijphart)	Impact according to Lijphart	Relevant institution (alternative hypothesis)	Impact according to alternative hypothesis	Source of data
<i>Better democracy</i>					
Satisfaction with democracy around 1995	Parties-Executive	positive	none	none	Armingeon (1999a: 466) Klingemann (1999: 50)
Political interest (frequent political discussion) around 1995	Parties-Executive	positive	none	none	Eurobarometer 44 (1996) Swiss Labor Market Survey (1996) European Value Study (1990)
Political interest (% 'very interested') 1990–1996	Parties-Executive	positive	none	none	Swiss Labor Market Survey (1996) European Value Study (1990)
Political participation (turnout) 1971–1996	Parties-Executive	positive	none	none	Comparative Political Data Set Mackie & Rose (1991) European Journal of Political Research
Trust in parliament (% 'a great deal')	Parties-Executive	positive	none	none	European Value Study (1990) Swiss Labor Market Survey (1996)
<i>Kinder and gentler democracy</i>					
Interpersonal trust (% 'most people can be trusted')	Parties-Executive	positive	none	none	European Value Study (1990)
Tolerance around 1988 (% 'unconditional support: own culture/language')	Parties-Executive	positive	none	none	Gabriel & Brettschneider (1994: 559) Gabriel & Brettschneider (1994: 544) Armingeon & Freitag (1997: 97)
Capital punishment	Parties-Executive				www.todesstrafe.de

Table 3. (continued)

Year of abolition		long ago	none	none	
Year of last execution		long ago	none	none	
<i>Integration of large minorities/equality</i>					
Women in parliament (1971–1996)	Parties-Executive	higher	Consociationalism	higher	Inter-Parliamentary Union (1995 and updates)
Income share lowest quintile, 1990	Parties-Executive	higher	Consociationalism and Corporatism	higher	OECD (1995: 60–80)
Social security transfers 1971–1996 (%GDP)	Parties-Executive	higher	Consociationalism and Corporatism	higher	OECD (1997b and updates)
Public sector 1971–1996 (receipts, %GDP)	Parties-Executive	larger	Corporatism	larger	OECD (1997b) OECD Analytical Databank (in <i>Economic Outlook</i>)
			Counter-majoritarian institutions	smaller	OECD (1997a)
<i>Economically successful democracy</i>					
Inflation 1971–1996	Federal-Unitary	lower	Counter-majoritarian and Corporatism	lower	OECD 1997b and up dates
Unemployment 1971–1996	none	none	Corporatism	lower	OECD 1997b and up dates
GDP-annual growth 1971–1996	none	none	none	none	OECD 1997b and up dates
Public debt 1996	none	none	Counter-majoritarian	lower	OECD <i>Economic Outlook</i> , various years
Public debt, change 1988–1996	none	none	Counter-majoritarian	lower	OECD <i>Economic Outlook</i> , various years

Sources: Eurobarometer 1996, European Value Study 1990 and Swiss Labor Market Survey are surveys. The files can be obtained from data archives such as the Zentralarchiv für Empirische Sozialforschung, Cologne, Germany or SIDOS, Neuenburg, Switzerland. The Comparative Political Data Set is a web-based data bank (Armingeon et al. 2001): Comparative Political Data Set, 1960–1999. Berne: <http://www.ipw.unibe.ch/armineon/cpds-korrigiert.zip>.

corporatism and counter-majoritarian institutions work in opposite directions.

- (c) As expected, countries with strong counter-majoritarian institutions tend to have a small public sector and high price stability. Astonishingly, no systematic relationship with public debt and its development is discernible in countries with many institutional veto players.

Do these relationships hold when control variables are introduced into those bivariate models where institutions have a significant impact? There are six models that have to be tested in that regard. The relevant dependent variables are: the share of women in parliament, the share of income accruing to the lowest quintile of the population (integration of large minorities), unemployment, inflation, public sector size and two measures of the size of the welfare state. To the institutional factors, control variables have to be added. These are political power distribution (as expressed by the political make-up of government), cultural patterns, and functional requirements and preconditions.

