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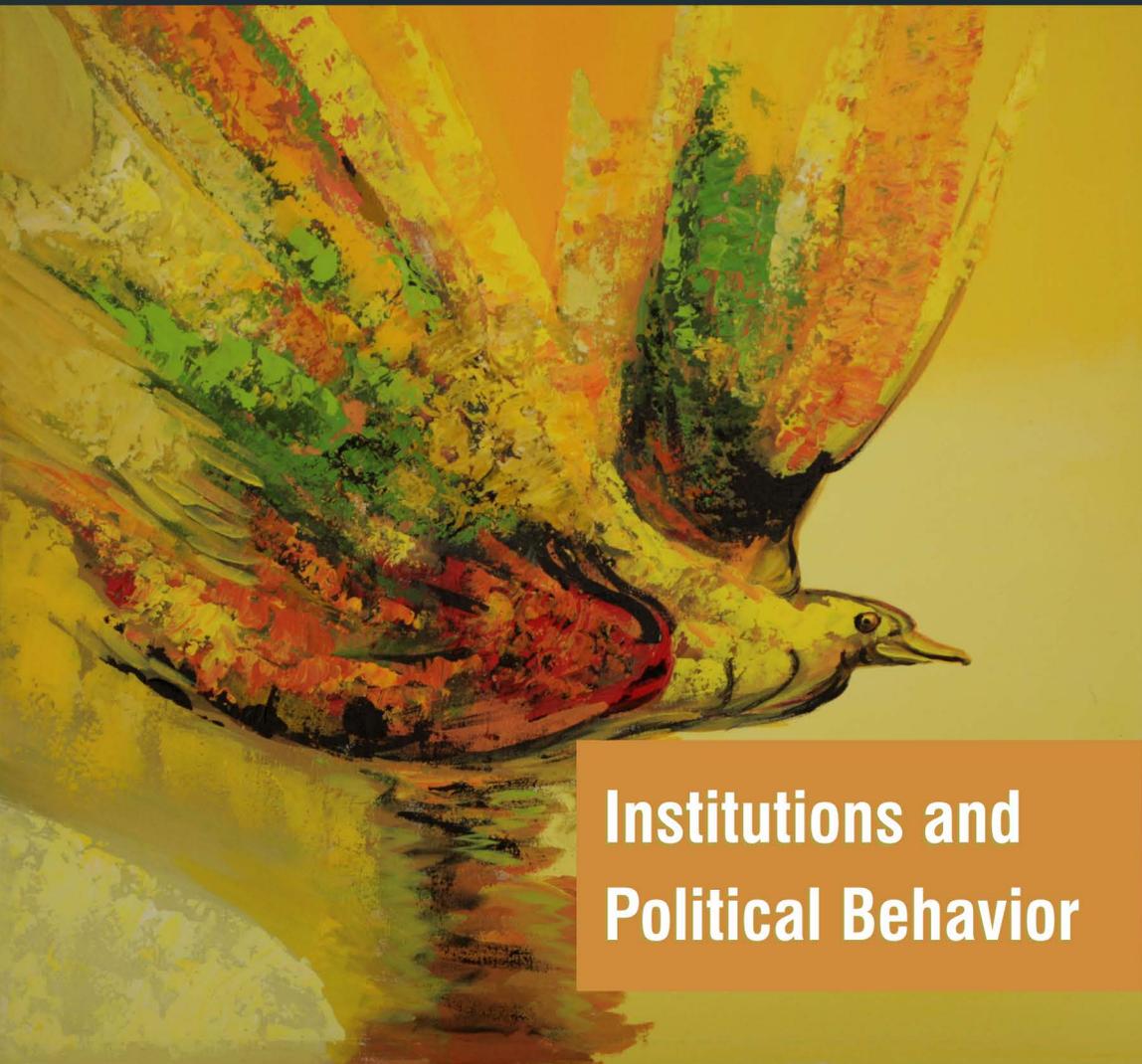
P O L Í T I C A

Political Science Postgraduate Program's Review of the Universidade Federal do Piauí

02

YEAR II - Vol.2 - No.1  
TERESINA-PI, JAN.-JUL. 2013

ISSN 2317-3254



## Institutions and Political Behavior

# Conexão Política

Political Science Postgraduate Program's Review of the Universidade Federal do Piauí

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Year – 2

2013

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## Institutions and Political Behavior



**EDUFPI**

**Teresina – Piauí - Brazil**

**Conexão Política – Vol. 2, No. 01- jan.-jul. 2013**

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## CATALOG CARD

Universidade Federal do Piauí

Community Library Journalist Carlos Castello Branco

Technical Processing Service

Conexão Política [electronic issue] / Universidade Federal do Piauí. – Vol.2, No. 1  
(January-July/ 2013) - Translator: American Journal Experts. – Electronic Data.  
– Teresina: UFPI, 2013 – .

Required system: Adobe Acrobat Reader

Access mode: <http://www.revistas.ufpi.br/index.php/conexaopolitica>.

Half-yearly edition.

ISSN: 2317-3254.

1. Political Science. 2. International Relations.

I. Federal University of Piauí -UFPI. II. Title: Political Connection

CDD: 320

# Conexão Política

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Political Science Postgraduate Program's Review of the Universidade Federal do Piauí



**Teresina – Piauí - Brazil**  
**Conexão Política – Vol. 2, No. 01- jan.-jul. 2013**

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## ABOUT THE JOURNAL

The articles approved in this issue of the Political Connection Review – the Political Science Postgraduate Program’s Review of the Federal University of Piauí – are part of the dossier Institutions and Political Behavior. The current issue aims to survey the established social structures and the procedures, necessities, reactions and responses from the individuals and social groups in face of these institutions.

The study of the institutions and the political behavior has grown in the last decades, chiefly when the neoinstitutionalists pointed out the role of these institutions for the behavior of political actors. Looking through this logic, one starts from the assumption that they affect the relationship of individuals and social groups that constitute a society, i.e., those who matter in the procedures, stimuli, demands and sentiment, and that define the behavior of social actors in their relationships with others, as they are mediated by an institutional structure that demarcates actions and social interests.

When the focus is the analysis of the political behavior, the literature has faced the relationship between power and the action of social actors. This power is usually examined as a potential for implanting some agenda. Politics is understood, thus, as an action to influence the practices that lead to public businesses, i.e., to affect results.

Through this logic, the researches on political behavior have sought to listen to the numerous effects of the action of social actors in face of human stimuli and needs, including their consequences on the institutions.

Thus, one of the key concerns in this issue of Political Connection Review is to seek to understand how institutions and political behavior interact with each other, influencing the State and its relationship with society. The “natural” struggle for power occurring everyday within the institutions and the power is approached in an eclectic manner by the professors and researchers from institutions of different Brazilian and foreign universities.

The first article of the Political Connection Review is a comparative analysis of the chief productions within the agenda of neoinstitutional research in Political Science. **Flávio da Cunha Rezende** eloquently demonstrates the chief aspects of this theory, showing explanations that seek the fundamentals of the institutions' changes in diverse contexts, situations or circumstances. He makes an explanatory typology of the analytical challenges to be faced, aiming at the increase of the theoretical capacities of neoinstitutional currents to explain the changes in institutions.

The article of **Taeko Hiroi** studies the relationship between electoral systems and legislative improbity, focusing the analysis on the individual vote, the dimension of the electoral district and the post-electoral accountability. The investigations on the theme emphasize the elector's individual accountability, calling attention to the current thesis in the literature that the electoral systems of individual and direct vote promote the good performance on the part of the politicians and repress deviant behaviors by enabling electors to identify, to monitor and to hold responsible the politicians whom they voted. It also points out another theoretical current which defends that widespread electoral districts assure the availability of good politicians and electoral competition capable of reducing their prevarication. In these terms, Hiroi examines the relationship between electoral systems and political behavior at the Brazilian Congress.

**Márcia Miranda Soares and Aline Burni** investigate the link established between federative dimension and electoral behavior. From the specialized literature, they indicate how federative arrangements may determine the electoral disputes and influence the definition of vote. By focusing the analysis on the Brazilian reality, the authors call attention to the national federative structure, supported on three autonomous levels of electoral competition: Federal Government, states and municipalities, for positions in the Legislative and the Executive. The ordering would allow the political parties to be organized into different jurisdiction areas, in addition to keeping bonds between them and the vote decision process. In face of this theoretical contribution, they analyze the impact of the national and state elections on the municipal ones of 26 Brazilian capitals, from 1994 to 2008.

**Márcio Rodrigo de Araújo Souza and Monique Menezes** focus their analysis on the experience of participative planning in the state of Piauí. The study starts from two premises: the first defends that the dependence of Piauí on resources from the Federal Government would leave little room for formulating specific public policies, complicating the accomplishment of priority policies regarded by the civil society. The second affirms that, even with the formal participation of society in the executive scope, it is observed that there is a lack of planning from the state government to accommodate the population's demands.

The text of **Luiz Fernando Vieira Vasconcellos de Miranda** discusses the relationship between corruption and accountability. The article seeks to demonstrate that there is a direct relationship between political transparency and the elector's positive or negative evaluation. Thereby, the more a government informs society of its actions, the larger will be the electors' capacity to evaluate the efficacy and the possibility of inhibiting abuses on the part of the political class. As regards the reliability of the electors on the politicians, the author seeks to show that it is related to the need for someone to be held accountable, that is, the existence of accountability.

This issue of *Political Connection Review* is completed with the book reviews written by **Leandro Molhano Ribeiro** and **Cláudio André de Souza**. Ribeiro summarizes the work "The impact of parties: politics and policies in democratic capitalist states", edited by Francis G. Castles, and Souza rates the book "Os sentidos do Lulismo: reforma gradual e pacto conservador" [The senses of Lulism: gradual reform and conservative pact], written by André Singer.

Teresina, July 2013.

Raimundo Batista dos Santos Junior  
Coordinator of the Postgraduate Program in Political Science at UFPI

# ANALYTICAL CHALLENGES FOR THE NEOINSTITUTIONAL THEORIES OF INSTITUTIONAL CHANGE IN COMPARATIVE POLITICAL SCIENCE<sup>1</sup>

Flávio da Cunha Rezende<sup>\*\*</sup>

**Abstract:** This article analyses the core critiques on institutional change theories within the neoinstitutional research agenda in comparative political science. It offers an explanatory typology using analytical challenges for the development of theories with new institutional approaches. This typology provides key critical issues that should be seriously considered by political scientists when analysing change. The framework suggests that the analytical challenges be posed in five interwoven dimensions: a) inclusion of institutional variables; b) agency and cognition; c) contextual sensitivity; d) increasing precision in the concept of institution (and institutional change); and, e) recursive interaction between agents and institutions in the process of institutional change. Based on these challenges, the article conducts a comparative analysis of the theories of change suggested by North and Aoki to understand how they deal with such issues.

**Keywords:** Comparative Political Science. Institutional Change Theory. New Institutionalism. Theory and Models. Research Design.

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<sup>1</sup> This paper was originally published in the Brazilian Political Science Review. It is now being published herein with the author's permission (Flávio da Cunha Rezende) under the permission of the Brazilian Political Science Review. The author thanks the National Council for Scientific and Technological Development (CNPq) for the financial and institutional support to the development of this work. The critical comments made by the anonymous peer reviewers of the Brazilian Political Science Review and by Emerson Oliveira do Nascimento contributed to the reorganization and improvement of the original version.

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## 1 Introduction

The study of institutional change continues to take up a prominent position in the research agenda of comparative political science. Considerable analytical efforts within this discipline seek to offer consistent interpretations and explanations of how and why political institutions are transformed in various contexts and under various conditions. In spite of significant advances in the provision of theories and models generated since the beginning of the last decade, political scientists have continued to question their effectiveness. Traditional models and theories have been deeply questioned, and the emergence of new conceptual, theoretical and methodological demands has challenged the new generation of comparativists. In this sense, the analysis of institutional change is generating a set of theoretical and methodological critiques considered fundamental to the development of comparative political science.<sup>1</sup>

These critiques have been formulated on the basis of theories originating within two of the main paradigms that orient analytical reflections in political science: new institutionalism and rational choice.<sup>2</sup>

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<sup>1</sup> The “new political science” that emerged in the 1990s has sought to redefine its epistemological, theoretical and methodological orientations. These redefinitions are taking shape in the direction of a growing commitment to theory-building, with causal explanations (Van Evera 1997; King, Keohane and Verba 1994; Brady and Collier 2004), and with a more rigorous connection between empirical data, formal methods and theory (Morton 1999; Bates et al. 1998). More than at any other time in the history of political science, there is a need to shift the traditional focus from the historical, contextual, descriptive approaches of traditional political science to commitments considered more “rigorous” and tied to explanation. Despite the strong tensions and fragmentation that characterize the programmatic universe of the discipline, such commitments have substantially affected the way knowledge is produced, with decisive impacts on typical modes of “explanation” in political science. (See Laitin 2002; Shapiro 2002; Shapiro, Smith and Masoud 2004; Marsh and Stoker 2002).

<sup>2</sup> A considerable part of these critiques derives from new models of interpretation and explanation of social phenomena generated on the basis of new institutionalism (North, 1990; Hall and Taylor, 1996; Immergut, 1998; March and Olsen, 1989; Putnam, 1993; Weaver and Rockman, 1993; Rodrik and Subramanian, 2003) and of rational choice (Coleman, 1990; Elster, 1989; Green and Shapiro 1994; Satz and Ferejohn, 1994; Friedman, 1996; Lichbach, 2003; Morris et al., 2004; Mac Donald, 2003). These paradigms introduced substantial redefinitions of the production and explanation of social and political phenomena.

Authors from these traditions continue to vigorously discuss about the limits and possibilities of the generation of more robust theories and interpretative schemes about change. In this sense, the field of comparative politics is generating the *reflexive conditions* for the emergence of new advances and methodological refinements. This work focuses precisely on understanding these critiques about change, taking the specific case of new institutionalism. Around which questions and problems do critiques of the theory of change take shape in the context of new institutionalism? And how does this generate new challenges — theoretical, methodological and epistemological — for political scientists? These are the central concerns of this article.

As stated by Hall and Taylor (1996), new institutionalisms in political science seek to understand how institutions emerge, evolve and change. For their part, March and Olsen (2006) say that in new institutionalism, authors start from the assumption that the existing institutional arrangements possess considerable causal power to explain how and why institutions emerge and are transformed. In comparative political science, the intense use of neoinstitutional theories since the start of the last decade has been responsible for a considerable expansion in supply, yielding a large and diverse set of studies on the possibilities of change.<sup>3</sup>

However, despite this arsenal of studies and research, several authors consider the existing set of theories generated by new institutionalism to be problematic to produce consistent theories about the complex problem of institutional change. This point is the principal challenge to the advance and consolidation of the institutional tradition in political science.

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<sup>3</sup> In comparative political science research, there took place an explosion of studies containing institutionalist analyses of institutional change with several configurations of empirical research: democratization (Alexander, 2001), constitutional change, transformation of electoral regimes, administrative reforms (Capano, 2003; Cheung, 2005), alteration of governance patterns (Putnam, 1993; Easton, 2004), Welfare State reforms (Torfing, 2001; Beyeler, 2003; Cox, 2001; Korpi, 2001; Pierson, 1994), sectoral reforms, fiscal reforms (Steinmo, 2003), mechanisms of diffusion of reform paradigms (Béland, 2005; Béland and Hacker, 2004; Campbell, 1998) and other traditional research domains.

This paper is situated exactly in the reflection on the constitutive dimensions of these critiques. It conducts a systematization of the critiques, as well as pointing ways forward for overcoming these critical points and the elements needed to generate neo-institutional theories of change.

The text is organized as follows. In the first section, it provides an explanatory typology,<sup>4</sup> systematizing the main critiques by neoinstitutional authors in political science. The analysis of the critique of institutional models reveals that, despite their diversity, the fundamental tensions are structured on the basis of four articulated dimensions: a) rational choice; b) conceptual separability; c) the premises of stability; and, d) the problem of the connection between ideas and institutions. These dimensions are presented in systematic (and not exhaustive) fashion to show how they impact the development of more effective institutional theories.

Next, the text turns to a set of themes and problems — understood as *analytical challenges* — considered indispensable for one to construct more refined theories and models starting from institutionalist assumptions. One seeks to understand which would be the elements and questions considered essential for analysts to be able to adequately deal with the problem of change in future ventures in the field of comparative political science. It is suggested that the possible paths articulate five dimensions: a) the inclusion of institutional variables; b) agency and cognition; c) contextual sensitivity; d) greater precision in the concept of institutional change; and, e) strategic and recursive interaction between agents and institutions. The article specifically discusses how these elements should ideally be treated in the construction of models and theories for the case of new institutionalism.

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<sup>4</sup> Elman (2005) considers explanatory typologies to be crucial resources for the comparative qualitative analysis of theories. Such typologies are constructed based on the logical implications of a theory, with a focus on differentiating the patterns and types of causal relations it contains. Explanatory typologies differ from inductive typologies, which are quite common in the social sciences, given that the latter are constructed on the basis of empirical evidence, while the former are constructed on the basis of theories and their elements: concepts, variables, hypotheses and mechanisms.

Lastly, and in the light of existing critiques and of the frontiers of refinement mentioned in the two sections, it offers a comparative analysis of two theories of change that take on board significant innovations in the treatment of the theme in the context of the new historical institutionalism, namely those by North (1990, 2005) and Aoki (2001, 2007), so as to illustrate how refinements in institutional theories of change have been processed.

## **2 Emerging critiques about change in the neoinstitutional debate**

This section presents the main emerging critiques within the neoinstitutional debate. These critiques are systematized on the basis of the concept of explanatory typology suggested by Elman (2005). A presentation of the main narratives around the critiques and their implications for institutional change theory is attempted. The fundamental tensions produced in this debate are structured in four areas: a) the limits of rational choice approaches; b) the problem of conceptual separability; c) the premises of stability; and, d) the problem of the connection between ideas and institutions. These critiques produce the five analytical challenges with which we deal in the next section.

### *2.1 The limits of rational choice approaches*

Despite being very useful when it comes to interpreting *phenomena* that relate to the creation of new political institutions, agency models inspired in rational choice theories — amply influential in contemporary political science analyses — are not capable of dealing satisfactorily with the analytical demands present in the treatment of the problem of institutional change.

Traditional models from rational choice theories in political science basically suggest that processes of institutional change should be understood based on alterations in the *equilibria* position by the strategic interaction of rational agents (or agents with limited rationality). Institutions represent *equilibria* built to overcome *dilemmas* of collective action, to reduce transaction costs and to reduce the uncertainties in

the interaction of social agents in politics. Rational agents would be capable of producing institutional designs that tend to persist over time.

Institutions represent positions of *equilibrium* created from the structure of incentives and opportunities that rational agents face. The central critique of these models rests in the basic fact that they consider self-enforcing assumptions. This notion that institutions cause incentives for their own maintenance is a problematic one, if political science is to explain change in institutions based exclusively on agents' choices. How to account for processes of alteration in institutional arrangements starting off from rational agents if these supposedly suffer the costs associated with change without the assumption of analytic recourse to causes or factors considered *exogenous*?

It is widely known that interactionist models centred on rationality fail in their explanation of institutional change based on these assumptions — rationality, self-enforcement and recourse to *exogenous* factors. Such assumptions would be more useful for one to understand processes related to stability and order, as opposed to dynamic processes of institutional change.

Greif (2006) considers that when game theory models are applied to the problem of institutional change they suffer severe limitations. Classic theory is silent with reference to the problem of cognitive sources that produce given behavioural choices by agents in relation to the construction of new institutions. Cognitive dimensions get reduced to the supposition of a “common knowledge” that each agent possesses about the context, the causal relations, other agents' preferences and a range of other important parameters for the decision about rules. *Endogenous* theories of institutional change should be more attentive to the question of social transmissibility of cognitive systems over time. Traditional models are highly limited to deal with the problem of cognition and reduce the question to the optimization of rational choices.

Greif and Laitin (2004) consider that the main challenge for these models lies in dealing satisfactorily with the following question: “*how to explain that institutional change is generated endogenously, i.e., based on institutional variables?*”. Explanations in the ambit of this tradition of analysis end up resorting to a set of *exogenous* variables to explain

changes in the position of *equilibrium*, therefore not managing to understand how the institutions themselves produce — or fail to produce — institutional change.