Political parties claim to influence all of these variables, and some scientific analysis concurs. Following the studies generated by the debate on whether parties matter (Castles 1982, 1999; Schmidt 1996; Klingemann et al. 1994), I classify political parties as either 'left', 'centre', or 'right-liberal'. Social democratic parties have a tendency to expand the public sector and the welfare state for the sake of societal equality, whilst right-liberal parties opposed them in that regard. Centre parties, mostly Christian Democratic parties, do support the left parties as far as state intervention is concerned; however, they opt for a more stratified society with families as the nucleus of society (Kersbergen 1995). The operational definition follows the proposal by Schmidt (1996); the data sources are various published and unpublished data collections, one of the major sources being Woldendorp et al. (1993, 1998). The measure is the share of the respective party in government weighted by time over the period 1971–1996.

Considering the impact of cultural patterns, one could argue that Catholicism is of utmost importance in explaining variation of female representation. In Catholic countries, the institution of the family is highly valued, imposing some hindrance on women wishing to enter the labour market and the political system (Castles 1994). Hence, the explanation of female representation by proportion of Catholics has to be tested. The principal data source is Castles (1999: 56).

Variables for domestic preconditions and requirements of state intervention are those like income equality, female labour force participation, the proportion of elderly and unemployed, and the wealth of the nation. Since equality in the socio-economic realm could be an important precondition for

female political representation, these measures have to be included as control variables, as they do in the cases of public sector and welfare state size. Data for these variables come mostly from the data sets like *Historical Statistics*, or the appendix to the *Economic Outlook*, both published by the OECD. Data are the averages of annual data, except income inequality and GDP per capita, measured at the end of the period of investigation.

A major international precondition and requirement of state intervention is the **openness of the economy**, measured either in rules (like restrictions on mobility of capital) or in the size of imports and exports, standardized by GDP of the respective country. Here data come from Quinn and Inclan (1997) and various OECD publications such as *Historical Statistics*. Data are averages for the 1971–1996 period.

In Table 4 the bivariate correlation coefficients of these control variables with the dependent variables are given. Correlations have only been calculated if they make theoretical sense as judged by the state of research. If a variable failed to meet the criteria of significance (five per cent, one-tailed) no figure but rather an ‘n.s.’ (not significant) is given.

As a final step, multivariate models were estimated. The strongest significant institutional variables were estimated and put together with significant control variables.⁶ **Since the number of cases limits the number of independent variables, I only tested models with two independent variables, one always being the institutional factor, the other being successive control variables.** If a coefficient was not significant (five per cent, one-tailed), it was put into brackets. The general result of this analysis (see the tables in the Appendices) can be stated as follows: **In six out of 23 tests, institutional variables lost their explanatory power (i.e., became not significant) when combined with control variables.** Among the institutional variables, corporatism turns out to be of particular explanatory power. In case these variables remained significant (i.e., 17 tests), in six of these 17 tests the control variable has larger explanatory power. Institutions matter, but only to a limited degree. They are of comparable importance with political power distribution for the explanation of policy variation.

Conclusion

Institutions matter. However, they do so only to a limited degree. Variations in the performance of democracies cannot be attributed only to socio-economic conditions and distributions of political power. Institutions play a role as well. In that regard I join sides with a moderated neo-institutionalist approach.