One of the possible routes to solve this in political science has been to resort to models of “analytical narratives” (Bates et al., 1998), which attempt to explain institutional change based on models of rationality, adding in elements relating to the context, processes and narratives of the agents. The basic transformation is to conceive of institutions as extensive-form games, rather than as Nash *equilibria*, i.e., positions that, once created by the agents, do not generate incentives for their alteration. Once institutions come to be seen as extensive-form games, analysts can seek to understand *equilibria* based on specific sub-games (cases). Therefore, analytical narratives innovate when they attempt to avoid the well-known problems involved in the imputation of preferences to the agents in rational choice models and to penetrate deep inside the basic processes of preference-formation — fundamentally, in the mechanisms involved in institutional change processes, considered essential to political explanation.

## 2.2 *The problem of conceptual separability*

Another powerful critique present in institutionalist debates rests in the fact that institutional theories of change suffer from important *dilemmas* of “conceptual separability”. This problem emerges decisively when analysts need to specify institutional variables relevant to the explanation. Two basic levels of conceptual separability are strongly taken into account in the analyses: a) those between structure and institutions; and, b) those that relate to institutions and the intentional (and non-intentional) effects generated by them.

At the first level, it is usually recognized that the dividing lines between institutions and structure are tenuous, configuring two basic types for political scientists. The first lies in analysts’ ability to discern with reasonable levels of accuracy (and operationalization in specific cases) what actually constitutes an institutional variable. Analysts run the risk of producing structural and non-institutional models in the face of this imprecision, owing to a problem of specification of

institutionalist variables. In this sense, institutional models might be generating only new structural explanations.

The second relevant problem is associated with the *dilemmas* that analysts encounter to make the claim that institutional variables that actually matter for one to comprehend processes of institutional change. How can analysts tell whether the institutional variables are the ones that *really matter* when explaining change? And, more broadly, how to differentiate institutions from specific structural effects (intentional and non-intentional)?

Ferejohn (2006) considers conceptual separability between institutions and agent behaviour a problem for practical institutionalism, i.e., that concerned with understanding empirical processes of institutional reform. He argues that the inseparability between institutional arrangements and the behaviour of human agents associated with them makes institutional variables suffer from problems when one tries to understand change on the basis of causal models. If institutional models could be *autonomous*, it would be possible to choose institutional variables dissociated from behaviours associated with them, as is usually done in positive political theory and rational choice models. These models usually consider that institutions represent formal restrictions to the agents and their choices, and leave aside important questions relating to the fact that institutions and behaviours are analytically inseparable. *Might institutional variables be relevant when it comes to understanding change?*

Przeworski (2004) offers an answer to this important question. He argues that institutional variables in fact do not have an *autonomous* role to play in explanations of change. This is due to the *exogenous* nature of institutionalist premises. Institutional models suffer considerably from a problem of connection between social structure, institutions and associated effects. Analysts face considerable difficulties in specifying what really matters in institutions. Given that structural conditions mould institutional arrangements, how might we tell whether what really matters to explain change is related or not to institutions? The advance of institutionalist theories largely depends on analysts' ability to analytically "isolate" institutions' conditions, and then gain a finer understanding of the causal mechanisms of *endogenous* institutional change.

A plausible alternative for overcoming these limits suggested by the author is more intensive use of comparative research to account for contextual variations and to gather under what conditions institutional variables effectively matter. Fundamentally, the explanation of institutional change in political science requires an added dose of scepticism in relation to the status of institutional variables.

### 2.3 *Premises of stability*

The third source of criticism resides in the premises of stability and persistence of institutions. The assumption that institutions must be relatively stable to be considered analytically reduces the capacity of neoinstitutionalist models to deal with processes of change. In this sense, several authors consider that neoinstitutionalist theories suffer from a “stability bias” and are therefore more suited to explain *phenomena* linked to the institutional genesis and the maintenance of order than to change.

For one to be able to state that institutional variables are analytically relevant, it is necessary for models to take into account assumptions related to stability and order. This assumption is typical of the first generation of neoinstitutionalist studies, in which models start off from the idea that it would not be possible to study the influence of institutional arrangements on the formation of agents’ preferences, on the construction of actors’ identity, on strategic action and on decision-making processes if the theories did not have assumptions centred on the stability, persistence and durability of institutional arrangements.

More recent critics of institutionalist models take two paths: one is a theoretical critique, the other, an empirical one. The theoretical critique derives from the basic fact that institutionalist models should be more attentive to producing *endogenous* theories of change, i.e., theories that admit the smallest possible dependency on *exogenous* factors or causes, as models are usually constructed. Various authors consider that the weight placed on non-institutional causes to explain change end up discrediting the analysts of change in this tradition. On the other hand, one must consider that theories and models should

be more in tune with the important fact that in the empirical world, institutions do not have as much stability or persistence as is usually assumed in theory.

Peters (2000) argues that institutionalist theories possess reduced adaptability to include dynamic elements involved in the analysis of change. He suggests that institutional theories are more adequate to explain differences and variability between institutional types than to explain processes of change. In order to analyse change, neoinstitutionalists usually resort to a type of rupture with legacies of institutional stability generated by critical events *exogenous* to the institutions.

Hall and Soskice (2003) consider the problem of change to be the weak point of institutionalist theories. Conceptions of change are usually dealt with based on punctuated *equilibrium* models. In these models, formulations that consider a “clear analytical demarcation” between moments of stability and moments of rupture and change are typical.

The basic conception of this kind of model derives from the original formulation by Katznelson (2003), who looks at change generated at critical junctures, when one finds a reconfiguration of relations between structure and agency. Models usually consider that during periods of stability, structure prevails over the agents, and at times of change, the agents prevail over the elements of structure, and therefore have causal power to explain processes of change. Critical junctures create more latitude for agents to undertake change on the basis of new institutional choices.

Another conception derived from the premises of stability is the analysis centred on the legacies of path-dependent trajectories that are usual in politics (Mahoney, 2000; Pierson, 2000, 2004). Typical arguments around change derive from new choices by agents at critical junctures, when positive feedbacks are radically altered. Harty (2005) suggests that the principal critique of the models rests in the fact that the theories must be able to account for change taking institutional variables into consideration. The idea that critical junctures reduce, suspend or eliminate the costs associated with change does not turn out to be analytically reasonable.

Gorges (2001) argues that neoinstitutionalist explanations for change usually fail to spell out clearly the *specific conditions* under which institutions produce institutional change, as well as to explain the causal patterns and mechanisms<sup>5</sup> involved, given that there is a strong tendency to associate change with *exogenous* factors. Strong premises of order and stability, high causal complexity, strong appeal to the notion of embeddedness in institutional matrixes and dependency on *exogenous* variables to explain change end up complicating the analysis of processes of institutional transformation and reform.

He argues that the first of the two problems is more urgent to the development of neo-institutional theory and that adherence to the assumptions of path dependency inhibits the production of endogeneity that is necessary to understand better change and its diversity. Neoinstitutionalist approaches end up being problematic for one to understand change owing to the fact that they are generated by punctuated *equilibrium*, drastic ruptures with institutional orders produced by changes in *exogenous* conditions. This bias significantly reduces the *endogenous* understanding of the causes and conditions that produce change. Upon being exogenously determined, change usually confers little attention on the problem of agency.

Lieberman (2002) argues that institutional theories of change suffer from three decisive problems: reductionism, exogeneity and the primacy of structural elements over elements of agency. A considerable part of the theories is geared to explaining elements of stability, coherence and the production of *equilibria*. The fundamental question to be answered is: “how can analysts explain dynamic and highly complex processes starting off from stable causes such as institutions?” Given this impasse, contemporary institutionalist explanations would be immersed in the well-known trap of “regress to infinity”: to explain

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<sup>5</sup> Explanations centred on causal mechanisms (Elster, 1989; Hedström and Swedberg, 1996; Hedström, 2008) are getting more space in social science and political science. Gerring (2007) takes the view that explanations through mechanisms are more and more frequent in the social sciences. However, it is concept, laden with tensions and ambiguities. He argues that there exist nine typical meanings for this concept, but there is a core conception according to which a mechanism represents “the pathway or process by which an effect is produced”.

institutional change, it is necessary to attribute causes and factors situated in a previous change, in initial factors and conditions, and so on. This style of analysis ends up eliciting crucial *dilemmas* for analysts to confront the problem of “preceding variations”.

These models typically lead to *exogenous* conceptions of change. The important question to be answered by institutionalists should be: which conditions produce critical junctures and how do these really affect processes of institutional change? Institutional models are powerful to explain processes of stability and institutional reproduction, but are fragile to understand processes of change over time.

Several authors converge towards the fact that neo-institutional models and theories lack fertile conceptions that permit one to comprehend elements of gradual, *endogenous* change in depth, and, especially, the diversity intrinsic to processes of change. The refinement of historical institutionalist models takes off from the idea that it is necessary to overcome the typical determinism that the notion of legacies confers on the analysis of institutional change.

#### *2.4 Ideas and institutions*

Another source of limitation for institutional theories of change lies in the questioning of the actual capacity of the models to generate explanations combining ideas and institutions. Some authors take the view that the survival of institutionalist explanations in contemporary political science depends on analysts managing to find satisfactory ways of introducing the explanatory power of agents' ideas over institutional transformations.

Lieberman (2002) points out that the survival and evolution of institutional models in political science necessarily implies *bringing ideas back in*. Institutional models and theories have shown themselves to be limited in terms of incorporating variables that take into consideration important aspects related to processes of formation of beliefs, of structuring of preferences, elements of knowledge, understandings and expectations, which in his eyes would be central “variables” to conceive of change based on the interaction between agents' mental models and the institutional fabrics where they are situated and operate the change.

Introducing variables relating to ideas or ideological matrixes in the broadest sense might be an excellent point of departure for the connection between dynamic processes of change because they open up the possibility of incorporating agency and its chances of altering structural restrictions, largely overcoming the problems of exogeneity, the imperatives of stability and legacies. Ideas play a decisive role in the creation of new institutional arrangements and analysts must seek variables associated with ideas. These would need to be given better consideration in order to account for the causal mechanisms that produce change.

Although arguing that ideas and institutions matter decisively is relevant, it does not suffice to explain how these ideas matter more effectively under specific historical conditions. The question of to what extent ideas of institutional reform are produced or caused by other social, economic and historical factors has not been specified much by recent models. Moreover, it is important to consider that a large part of institutionalist explanations are too limited to explain the “origin of ideas”, and even the specific conditions under which norms and values are diffused and implemented in different contexts.

Analysing the case of change in institutional patterns of social policy provision, Beland (2005) argues for the need to include factors related to ideas to complement variables related to the legacies of public policies. When confronted with the necessity of understanding and interpreting change, he considers that analysts must permit models to take into account the mechanisms through which policy entrepreneurs resort to ideological matrixes to suggest the creation of new institutional alternatives. Beland suggests that understanding public policy change based on models constructed in the new historical institutionalism depends to a large extent on the capacity to seriously consider analytical categories that deal with the role of beliefs and values that bolster a new institutional matrix. Consistent theories of change should work in more balanced fashion, incorporating institutional variables (legacies and formal and informal institutions) and ideas. The notion of policy ideas emerges as a possible category to deal with agents’ principles and values linked to certain policies and institutional designs.

Models centred on agenda-setting theories show that ideas about institutional models that try to capture policymakers' attention are situated at two levels. Firstly, they belong to policy paradigms that consist of models and principles about causal beliefs, which produce credible paths for reforms. Secondly, the agents in the political and bureaucratic arenas try to obtain the most popular support for the changes proposed.

To the analytical models within the new historical institutionalism that allow for a better reading of change, the concept of social learning is associated. In it, one considers the explanatory power of the analytical categories associated to ideas as fundamental to the interpretation of processes of institutional change. This concept permits one to consider three articulated elements: a) the importance of cognitive elements and the intellectual formulations of the agents as decisive mechanisms in the process of production of public policies; b) a reaction to existing institutional models; and, c) the crucial importance of making room in models for the role of public policy experts who work with relative autonomy from political and bureaucratic agents.

Lieberman (2002) suggests that institutional theories can more adequately interpret complex processes of institutional change when reconfigured on the basis of an ontology of politics as "situated in multiple and not necessarily equilibrated order". This conception requires processes of change to be interpreted as being generated on the basis of tensions (frictions) between institutional models and ideas. Political orders are laden with uncertainty and ambiguity, thus significantly increasing the potential to produce change.

He considers fundamental the introduction of variables associated to ideas and values, by far overcoming the reductionism of institutional theories in political science that tend to understand political conflict and cooperation by means of decisions by rational agents situated in a one-dimensional space, based on a given structuring of preferences. The introduction of ideas enhances the chances that the models may confer the multidimensional nature typical of political *phenomena*, as well as allow analysts to "be able to leave aside" the premise of considering the interests and beliefs of the agents as being fixed and given, as in usually done in traditional rational choice models.

The key to the interpretation of change rests in understanding how tensions between institutions and cognitive models can, under specific conditions, drive the reformulation of incentives and strategic opportunities for political agents. Therefore, the adequate approach suggested by Lieberman (2002) would not permit emphasis on ideas or on institutions in isolation. It is precisely the interaction between these models that allows for a more satisfactory comprehension of change. The model's basic hypothesis would be that the probability of abrupt political change (as opposed to a normal variation) will be greater under conditions where the level of tension between political orders is more prevalent.

The model's essential analytical category is the decomposition of the notion of a single political order; rather, it considers to what extent its constituent parts get superimposed, integrated or conflict with one another, and how these configurations produce change. One comparative advantage of this model is that it considers as much the institutions as the "ideas in interaction", as basic constitutive elements of an explanation. In analytical terms, this situational and relational comprehension of change allows elements associated to the specific way in which the variables (or causes) are articulated under specific historical conditions to be considered, expanding on traditional models that emphasize the causal power of legacies in determinist fashion.

One application of the approaches centred on the idea of friction between multiple orders is offered by Weir (2006), for public policy reform. She suggests that two analytical strategies are appropriate to understand change from the point of view of causal powers situated in agency: institutional dissonance theories and the analysis of processes of configuration of agents' strategies.

Institutional dissonance theories start from the assumption of the coexistence of multiple institutional orders. Institutional change is understood — similarly to Lieberman's (2002) model — as being constituted by an emergence of "processes of institutional friction" between these multiple orders and their different logics, with reference to the production of public policies. The strategic role of agents, situated in different institutional domains, in the production of the process of change becomes decisive.

On the other hand, approaches that focus on the construction of agents' strategies start from the assumption that agents should be understood as "complex organizational entities", inserted in multiple institutional networks, and that set up their strategies based on a situational and relational logic. The analysis of change must pay attention to the internal processes by which agents configure (re-configure) their interests and strategies of action, as well as the mechanisms by means of which they manage to obtain political support for the strategies of change in a complex institutional environment.

Smith (2006), although considering that multiple order models are of fundamental importance to the advancement of more consistent theories on change in political science, offers a critique of Lieberman's (2002) model, by drawing attention to the analytic need for defining more precisely the concept of "multiple orders". It becomes important to differentiate between institutional orders and analytical categories related to ideological traditions or ideational orders. Analysts must seek to introduce variables related to ideas that may ensure greater coherence, meaning and direction to institutions.

Historical institutionalists in comparative political science do not work with institutional categories that allow one to treat ideas adequately in their theoretical models. Institutions carry ideas but cannot be reduced to elements merely related to ideas. Smith (2006) considers that the purposes, rules, norms, roles and patterns of behaviour in institutions are manifestations of agents' ideas. *Phenomena* like the creation and maintenance of institutions cannot be understood if dissociated from the ideas of the members of the coalitions that support them. Smith takes the view that more models with more sensitivity in relation to ideas and institutions are fundamental to comprehend processes of change.

### **3 Analytical challenges to the generation of institutionalist theories of change**

Once reviewed the arguments around the main critiques of the efforts of theory and analysis about institutional change in the new institutionalism, it becomes necessary to present an agenda of problems

considered “essential”, to be confronted in the formulation of new models and theories. These we will call “analytical challenges” here. Due attention to these essential questions will allow analysts to have greater chances of developing more consistent routes towards institutionalist interpretations in the field of comparative political science about the always complex problem of change. In this section, we will approach the following problems that may be considered decisive: a) the centrality of institutional factors; b) inclusion of agency and cognition; c) contextual sensitivity; d) conceptualization of institutional change; and, e) recursive interaction between agents and institutions.

**The Centrality of Institutional Factors** – The first analytical challenge of key interest is located in the question of deepening one’s comparative knowledge on institutional factors or causes that lead to processes of change in specific contexts. Theories must clearly specify what the institutional variables are and how they produce mechanisms associated with change. Satisfactory theories cannot be built just by attributing change to *exogenous* factors or to radical alterations in institutions’ external environment. A decisive point is showing that there exist causes internal to institutions that produce processes of change, either in isolation or combined with *exogenous* elements.

In this sense, as argued by Mahoney and Thelen (2010), analysts must be on the alert, so as to adequately deal with the problem of theorizing about the causes and variations of *endogenous* change. The authors suggest that it is necessary to understand more closely which institutional properties create possibilities for the production of change, and how agents formulate behaviours and strategies that unleash such change.

**Inclusion of Agency and Cognition** – The second challenge for analysis lies in considering the potential created by models and theories to include causal factors associated with agents and their cognitive models. The inclusion of these elements allows for a better understanding of how and under what conditions agents reflexively generate processes of change in institutions. One is not merely talking about including variables closer to agency rather than structure. Rather, the point is making conceptual and analytic room to understand how and why institutions change based on the reflexive interaction of agents

with institutions. Understanding how rational agents (or agents with limited rationality) interpret, create interests, identities and representations in the political calculation of the strategies of change remains a considerable challenge. Models centred on cognitive factors still constitute “outliers” in the range of institutionalist theories of change in political science.

**Contextual Sensitivity** – The third analytical challenge rests in the question of how to include contextual elements in a theory of institutional change. There is considerable latitude for convergence of the argument that contexts are decisive for one to understand the specific way in which complex processes of production of new institutions occur on the basis of elements that integrate the context with the resources available to agents. Ostrom (2008) considers that more consistent theories on institutional change should be more attentive to the issue of the emergence of forms and variations in strategies of change in multiple contexts and configurations. Analysts should avoid the temptation of promoting theories and interpretations devoid of contextual sensitivity. Contexts are fundamental analytical categories for one to understand the specific conditions under which preferences, choices and agents’ action strategies are structured in the face of the policy for the choice of new institutional arrangements.

**Conceptualization of Institutional Change** – Another challenge that seems essential to the advancement of institutional change theory relates to what actually constitutes change. Models and theories must be attentive to be more precise regarding what it is they are dealing with as “institutional change”. Given that the occurrence of *phenomena* associated with changes exhibit great variability of forms and mechanisms, it is necessary to define more clearly what is being considered in each analysis (or set of analyses) about patterns of specific change in institutions.

One of the clearest steps in overcoming this challenge is for theories of change to draw closer to middle-range theories to create theorizations that deal in differential forms with differential *phenomena*. Often what analysts consider institutional change could be simply termed an incremental adaptation or review/reorganization of institutions.

Defining more accurately what institutional change is in each analysis (or cluster of analyses) can deal with the issue of comprehending more adequately how and when processes of institutional stability permit one to include considerable elements of “institutional adaptation” or series of sequential reforms.

Thelen (2009) argues that the reflection on what in fact constitutes an institutional change represents one of the main points of inflection in the contemporary neoinstitutionalist debate. New theories should avoid starting off from the premise that institutions are stable and persistent. Rather, they should include dynamic elements that may understand incremental, gradual and adaptive change in institutional arrangements. Institutions are durable and persist because there exist agents that produce collective action to maintain the institutional models. More consistent theorizations, such as the theory of gradual change proposed by Mahoney and Thelen (2010), represent a first solid step taken by the new historical institutionalism towards the progress of a new generation of theories.