Table 4. Correlation matrix: significant correlation between the dependent variables and the institutional/control variables (5%, one-tailed)

	Women (% parliament) 1971–1996	‘Poor’ (unit quintile) 1980s/1990s	Unemployment 1971–1996	Inflation 1960–1995	Public sector (%GDP) 1971–1996	Social security transfers 1971–1996	Social security transfers 1995
<i>Institutional Variables:</i>							
Consociational democracy 1971–1996	0.44	0.54	n.s.	n.s.	n.s.	0.38	0.55
Corporatism 1971–1996	0.68	0.71	–0.57	–0.56	0.59	0.49	0.68
Counter-majoritarian institutions 1971–1996	n.s.	n.s.	n.s.	–0.53	–0.37	n.s.	n.s.
<i>Control Variables: Political power distribution</i>							
Left governments 1971–1996	0.48	0.54	n.s.	n.s.	0.39	n.s.	0.43
Centre governments 1971–1996	n.s.	n.s.	n.s.	–0.42	n.s.	0.42	n.s.
Liberal-conservative governments 1971–1996	–0.42	n.s.	n.s.	n.s.	–0.37	–0.55	–0.56
<i>Cultural patterns</i>							
Catholics (% population) 1980s	–0.51						
<i>Requirements and pre-requisites</i>							
Elderly (65+ % of population) 1971–1996					0.50	0.49	0.75
Social security transfers 1971–1996			n.s.				
Public sector (%GDP) 1971–1996	0.73	0.42	n.s.				
GDP per capita 1995	n.s.	n.s.	–0.61			n.s.	n.s.
Unemployment 1971–1996		n.s.				n.s.	n.s.
‘Poor’ (lowest quintile) 1980s	0.61						
Openness (rules) 1971–1996		n.s.		–0.83	n.s.	0.37	n.s.
Openness (import & exports % of GDP) 1971–1996		n.s.		n.s.	0.48	0.59	n.s.
Female labour participation rate 1960–1995	0.52						

Consensus democracy does not lead to a kinder, gentler and better democracy. Rather consociational democracy is a form of government for segmented societies, and is not inferior to Westminster democracies with regards to economic efficiency or the kindness and quality of democracy. It has, however, certain advantages in the integration of large minorities. Corporatism triggers welfare state expansion and creates conditions favourable to high employment and stable prices. Counter-majoritarian institutions confine the expansion of the welfare state and work for stable prices, as does corporatism.

There is one obvious and important conclusion, which is based on the path-breaking working by Arend Lijphart, and supported by further empirical evidence in this paper: in no way is the majoritarian or Anglo-Saxon democracy superior to democracies which evolved in other parts of the world, particularly in Europe. Convergence to the Westminster model of democracy, aimed at by some politicians in negotiation democracies, is probably neither feasible nor advantageous.

Appendix A: Multi-variate models: standardised regression coefficients

Model	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Consociationalism	.45	(.35)	.40	.27	(.12)	.34																	
Corporatism							.60	.81	(-.30)	-.53	-.34	.52	.53	.45	.47	.46	(.32)	(.32)	.39	(.29)	.54	.54	.61
Counter-majoritarian																							
Left government	.50						(.20)					(.16)											(.16)
Centre government										-.38						.39							
Right government		(-.32)											(-.17)				-.42					-.35	
Catholics			-.48																				
Share elderly 1971–1996														(.25)				(.31)			.37		
Social security transfers 1971–1996																							
Public sector size 1971–1996				.67				(-.14)															
GDP per capita 1995									-.42														
Income lowest quintile					.55																		
Openess (rules) 1971–1996											-.74								(.27)				
Openess (imports & exports) 1971–1996															(.28)					.47			
Female labour force participation 1960–1995						.45																	
R2 adj.	.38	.21	.36	.57	.30	.32	.47	.45	.36	.40	.77	.30	.31	.33	.35	.33	.32	.23	.20	.36	.53	.51	.42

In brackets: not significant at the 0.05 level, one-tailed

Dependent variables:

Models 1–6: Women in parliament

Models 7–8: ‘Poor’ (income accruing to lowest quintile)

Model 9: Unemployment

Models 10–11: Inflation

Models 12–15: Public sector size

Models 16–20: Social security transfers 1971–1995

Models 21–23: Social security transfers 1995

Appendix B: Multi-variate models: standardised regression coefficients

Model	The case of counter-majoritarian institutions					
	1	2	3	4	5	6
Counter-majoritarian	-.44	(-.20)	(-.25)	-.43	(-.31)	(-.34)
Left government					(.34)	
Centre government	(-.25)					
Right government				-.43		
Share elderly 1971–1996						(.18)
Openess (rules) 1971–1996		-.72				
Openess (imports & exports) 1971–1996			.40			
R2 adj.	.26	.69	.21	.25	.17	.08

In brackets: not significant at the 0.05 level, one-tailed

Dependent variables:

Models 1–2: Inflation

Models 3–6: Public sector size

Note: In the bivariate correlation analysis, counter-majoritarian institutions have had a (slightly) lower coefficient compared to corporatism with regard to the dependent variables inflation and public sector size respectively. Hence it was not included in the first round of multi-variate analyses. This appendix table gives the respective figures for models with counter-majoritarian institutions being the institutional variables in the models for the dependent variables inflation/public sector size.

Appendix C: Intercorrelations – Institutional and non-institutional independent variables

	Consociationalism	Corporatism	Counter-majoritarian institutions
Left government	–0.03	0.45	–0.17
Center government	0.35	0.07	0.4
Liberal-conservative government	–0.28	–0.39	–0.13
Catholics	–0.07	–0.3	0.06
Elderly	0.32	0.55	–0.15
Social security 1971–1996	0.38	0.49	–0.13
GDP per capita	0.48	0.65	0.25
Unemployment	–0.18	–0.57	0.04
Lowest quintile	0.54	0.71	–0.33
Openess (rules)	0.19	0.27	0.55
Openess (exports/imports)	0.27	0.42	–0.3
Female labour force participation	0.21	0.42	0.08
Public sector size	0.25	0.59	–0.37

Notes

1. Parties have national organizations as well. In particular the Social Democrats and the Swiss Peoples Party (mostly confined to some German-speaking cantons) have strong national organizations. However, the Swiss federal state is weak and hence the national level is not the uncontested centre of gravity of politics. Rather the cantonal level has comparable importance, allowing for different cantonal party systems to exist while only loosely coupled to the national party system (Kriesi 1995; Ladner 1999; Linder 1994, 1999).
2. Lijphart has not extensively discussed the relation between consensus and consociational democracy (Kaiser 1997). In a recent autobiographical note, however, he defines consociational democracy as the strongest or most extreme form of consensus democracy (Lijphart 1997).
3. There is a chance that these correlations would become significant in a multivariate model. However, considering that the critical level of significance has been set rather low, further multivariate improvements of the basic model do not promise much. Being interested in strong and robust correlations, this radical bivariate strategy is appropriate.
4. In addition, more detailed analyses show relationships which are not obvious in this general overview. For example, a major study on political satisfaction found that in consociational democracies, supporters of the opposition were much less dissatisfied with the way democracy works than in majoritarian democracies (Anderson & Guillory 1997).
5. Three findings of the correlation matrix are worth mentioning, although I did not develop the relationship theoretically: (a) in corporatist countries, female representation in parliament is particularly strong; (b) in consociational democracies, trust in parliament is significantly lower than in majoritarian democracies (this might be due to the lesser transparency of the political process in consociational democracies.); and (c) political satisfaction is higher in corporatist countries. This could be due to social peace which in turn is probably considered an achievement of the political system.
6. With regard to inflation and public sector size, the correlation with counter-majoritarian institutions has been only (slightly) smaller than those with corporatism. This is why I estimated multivariate models with inflation/public sector size and index of counter-majoritarian institutions in addition. The results are given in the Appendices. There the intercorrelation between institutional and non-institutional independent variables is reproduced as well. There is no danger of multi-collinearity for the model in Appendix A.