Recursive Interaction Between Agents and Institutions – Harty (2005) suggests that models ought to seriously consider the problem of why agents should seek change in the face of the benefits of stability and institutional persistence. Consistent theories must account for processes that unleash institutional changes and consider two options as fundamental to the explanation: a) the connection between loss of legitimacy and institutional change; and, b) the question of the costs involved in the change. These options permit one to deal with the interaction between agents and institutions as a central process in the analysis. Theories must turn their attention to an analysis of the conditions under which agents initiate processes of change. The idea that there exist favourable institutional opportunities for change to be produced by agents must be seriously considered. The search for plausible explanations for processes of change seems to be closer to models that incorporate the interactions between agents and existing institutions as a problem of resources, and agents’ ability to transform legacies to produce new institutions. The advantage of an approach centred on resources — material and immaterial — is that it allows analysts to shift the focus of an analysis to the costs associated with the choice of new institutional models.

Chart 1 systematizes the set of analytical challenges, the fundamental questions raised for the institutional change debate and possible effectiveness gains for theories mindful of such problems.

Chart 1 – Analytical challenges, fundamental questions and impact on the theoretical effectiveness.

Analytical challenge	Basic questions to be answered for models	Impacts on theory's effectiveness
Centrality of institutional variables	<p>How to specify clearly which institutional variables matter?</p> <p>How to understand change with institutions as the starting point?</p> <p>How to identify the key mechanisms generated to produce change?</p>	Increase in models' endogeneity level. Allows for more intense understanding of how institutional aspects are relevant in the various types of institutional change.
Inclusion of agency and cognition	<p>How to include causal factors associated with agents and their cognitive models?</p> <p>How to include analytical categories associated with agents' reflexivity?</p>	Increase in the power to understand and interpret processes of change based on mechanisms of reflexive interaction between agents and institutions.
Contextual sensitivity	<p>How to include elements related to context and culture?</p> <p>How to conceptualize and operationalize elements relating to the institutional (and non-institutional) context?</p>	Increase in the capacity to understand how the conditions generated by the context affect dynamic processes of institutional change.
Conceptualization of institutional change	How to define accurately what institutional change is in each analysis (or cluster of analyses)?	Greater conceptual precision about the various types of change that are usually analysed in each class of theories about change.
Recursive interaction between agents and institutions	How to include more clearly the recursive interactions between agents and institutions?	Enhancement of explanatory power regarding the costs associated with processes of institutional transformation based on agents' mental models.

Having gone over the analytical challenges for the development of institutional theories, we turn in the next section to the comparative analysis of two contemporary theorizations that are heedful of some of the recommendations generated by the neoinstitutionalist debate on institutional change: the models by North and Aoki. The analysis of these theories will demonstrate how they offer plausible alternatives to

the treatment of these problems and of the critiques put forward in comparative political science debates.

#### **4 Institutional innovations in the analysis of institutional change**

In this section we explore the perspective of *analytical challenges* to compare two models of interpretation of change, those proposed by North (1990, 2005) and Aoki (2001, 2007), in the context of new institutionalism. The purpose is to understand how these authors responded to the analytical challenges in building models to deal with complex processes of institutional transformation. The analysis attempts to cover the principal innovations suggested by the two authors in order to refine institutionalist theories of change.

##### *4.1 North and the incremental change of institutions: from adaptation to cognitive models*

The first theoretical case presented in this section is the theory of incremental change proposed by Douglass C. North in the book *Institutions, Institutional Change and Economic Performance*, published in 1990, and refined in *Understanding the Process of Economic Change*, published in 2005. The refining of the model of analysis shows how the author develops his arguments about change so as to gradually respond to the analytical challenges raised by the institutionalist theory of change.

The original model proposed by North in 1990 is grounded in the concept of incremental change typical of the neoinstitutionalist tradition in economics and political science. The author bases himself on the well-known evolutionist tradition of economic thought that associates — as formulated by pluralist and neo-pluralist authors in political science — changes to processes of adjustment of values at the margin, as suggested in the “muddling through” model originally proposed by Lindblom<sup>6</sup> (1959) in his analysis of public policies. North

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<sup>6</sup> Lindblom (1959) argues in favour of the method of successive limited comparisons. He conceives of change based on the pluralist assumption that institutions

proceeds to combine the ideas of the new historical institutionalism, especially the conception of path-dependency, with the argument on transaction costs, typical of the new economic institutionalism. Incremental change is affected by existing institutional legacies, as well as by transaction costs associated with reform processes.

With reference to the specific way in which North's model deals with the problem of conceptual separability, the model offers a clear distinction between organizations and institutions. Organizations analytically represent the agents that conduct the processes of change, while institutions are treated as formal and informal rules with which agents interact strategically in the process of creation and transformation of institutions. This important analytical distinction allows one to understand how in each case the processes of incremental change result from the intentional action of organizations.

The elements relating to contextual sensitivity are also markedly present. North proposes to account for factors relating to the context in which agents and institutions are interacting based on the notion of efficient adaptation. Processes of incremental change are produced by diverse mechanisms of efficient and gradual adaptation to the context. He suggests that institutional theories should direct their energies at understanding the diversity of processes of adaptive efficiency in each context (i.e., under different configurations of conditions). Based on this understanding, analysts can say in more detail how institutional variables effectively have causal powers to explain the mechanisms of institutional change.

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(understood as public policies) change over time incrementally rather than discontinuously. This is so because change results from a complex process of "muddling through", i.e., a gradual adjustment of new institutions (policies) to the values of agents in the decision-making process of institutional choices. Changes must be understood on the basis of mechanisms of small adjustment at the margins. These processes take shape as agents direct their attention at values that vary very marginally in the new institutions in relation to the pre-existing institutional arrangements. Institutions change based on a set of small gradual changes, through mechanisms of gradual acceptance of new values. In the incremental model, it is fundamental to consider that patterns of radical, discontinuous or non-incremental change are typically thought of as politically irrelevant and containing unforeseen, undesirable consequences for reformers.

The treatment of institutions in the incremental model proposed by North suggests a pattern of recursive interaction between agents and institutions. These are understood as having a dual role for organizational agents. The duality consists in dealing with institutions at two articulated levels. If on the one hand institutions structure their strategic processes of acquisition of knowledge and abilities, on the other, they act as a restrictive element, limiting the maximization of opportunities to individual agents endowed with rationality. The attention paid to the elements of context permits analysts to identify how processes of acquisition and mobilization of resources occur within specific processes of change.

The idea that institutions create means of making resources available to agents is the central point of change theory. North suggests that organizations are more prone to promoting changes starting from a systematic movement of acquisition of resources considered “critical”, commonly treated in political science literature as knowledge and ability resources. Agents’ capacity to carry out the acquisition of critical resources in each context in order to promote changes largely explains the differential capacity to promote processes of change.

Typical institutional change generating mechanisms suggested by North are change in the structure of incentives (understood in economic language as a change in relative prices) and alterations in agents’ preferences. In this sense, it combines elements *endogenous* to institutions with elements of agent choice, i.e., in organizations. As commented earlier, processes of change are produced by a political calculation of “marginal adjustments” to the institutional values of the context. This context may be understood as a set of norms, rules and structures of voluntary obedience (compliance) contained in the institutional structure that can be operationalized in each analysis and specific case. Institutions tend to produce configurations of incentives for agents to be able to invest in the acquisition of knowledge and learning, to induce innovations, absorption of risks, enhancement of creativity and availability to solve problems of collective action associated with the creation of new institutions.

The interpretation of processes of institutional change in the incremental model is grounded in the following argument:

“significant transformations in the structure of incentives present in institutional rules tend to promote alterations in the perception that the agents involved have of the benefits and costs generated by the contracts that govern relations in existing institutional arrangements”. The configuration of new preference structures is associated to a calculation by agents in terms of costs (and benefits) in the face of the expectation of the construction of new contracts. Institutional changes involve the mobilization of uncertainty about new rules, which tend to raise substantially the transaction costs associated with processes of change.

Changes involve high transaction costs and uncertainty for the agents, given that decision-making processes about the “reform policy” are embedded in existing institutional arrangements. In order to promote changes, agents must act strategically to mobilize the uncertainty produced by the attempt to alter institutional incentives. Institutions produce a gradual erosion of norms and the introduction of new informal rules, which are decisive for agents to create room for transformative action. Institutional reforms are often laden with mechanisms typical of the “politics of institutional choice” analysis in comparative political science, such as agenda-setting and veto power, *dilemmas* of collective action and non-anticipated effects.

In this sense, the informal dimension of institutions becomes an element of crucial importance to understand change. Informal institutions’ main role would be to modify, supplement or complement formal rules. North argues that it is fundamental to consider in the analysis that institutional changes to formal rules gradually generate new informal *equilibria*. The model suggests that analysts should understand how continued interaction between formal rules, informal rules and the mechanisms of enforcement and monitoring of rules get processed.

Culture plays an important role as a factor to explain why reforms are more likely to occur in certain contexts and under certain conditions than others. Culture must not be seen as an invariant, but as possessing aspects related to natural selection and social learning, as well as to randomness. Culture plays a crucial role in the production of change in elements of informality.

North suggests that one of the decisive points for change theory is that formal rules get altered, while informal institutions (understood as restrictions) do not vary in such elastic fashion.<sup>7</sup> Granted, there emerges a continued tension between the informal institutions and the new formal institutions, which are usually inconsistent with each other. Informal institutions, conceived of as gradual evolutions of pre-existing institutional arrangements, tend to continuously demand new formal institutions. It is in this sense that the question of cultural heritage becomes decisive. It reflects the fabric of institutional arrangements produced by agents over time; these are endowed with considerable power to resolve transaction *dilemmas*. This tension increases the chances of incremental change.

The incremental model proposed by North was expanded in 2005, when he conceived of a new theory of economic change. In it, he adds elements to further emphasise agents and the role of intentionality in contexts of limited rationality. In the new model, the understanding of change is refined based on the assumption that agents have the ability to interpret and act reflexively about new institutional alternatives. Agents' reflexivity is situated in culture and context, and matters decisively to explain why institutions vary beyond factors linked to policy legacy or even the notion of efficiency connected with transaction costs.

The basic source of agents' intentionality derives from the crucial role of uncertainty that institutions face, given a context of constant mutability. North seeks to integrate cognitive elements in the sense of including elements relating to the formation of beliefs and to agents' capacity for reflection. He dives deep into questions of the formation of beliefs, of relations between agents and of institutional arrangements. The basic argument developed by North is that agents construct their beliefs and mental models based on how they understand the normative elements of institutions.