References

- Anderson, C.J. & Guillory, C.A. (1997). Political institutions and satisfaction with democracy: A cross-national analysis of consensus and majoritarian Systems. *American Political Science Review* 91: 66–81.
- Armingeon, K. (1997). Swiss corporatism in comparative perspective. *West European Politics* 20: 164–179.
- Armingeon, K. (1999a). Die stabilität der eidgenössischen Regierungskoalition in vergleichender Perspektive. *Österreichische Zeitschrift für Politikwissenschaft* 28: 463–473.
- Armingeon, K. (1999b). Politische Reaktionen auf steigende Arbeitslosigkeit. in A. Busch

- & T. Plümper (eds.), *Nationaler Staat und internationale Wirtschaft. Anmerkungen zum Thema Globalisierung*. Baden-Baden: Nomos, pp. 169–196.
- Armington, K. (2000). Corporatism and consociational democracy. in H. Keman (ed.), *Comparative politics: New directions in theory and method*. London: Sage.
- Armington, K. & Freitag, M. (1997). *Deutschland, Österreich und die Schweiz. Die politischen Systeme im Vergleich. Ein sozialwissenschaftliches Datenhandbuch*. Opladen: Leske und Budrich.
- Baratta, M von (ed.). (1998). *Der Fischer Weltatlas*. Frankfurt am Main: Fischer Verlag.
- Birchfield, V. & Crepaz, M.M.L. (1998). The impact of constitutional structures and collective and competitive veto points on income inequality in industrialized democracies. *European Journal of Political Research* 34: 175–200.
- Cameron, David R. (1978). The expansion of the public economy: A comparative analysis. *American Political Science Review* 72: 1243–1261.
- Castles, F.G. (1982). The impact of parties: Politics and policies in democratic capitalist states. London/Beverly Hills, CA: Sage.
- Castles, F.G. (1994). On religion and public policy: Does Catholicism make a difference? *European Journal of Political Research* 25: 19–40.
- Castles, F.G. (1999). *Comparative public policy: Patterns of post-war transformation*. Cheltenham/Northampton, MA: Edward Elgar.
- Frey, B.S. (1994). Direct democracy: Politico-economic lessons from Swiss experience. *The American Economic Review* 84: 338–342.
- Gabriel, O.W. & Brettschneider, F. (1994). *Die EU-Staaten im Vergleich. Strukturen, Prozesse, Politikinhalt*. Opladen: Westdeutscher Verlag.
- Inter-Parliamentary Union. (1995). *Women in parliaments 1945–95: A world statistical survey*. Gent: Inter-Parliamentary Union.
- Kaiser, A. (1997). Types of democracy: From classical to new institutionalism. *Journal of Theoretical Politics* 9: 419–444.
- Keman, H. (1997). *The politics of problem-solving in postwar democracies*. New York: St Martin's Press.
- Keman, H. & Pennings, P. (1995). Managing political and societal conflict in democracies: Do consensus and corporatism matter? *British Journal of Political Science* 25: 271–281.
- Kersbergen, K. van. (1995). *Social capitalism: a study of Christian democracy and the welfare state*. London/New York: Routledge.
- Kjellberg, A. (1998). Sweden: Restoring the model? in A. Ferner & R. Hyman, *Changing industrial relations in Europe*, 2nd edn. Oxford/Malden, MA: Blackwells, pp. 74–117.
- Klingemann, H.-D. (1999). Mapping political support in the 1990s: A global analysis. in N. Pippa (ed.), *Critical citizens: Global support for democratic governance*. Oxford: Oxford University Press, pp. 31–56.
- Klingemann, H.-D., Hofferbert, R.I. & Budge, I. (1994). *Parties, policies and democracy*. Boulder, CO/San Francisco, CA/Oxford: Westview.
- Kriesi, H. (1995). *Le système politique suisse*. Paris: Economica.
- Ladner, A. (1999). Das schweizer Parteiensystem und seine Parteien. in U. Klöti, P. Knoepfel, H. Kriesi, W. Linder & Y. Papadopoulos (eds.), *Handbuch der Schweizer Politik*. Zürich: NZZ Verlag, pp. 214–260.
- Lane, J.-E. & Errson, S. (1997). The institutions of konkordanz and corporatism: How closely are they connected? *Revue Suisse de Science Politique* 3: 5–29.
- Lane, J.-E. & Errson, S.O. (1999). *Politics and society in Western Europe*, 4th edn. London/Thousand Oaks, CA/New Delhi: Sage.