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<sup>7</sup> Helmke and Levitsky (2006) argue that variations in the stability of informal institutions depend essentially on the type of institution one analyses. Three basic factors explain change in such institutions: a) changes in formal institutions; b) changes in the structures of distribution of power and resources between agents; and, c) changes in shared social beliefs and collective experiences.

However, he puts special emphasis on the crucial role of the beliefs and values of agents (organizations) in bringing about change. These strategic agents' choices are limited by structural restrictions. The basic mechanism of change suggested is the perception of reality, adaptation and revision of beliefs by agents, production of institutions and intervention in reality via new policies.

#### *4.2 Aoki: reflexivity and mental models in institutional change*

The second case analysed in this section is the model developed by Aoki (2001) in the field of political economy for the analysis of institutional change. This approach represented a significant innovation in relation to traditional approaches in the new institutionalism. Using the tradition of game theory, the author responds to the analytical challenges of theories of change by suggesting a re-conceptualization of institutional change and by introducing greater latitude to agents' explanatory powers on the basis of cognition. He suggests a rupture from the conception of institutions (and institutional change) as *equilibria* for one to be able to actually understand how and why institutions change, especially owing to factors considered *endogenous*.

The basic argument put forward by Aoki is that refining institutionalist conceptions of change requires conferring explanatory power upon agents' cognitive elements in the face of changes in *equilibrium* positions. Changes, conceived of as shifts in the *equilibrium* position, produce significant alterations to models of representation of strategic agents involved in the politics of institutional choice. More robust models should allow for conditions to find more satisfactory forms of integration between the formal and informal dimensions of institutions. And, according to Aoki, one possible route for this is the inclusion of elements of agency and cognition present in agents' mental models.

In this sense the model innovates by responding to the problem of the inclusion of agency: it takes seriously the inclusion of elements relating to the behaviour of agents instead of the traditional concern with rules. The main innovation lies in the fact that institutional change is an alteration of agents' expectations, and not produced by rules.

Transforming institutions is not only about transforming the rules of the game (formal or informal). Rather, it is about understanding how agents' expectations and mental models are "altered", with the threat of institutional change as the starting point.

Aoki's fundamental criticism of traditional models of strategic rationality in the new institutionalism focuses essentially on the limited conception of considering institutions merely as rules. He argues that this conception is rather restrictive, especially when one is dealing with understanding change based on elements *endogenous* to institutions. Processes of institutional change should be analysed on the basis of categories related to elements situated in agents' mental and cognitive models, regarding changes in positions of *equilibrium*.

The problem for Aoki is in the conception of institution and of institutional change. He suggests that as institution be understood as a summary representation of just a few "visible" characteristics of a position of dynamic *equilibrium*. Institutional change is in fact a contingent transition to a new position of *equilibrium*, one that causes direct impacts on agents' mental models. Far from understanding the role of path dependency in deterministic fashion, and from conferring causal powers on *exogenous* elements with the occurrence of "critical junctures" as do historical institutionalists, institutional change depends on how agents — situated in the institutional reality and endowed with limited rationality — "interpret" change and its effects. In this sense, Aoki suggests that agents' reflexivity should constitute an essential category for understanding processes of institutional transformation. Traditional new institutionalism is not on the alert as to these categories from agents' viewpoint, even in its versions that are closer to cognition and mental models, such as the models of new sociological institutionalism, which are usual in political science. These tend to conceive of change as being generated by processes of diffusion, adaptation and, fundamentally, of isomorphism. Models mindful of agents' cognitive construction in the face of change are rare, especially in comparative political science.

This feature (attention to cognitive elements) translates the need for greater sensitivity on the model's part to questions of context and agency. Culture plays a decisive role, as the model considers that agents'

mental and cognitive resources are mediated by culture. Culture matters less as social capital and more as a flexible element, directly linked to agents' internal construction by means of their interactions with institutional orders. Strategic agents embedded in institutions in fact tend to perceive and formulate the alternatives for change in highly differentiated fashion, based on their values and beliefs, and not on clearly revealed effects.

Agents interpret reforms on the basis of their worldview and culture. The analysis of processes of change should not construct theories that assume processes of change generated exogenously as an effect of structure over agencies such as legacies, or, as is common among conceptions that use critical junctures, of prevalence of agency over structure. Rather, it should have a more elaborate understanding of how agents interpret culture, with their cognitive elements as the starting point.

Analytical categories directly linked to culture, values and mental models should therefore play a crucial role in explaining change based on contexts and configurations of conditions present in specific reform processes. Agents possess incomplete internal versions about the new *equilibrium* position, faced with the choice of new institutions. The interaction between agents' representation of change and the change proposed is what generates conditions for the implementation of reforms in certain contexts.

The basic mechanism of the theory is directly linked to agents' reflexivity about the alternatives of change. Limited rationality makes clear that agents tend to observe a truncated, simplified version, i.e., a "representation" of the processes involved in the change. The uncertainty typical of reform processes has an incidence on the particular way in which agents reflect internally about processes of change. Agents' internal elaborations about these truncated processes should play a fundamental role in the analysis.

As for the analytical challenge of recursive interaction between institutions and agents, the model proposed suggests that institutions be understood by analysts as mechanisms that create cognitive resources for rational agents in the face of change. Institutional arrangements operate in the structuring of *shared representation spaces* that articulate

the complex interdependent strategic behaviours of the multiple agents involved in reform processes.

In this sense, the model responds well to the problem of how to incorporate the elements of agency and cognition. Analyses of reforms should substantially plunge into understanding how agents' mental models get altered owing to changes relating to institutional parameters. Agents react reflexively and learn from change, constantly reviewing their mental models and beliefs about *equilibrium* positions.

The endogeneity of institutional models would be directly linked to the way in which agents work through their mental models based on elements associated to reflexivity. Analytical attention to the construction of cognitive orders can be decisive to overcome the classic problems of rational choice theories and of institutionalist models that usually neglect the important element of beliefs and representations as a variable or decisive analytical category. By neglecting such an important element, these models lack consistency in effectively accounting for *endogenous* processes of change.

## 5 Final remarks and implications for the research agenda in Brazil

This article systematically discusses the main critiques generated within neoinstitutionalist debates in comparative political science about the limits and potential for building models and theories of change. Traditional models within the various new institutionalisms continue failing to generate plausible alternatives to account for change. They are more useful when one is dealing with order and stability. The criticism is structured around four themes: the limits of approaches that focus on institutions as *equilibria* produced by rational agents; the difficulties inherent to the problems of conceptual separability to define institutional variables with more precision; the premises of stability contained in traditional theories; and, lastly, the question of how to deal with the problem of ideas in institutionalist models.

These critiques converge to introduce a high *exogenous* bias, present in traditional theories of change. The models tend to confer excessive causal powers to parameters external to institutions, i.e., social structures or agents' strategic choices. The explanations end up resorting

to a high level of determinism, since they centre their attention on causal factors related to legacies, trajectories, external shocks and diffusions, or even functional adaptation, which end up being insufficient for one to gain a more refined understanding of how and why change occurs with institutions as the starting point.

The argument developed here is that these critiques generate a series of analytical challenges that must be confronted creatively by future generations. The advancement and survival of the neoinstitutionalist tradition in political science (and more broadly in the social sciences) are associated with the relative success of the theorization about the always relevant problem of the transformation of institutions. How and why institutional reforms occur remains one of the fields of theoretical reflection leaving much to be desired within the neo-institutional tradition.

A considerable number of the political scientists who work within this research tradition continue to affirm persuasively that traditional theories *fail* in interpreting the complex problem of change. Why they fail and how to overcome this problem in the construction of new theories has been the basic point of this article.

The reflection on analytical challenges for neoinstitutionalism in political science retains its relevance since the study of change also retains its relevance as one of the major challenges of the contemporary political science research agenda. The analyses developed in this brief study reveal that despite significant advance in the theorization of institutional change, one finds the emergence of a set of critiques relating to the potential of institutional explanations. Political scientists continue to ask themselves: do institutions actually matter when explaining change? If so, how? This work has tried to understand the principal arguments and themes around which this debate takes place and at the same time offer possible paths to refine these theories.

The advance in knowledge generated by this article lies in the signalling of the relation between the critiques and the five specific analytical challenges for the “case” of new institutionalism. These signals reveal *spaces of attention* on which political scientists must focus in their new formulations, to construct new theories. It shows that these analytical challenges are related to the following questions: better

specification of institutional variables that matter to explain causally; the problem of the inclusion of agency and cognition; contextual sensitivity; refinement and better specification of the concepts of institution and institutional change; and, lastly, the discussion relating to the treatment of the crucial problem of recursive interaction between agents and institutions in generating change. Successful theories must find creative ways of “dealing” satisfactorily with these problems. Therefore, research designs represent fundamental elements for political scientists to formulate possible ways of dealing with change, while avoiding the pitfalls of suggesting a single model, concept or variable to account for such a complex question.

It is important to stress here that those striving to develop more refined theories must be on the alert as possible to questions of how to combine traditional elements with new problems put forward by the analytical challenges. A theory of institutional change must not, for instance, distance itself completely from the social structures or penetrate without limits in questions of agency to understand changes. The degree of theoretical success depends essentially on models’ ability to promote fruitful “integrations” between traditional models and, fundamentally, to know in which cases and under what conditions these combinations may be undertaken. Greater attention to actually institutional elements requires a gradual reduction in elements *exogenous* to institutions, but it is not possible to attribute change completely to such factors.

As the theoretical cases put forward by North and Aoki demonstrate, it is fundamental to ensure the refinement of traditional models, whilst not losing sight of the usefulness of some elements. It is important to understand that the agents, rationality and new institutional choices are rather dependent on contexts and, fundamentally, the historical configurations in which they are inserted.

The notion of *institutional individualism* utilized by these theories, especially by North, shows that a more refined understanding of change cannot remain completely on the agency analytical level. Changes do not occur based just on rational choices about specific institutional designs. More satisfactory explanations must go into the specific way in which institutions matter. Rationality would therefore be *institutionally constructed* by the agents.

Broadly speaking, the enhancement of causal powers for agency is necessary in contemporary theories. Agents do not operate changes solely under conditions of external shocks, as suggested by theories associated with critical junctures. In order to understand under what conditions reforms occur, it is important to introduce elements linked to contextual sensitivity. These tend to make analysts take due care in carrying out the trade-offs considered essential to calibrate the specific ways in which agency and context matter in each case studied. In this sense, research design becomes an element of fundamental importance in the conception of more refined models to deal with these always complex questions. *How can agency be incorporated, introducing elements linked to values, beliefs and cognitive elements?* This is a fruitful path, as Aoki suggests.

In this effort of synthesis, it is also necessary to point out that more satisfactory theories ought to work creatively to develop attention to the essential mechanisms involved in processes of change in various contexts. Reforms represent a fruitful field for theoretical innovations based on a set of methodological paths suggested by the new generation of comparativists working with qualitative research in political science, with an emphasis on process-tracing, the analysis of causal mechanisms and intensive use of case studies and small-n research designs.

The implications of these debates on the analytical challenges are essential for the development of the theoretical-methodological reflection, as well as of applied research in Brazilian political science. The first considerable impact is to show the clear absence of a more sophisticated reflection by political science about the problems of institutional change. In Brazil, a considerable part of political scientists still delves more into the study of the political order than into issues of institutional change in tune with the new methodological debates generated within comparative political science.

Studies about institutional change remain timid or restricted to the area of public policies, a field considered secondary and highly problematic in Brazilian political science. In contrast with the international experience, in which the reflection on changes in the patterns of public policies — after all, public policies are political institutions — introduced substantial gains to the effort to theorize about

the question of change, Brazilian institutionalists still concentrate on formal political institutions.

This is curious, for despite Brazilian political institutions being fertile ground for analysing processes of change, national political science contributes little to understanding and reflecting more systematically upon such processes based on a more fruitful dialogue with research issues generated within the comparative tradition. Brazil appears to be a rather opportune case to contribute heuristically to the generation of theories of change on the international plane. Yet, curiously, recent research agendas shrink from dealing more solidly with institutional transformations brought about in a series of political institutions.

One of the central challenges for the development of national political science — from the perspective of institutional change theory — would be to create incentives for the new generation of political scientists to cease “passively consuming” models and theories created abroad and to vigorously embrace forms of development and construction of theories on the basis of the Brazilian case. Substantial investments in reflections on theory and methodology for new generations of political scientists can make the Brazilian case contribute fruitfully in future to the refinement and critique of existing models and theories within the new institutionalism of comparative political science.

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# ELECTORAL SYSTEMS AND CONGRESSIONAL MALFEASANCE: COMPARING BRAZILIAN SENATORS AND DEPUTIES IN THE SUPREME COURT CASES

Taeko Hiroi\*

**Abstract:** This article contributes to our understanding of the relationship between electoral systems and legislative malfeasance by examining personal vote, district magnitude, and electoral accountability. Studies emphasizing individual responsibility argue that personal-vote electoral systems promote good performance by elected politicians and constrain their malfeasance by enabling voters to identify, monitor, and hold responsible individual politicians. Another strand of the literature claims that large district magnitude ensures the availability of good politicians and electoral competition, which reduce malfeasance. At first glance, personal-vote systems with relatively large magnitude districts, such as open-list proportional representation, appear to combine the beneficial attributes of the electoral systems that prior studies have shown to lower malfeasance. This study develops a proposition that due to high information costs to voters faced with many candidates, multimember-district personal-vote systems may weaken, rather than strengthen, electoral accountability. Thus, the combination of personal votes and large district magnitude can paradoxically encourage the entry of bad politicians, facilitate their elections, and fail to deter them from misconduct once elected into office. Examining data on congressional malfeasance in Brazil, this study finds that deputies, who are elected through relatively large magnitude open-list PR, are more likely to receive court notices about the charges against them than senators elected by plurality rule.

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**Keywords:** Democracy. Economical Crisis. Political Institutions.

## 1 Introduction

Recently, a good deal of research has emerged connecting electoral systems to legislative malfeasance, such as corruption, nepotism, and other types of indiscretion and abuse of the political office (Cox and Thies 1998, 2000; Ames 2001; Golden and Chang 2001; Persson, Tabellini, and Trebbi 2003; Golden 2003; Myerson 2003; Kunicová and Rose-Ackerman 2005; Chang 2005; Chang and Golden 2007; Birch 2007; Tavits 2007; Gingerich 2009). Scholars such as Myerson (2003) and Persson, Tabellini, and Trebbi (2003) argue that larger district magnitude will reduce corruption by inducing greater electoral competition and by encouraging the entry of ‘good’ candidates into the race. Yet, Kunicová and Rose-Ackerman (2005) and others contend that corruption control is less effective the larger the district magnitude due to the difficulty of the voters and opposition parties to monitor and sanction incumbents for their misconduct.

The importance of voters’ ability to identify, monitor, and punish or reward politicians is echoed in the literature that emphasizes high clarity of responsibility as a condition for good governance (Powell and Whitten 1993; Powell 2000). Particularly, this line of argument asserts that personal-vote electoral systems, such as plurality and open-list proportional representation rules where voters cast ballots for individual candidates rather than political parties, are more effective in reducing corruption because of the voters’ ability to reward or punish individual politicians (Tavits 2007; Persson, Tabellini, and Trebbi 2003; see also Powell 2000). The threat of ouster from office is said to give strong incentives to politicians to refrain from malfeasance. By contrast, various studies of multimember-district preferential voting systems indicate that intra-party competition and the subsequent need to finance expensive candidate-centered campaigns motivate legislators to engage in pork barrel politics and other legal and illegal ways of raising money, generating a greater tendency for malfeasance than other electoral systems (Cox and Thies 1998, 2000; Samuels 2001; Golden 2003; Chang and Golden 2007). Thus, the literature has not reached a

consensus regarding whether higher district magnitude or personal-vote systems increase or decrease corruption and other forms of malfeasance.

This article contributes to our understanding of the relationship between electoral systems and legislative malfeasance by examining the relationship between personal vote, district magnitude, and electoral accountability. In particular, this study compares two personal-vote systems: plurality and open-list proportional representation (open-list PR). Both systems allow voters to vote for individual candidates. In such systems voters are said to be able to identify, monitor, and hold individual politicians accountable by ‘throwing the rascals out.’ Many scholars argue that this mechanism of electoral accountability promotes individual responsibility, encourages good policies, and gives disincentives for misconduct. However, these electoral systems are different in the size of district magnitude. Plurality rules have very low district magnitude, typically one, whereas district magnitude in open-list PR systems vary considerably, for example, from two (as in Chile) to as many as 70 (Brazil’s Sao Paulo) or 120 (Peru in the late 1990s). As stated previously, existing research diverges on the effects of district magnitude on malfeasance, some claiming its reduction while others pointing out its rise. Moreover, even though many experts have discerned the increasing importance of money in electoral competition in personal-vote systems, the literature is not clear about why it should lead politicians to illegal, rather than legal, fund raising.

At first glance, open-list PR with a relatively large district magnitude appears to combine the attributes of the electoral systems that prior studies have shown to lower political corruption, namely, lower barriers to entry and enhanced competition attributable to larger magnitude systems and the identifiability and punishability of corrupt politicians typically ascribed to plurality systems. However, by increasing the number of candidates exorbitantly, multimember-district preferential voting systems may make voters’ choice-making extremely difficult. High informational costs for voters, in turn, may lead some voters to abandon making choices altogether, thus failing to get electoral accountability mechanisms to work. In this article, I argue that the combination of personal votes and large district magnitude paradoxically

encourages the entry of bad politicians, facilitate their elections, and fail to deter them from misconduct once elected into office.

This proposition—whether a personal vote system implemented under high multimember districts leads to higher likelihoods of electing bad politicians—is explored using novel data from Brazil on charges Brazilian deputies and senators face in the Federal Supreme Court. This analysis is supplemented with anecdotal evidence from recent major corruption scandals in the country. The examination of the data indicates that federal deputies, elected by open-list PR with relatively large district magnitudes of varying sizes, are more likely, on average, to face charges in the Federal Supreme Court than senators elected by a plurality rule.

In what follows, I first discuss prior research on electoral systems and malfeasance by focusing on the impact of district magnitude and ballot types on electoral competition and accountability. I will then present why multimember-district preferential voting systems, such as open-list PR, appear to have a desirable combination of attributes that seem to induce both high clarity of responsibility and political competition. I then make a case for why clarity of responsibility is actually low in high district-magnitude personal-vote systems and why competition may rather encourage, not discourage, corruption under such scenarios. The fourth section presents and explores data of congressional malfeasance in Brazil. The final section concludes.

## **2 Electoral Competition, Clarity of Responsibility, and Corruption**

Empirical research on the relationship between electoral systems and corruption has expanded in recent years, but the findings of these studies have been mixed. In general, the literature focuses on two variables of electoral systems—the ballot structure and district magnitude—and from these features draw inferences about competitiveness of elections, ability of voters and oppositions to monitor incumbents, and propensities for corruption and other types of malfeasance by elected officials.

The beneficial role of competitive elections in democratic accountability is widely noted in the literature (e.g., Montinola and Jackman 2002). Competitive elections help increase voters' choice of

candidates. Assuming that voters can discern good politicians from bad ones, and that given a chance they will choose the former, competitive elections help elect good-quality politicians. Moreover, with a wide availability of alternative candidates, competitive elections also induce elected politicians' good behavior and reduce corruption. Without credible alternative candidates for office, incumbent politicians may see captured votes, and voters may be trapped in the set of suboptimal choices and feel inefficacious in the selection of their representatives. Feeling confident in their re-election, politicians will have less incentive to be responsive and responsible, and may be more tempted to misuse their mandates. In short, competitive elections are an essential ingredient to make electoral accountability work.

In the studies of electoral systems and corruption, some scholars argue that competitiveness of elections and candidate quality increase with the size of district magnitude ( $M$ ), with a consequent reduction in corruption. Thus for Myerson (1993), electoral systems that promote multiparty competition, such as proportional representation rules, are effective in eliminating corruption, but plurality rules are not because they tend to create barriers to entry against (presumably) non-corrupt new parties. The point about the barriers to entry is echoed by Persson, Tabellini, and Trebbi (2003), who contend that small electoral districts reduce the availability of good candidates and thus are likely to be associated with higher levels of corruption. Hence in this strand of the literature, the larger  $M$ , the better the quality of elected officials and the less corruption there will be.