- Lehmbruch, G. (1967). *Proporzdemokratie. Politisches System und politische Kultur in der Schweiz und Österreich*. Tübingen: Mohr (Siebeck).
- Lehmbruch, G. (1974). A non-competitive pattern of conflict management in liberal democracies: The case of Switzerland, Austria and Lebanon. in K.D. McRae (ed.), *Consociational democracy: Political accommodation in segmented societies*. Toronto: McClelland & Stewart, pp. 90–97.
- Lehmbruch, G. (1979). Liberal corporatism and party government. in P.C. Schmitter & G. Lehmbruch (eds.), *Trends toward corporatist intermediation*. Beverly Hills, CA/London: Sage, pp. 147–183.
- Lehmbruch, G. (1993a). Consociational democracy and corporatism in Switzerland. *Publius: The Journal of Federalism* 23: 43–60.
- Lehmbruch, G. (1993b). Konkordanzdemokratie. in M.G. Schmidt (ed.), *Lexikon der Politik. band 3. Die westlichen Länder*. Munich: Beck, pp. 206–211.
- Lehmbruch, G. (1996). Die korporative Verhandlungsdemokratie in Westmitteleuropa. in K. Armingeon & P. Sciarini (eds.), *Deutschland, Österreich und die Schweiz im Vergleich (Sonderheft der Revue Suisse de Science Politique)*. Zürich: Seismo, pp. 19–41.
- Lehmbruch, G. & Schmitter, P.C. (1982). *Patterns of corporatist policy making*. London/Beverly Hills, CA: Sage.
- Lijphart, A. (1968). *The politics of accommodation: Pluralism and democracy in the Netherlands*. Berkeley, CA/Los Angeles, CA: University of California Press.
- Lijphart, A. (1997). About peripheries, centres and other autobiographical reflections. in H. Daalder (ed.), *Comparative European politics: The story of a profession*. London: Pinter, pp. 241–252.
- Lijphart, A. (1999). *Patterns of democracy: Government form and performance in thirty-six countries*. New Haven, CT: Yale University Press.
- Linder, W. (1994). *Swiss democracy: Possible solutions to conflict in multicultural societies*. Houndsmill: Macmillan.
- Linder, W. (1999). *Schweizerische Demokratie – Institutionen, Prozesse, Perspektiven*. Bern: Haupt.
- Mackie, T.T. & Rose, R. (1991). *The international almanac of electoral history*. London/Basingstoke: Macmillan.
- Madison, J., Hamilton, A. & Jay, J. (1987) [1788]. *The federalist papers*. London: Penguin.
- McRae, K.D. (1974). *Consociational democracy: Political accommodation in segmented societies*. Toronto: McClelland & Stewart.
- OECD (Organisation for Economic Co-Operation and Development). (1995). *Income distribution in OECD countries*. Paris: OECD.
- OECD (Organisation for Economic Co-Operation and Development). (1997a). *Economic outlook*. Paris: OECD.
- OECD (Organisation for Economic Co-Operation and Development). (1997b). *Historical statistics: 1960–1995*. Paris: OECD.
- Pierson, P. (2000). Increasing returns, path dependence, and the study of politics. *American Political Science Review* 94: 251–267.
- Quinn, D.P. & Inlanc, C. (1997). The origins of financial openness: A study of current and capital account liberalization. *American Journal of Political Science* 41: 771–813.
- Rose, R. & Davies, P.L. (1994). *Inheritance in public policy: Change without choice in Britain*. New Haven, CT/London: Yale University Press.
- Scharpf, F.W. (1987). *Sozialdemokratische Krisenpolitik in Europa*. Frankfurt am Main/New York: Campus.

- Scharpf, F.W. (1994). Die Politikverflechtungsfalle. Europäische Integration und deutscher föderalismus im vergleich. in F.W. Scharpf (ed.), *Optionen des Föderalismus in Deutschland und Europa*. Frankfurt am Main/New York: Campus, pp. 11–44.
- Scharpf, F.W. (1996). Negative and positive integration in the political economy of European welfare states. in G. Marks, F.W. Scharpf, P.C. Schmitter & W. Streeck (eds.), *Governance in the European Union*. London: Sage, pp. 15–39.
- Schmidt, M.G. (1996). When parties matter: A review of the possibilities and limits of partisan influence on public policy. *European Journal of Political Research* 30: 155–183.
- Schmidt, M.G. (1998). *Sozialpolitik in Deutschland. Historische Entwicklung und internationaler Vergleich*, 2. Aufl. Opladen: Leske und Budrich.
- Schmidt, M.G. (2000). *Demokratietheorien*, 3. Aufl. Opladen: Leske und Budrich.
- Siaroff, A. (1999). Corporatism in 24 industrial democracies: Meaning and measurement. *European Journal of Political Research* 36: 175–205.
- Steiner, J. (1974). *Amicable agreement versus majority rule: Conflict resolution in Switzerland*. Chapel Hill, NC: University of North Carolina Press.
- Traxler, F. (1995). From demand-side to supply-side corporatism? Austria's labour relations and public policy. in C. Colin & F. Traxler (eds.), *Organized industrial relations in Europe: What future?* Aldershot: Avebury, pp. 271–286.
- Traxler, F. (1998). Austria: Still the country of corporatism. in A. Ferner & R. Hyman (eds.), *Changing industrial relations in Europe*, 2nd edn. Oxford/Malden, MA: Blackwells, pp. 239–261.
- Tsebelis, G. (1995). Decision making in political systems: Veto players in presidentialism, parliamentarism, multicameralism and multipartyism. *British Journal of Political Science* 25: 289–325.
- Vilroxx, J. & Van Leemput, J. (1998). Belgium: The great transformation. in A. Ferner & R. Hyman (eds.), *Changing industrial relations in Europe*, 2nd edn. Oxford/Malden, MA: Blackwells, pp. 315–347.
- Visser, J. & Hemerijck, A. (1997). *A Dutch miracle: Job growth, welfare reform, and corporatism in the Netherlands*. Amsterdam: Amsterdam University Press.
- Wilensky, H. (1975). *The welfare state and equality: Structural and ideological roots of public expenditures*. Berkeley, CA/Los Angeles, CA/London: University of California Press.
- Woldendorp, J. (1997). Corporatism and socioeconomic conflict-regulation. in H. Keman (ed.), *The politics of problem-solving in postwar democracies*. Houndsmill/New York: Macmillan/St Martin's Press, pp. 43–67.
- Woldendorp, J., Keman, H. & Budge, I. (1993). Political data 1945–1990: Party government in 20 democracies. (Special Issue of the *European Journal of Political Research*, Vol 24/No.1). Dordrecht/Boston, MA/London: Kluwer.
- Woldendorp, J., Keman, H. & Budge, I. (1998). Party government in 20 democracies: An update (1990–1995). *European Journal of Political Research* 33: 125–164.
- World Bank. (1997). *World development report 1997: The state in a changing world*. New York: Oxford University Press.

Address for correspondence: Klaus Armingeon, Institute of Political Science, University of Bern, Lerchweg 36, CH-3000 Bern 9, Switzerland
Phone: +41 31 631 8329; E-mail: klaus.armingeon@ipw.unibe.ch