However, higher district magnitude may be a double-edged sword because it may obscure the line of accountability and individual responsibility of elected officials. Even though high  $M$  may encourage more competition and a greater availability of good candidates, some scholars argue that large  $M$  creates monitoring problems for voters and thus more corruption (Persson, Tabellini, and Trebbi 2003; Kunicová and Rose-Ackerman 2005).

For example, the central concern for Kunicová and Rose-Ackerman (2005) is the ability of voters and opposition parties to monitor and discipline politicians under various electoral systems. According to the authors, such ability depends on two features of

electoral systems: district magnitude and whether voters vote for parties or individual candidates. The authors contend that monitoring politicians is more difficult, and hence corruption is greater, in higher M districts than in lower M districts and in electoral systems that do not allow voters to choose individual candidates. Likewise, the authors are skeptical about the oppositions' ability to effectively monitor the incumbents in proportional representation systems because of the adverse effects of multiple parties and coalition politics on monitoring.

Likewise, Persson, Tabellini, and Trebbi (2003) argue that personal ballots in plurality-rule elections are more effective in corruption control by making incumbents directly and individually accountable to voters, thus giving individual incentives for good performance by elected politicians. On the other hand, party-list systems, which are implemented under multimember districts, weaken individual incentives for good behavior because it creates more, and indirect, chains of accountability.

This line of reasoning is in fact at the center of the literature on clarity of responsibility and democratic performance (Powell and Whitten 2003; Powell 2000; Tavits 2007). It posits that political institutions that make lines of responsibility clear promote good governance by permitting voters to evaluate incumbents and punish or reward them accordingly, thereby giving representatives incentives to pursue good policies. Although the central focus of the existing work on clarity of responsibility is the majority status of the government, which enables voters to assign responsibility unambiguously, personal-vote electoral systems, such as majoritarian or open-list PR elections, should make it easier for voters to identify corrupt politicians and punish them by denying them re-election. The threat of electoral sanction, in turn, gives incentives for politicians to avoid malfeasance.

### **3 Multimember-District Preferential Voting Systems: Best of Both Worlds or Worst of Both Worlds?**

If large district magnitude has the desirable effects of increased competition and availability of good candidates, and personal ballot systems of enhancing accountability mechanisms by giving voters to

the ability to monitor and punish individual politicians, personal-vote electoral rules implemented under multimember districts, such as open-list PR and single non-transferable vote (SNTV), appear to have the best of both worlds. In these systems, electoral competition and candidate quality supposedly increase as  $M$  rises, without taking away the tool of the voters to reward and sanction individual politicians. Consequently, one should observe less malfeasance by politicians elected by preferential voting rules from large districts than those elected by alternative combinations of ballot structures and district size.

However, this proposition can be challenged on at least two grounds. First, recent research on electoral systems that use preferential voting, such as open-list PR and single non-transferable vote, contends that the use of preferential vote in multimember districts elevates the importance of money in elections. Political corruption by elected representatives is explained by the expensive nature of individualized campaigns that candidates competing in multimember-district preferential voting systems pursue. This perspective has been used to explain corruption under open-list PR in pre-1994 Italy (Golden and Chang 2001; Chang 2005; Golden 2003) and the centrality of money in the politics of Japan (Cox and Thies 98, 2000; Nyblade and Reed 2008) and Brazil (Samuels 2001). Furthermore, since an increase in  $M$  in personal-vote systems presumably intensifies candidates' incentives to pursue personal votes (Carey and Shugart 1995), Chang and Golden (2007) posit that under open-list PR, corruption increases with the size of  $M$ .

Although plausible, it is not evident in the literature why candidates competing in these situations will pursue *illegal* forms of campaign funds. These studies shed important light on the incentives for candidates to raise money, but are silent about the constraints on such activities. Candidates competing in multimember-district preferential voting systems have incentives to pursue resources, perhaps even by illegal means, but if electoral accountability works, they should also face significant constraints to behave in this manner because such misconduct is more likely to be detected and punished by voters. On balance, then, predictions about the relationship between multimember-district personal-vote systems and corruption using this perspective are ambiguous.

The second challenge to the view that multimember-district preferential voting systems provide the best of both worlds is based on the possibility of limits on voters' cognitive capacity and their consequence when they are confronted with large choice sets. Recent experimental research and country studies on representation and voter turnout note that having too many candidate choices can place a hindrance to voters' decision-making processes. For instance, Lau and Redlawsk's (1997) study shows that larger choice sets decrease the probability of voters voting "correctly." Carey and Hix (2011) argue that too many partisan choices hinder the development of fully ordered voter preferences and raise informational costs for voters, thus hampering effective representation. Excessive numbers of candidates in the elections to the lower house of the Brazilian Congress pose a significant challenge to voters' cognitive capacity and sense of efficacy, which has contributed to voter abstentions in Brazil (Power and Roberts 1995; Cunow 2012). Indeed, when voters are presented with many options, a situation found in high magnitude districts using preferential voting, they may be unable or unwilling to identify quality candidates or punish bad politicians. If this is the case, the supposed mechanism of personal vote systems that would utilize the direct linkage between voters and politicians to make electoral accountability function does not work as expected.

In fact, the relationship between choice set size and cognitive capacity is well established in cognitive psychology. Human capacity for information processing is limited, and when the number of options exceeds a certain amount, people become more likely to avoid making choices altogether, make suboptimal choices, or even surrender the choice to someone else (Miller 1956; Iyengar and Lepper 2000; Schwartz et al. 2002). Moreover, the threshold is not very high: many people begin to become confused with as low a choice set as of six or seven (Miller 1956). Although most of the experiments on cognitive capacity have been conducted in the area of consumer choice, the same logic can be applied to political market research, such as voters' choices in elections.

The application of this perspective to voters' behavior and representation is still scarce. However, as discussed above, the few studies

that do exist have found evidence showing constraints on voters' choice-making processes given large numbers of candidates or parties (Lau and Redlawsk 1997; Carey and Hix 2011; Power and Roberts 1995; Cunow 2012), yet the exact number of the upper-ceiling of choices varies. Carey and Hix (2011) consider district magnitude of sizes between three and eight as the "electoral sweet spot" where representation and accountability are maximized, but Cunow (2012) finds that even a very modest increase in the number of candidates (choice sets larger than three candidates) has an important consequence for voter participation, and party labels do little to alleviate this cognitive effect.

Hence, preferential voting in high magnitude districts introduces complexity in voters' information processing and weakens electoral accountability because of the voters' inability or unwillingness to identify and sanction politicians. This in turn reduces incentives for individual responsibility and good performance by politicians, lessening constraints on their opportunistic behavior and misconduct and thus leading to greater corruption. In contrast, voters under low M preferential voting systems do not face high informational costs and are therefore better able to identify and hold their representatives accountable. Furthermore, because of the limitations on voters' ability to distinguish good from bad politicians, these systems give more reason for the latter to believe in their electability, thus encouraging their entry into the race. Even though prior studies emphasize entry of good candidates under reduced barriers to entry, high M also means lower barriers to entry for bad ones as well.

The cognitive challenges to voters facing too many candidates tend to lead to various sorts of abstentions and poor choices, including abandoning to vote, casting invalid or blank votes, or even surrendering their choice to supposed experts, such as local leaders and electoral brokers. Ames (2001) and Hiroi (2010) demonstrate that brokered mobilization of voters is a common and viable electoral strategy for candidates for federal deputies running under an open-list PR rule in Brazil where district sizes are relatively large. In such arrangements, candidates winning elections do not necessarily have to be popular or known to the voters. Under personal-vote systems, politicians lacking

credibility with voters may seek to develop reputation, which may be time-consuming and not necessarily successful. Or alternatively, they can simply rely on political intermediaries who can mobilize a bloc of voters on the politicians' behalf at election times, typically in exchange for some favors (Keefer and Vlaicu 2007). Studies by Hiroi (2010) indicate that once elected, corruption is typical among these politicians whose core electoral strategy is making deals with electoral brokers for votes.

In Afghanistan, voters cast their ballots for individual candidates under single non-transferable vote in multimember districts of sizes 2 to 33 seats. Like open-list PR in a large district, it is possible for a marginal candidate to be elected in this electoral system. For example, if there are four seats in a district, the top candidate may win with 90 percent of the votes while three others may win only with three percent of the votes each (Reynolds 2006). Moreover, experts fear that in very large districts, SNTV may create a lottery effect, making it "entirely random as to who among independents and minority candidates [will get] elected" (Reynolds 2006, 214). Large M also encourages a great number of candidates, making ballots long and confusing (Reynolds 2006), which poses significant challenges to voters to vote correctly and see the link between their votes and the government subsequently formed.

Indeed, many candidates elected in Afghanistan's first democratic election in 2005 were of questionable quality. According to Reynolds (2006, 218), among the 249 legislators elected in 2005, there were 40 commanders linked to militias, 24 belonging to criminal gangs, 17 drug traffickers, and 19 with serious war-crime allegations. In Kabul province where more than 400 candidates competed for 33 seats, the last candidate elected received only 0.5 percent of the vote. There was also substantial evidence that voters found the ballot confusing, contributing to low voter turnouts and spoiled ballots, especially in Kabul, the largest district. In short, in large M preferential voting systems, even small amounts of votes can elect candidates with dubious quality.

In addition to the problems for voters to identify good candidates and assign responsibility in large-M preferential voting systems, open-list PR systems may present an additional problem, i.e., the ability of

the voters to use their vote to act on the basis of that assignment when such assignment is done (Hellwig and Samuels 2007). In open-list PR, even though voters cast their ballots for individual candidates, votes are pooled at the party level to determine the number of seats each party will receive. Therefore it is possible that a very popular candidate helps elect his or her co-partisan candidates who cannot elect themselves solely based on their own votes, against whom many voters made a decision not to support. In 2002, Enéas Carneiro elected himself with more than 1.5 million votes from Sao Paulo, Brazil's largest electoral district with 70 seats, winning enough votes to elect five other candidates on his small party's list, including one who received as few as 275 votes. Consequently, even when compared to other preferential voting rules, open-list PR seems to have an additional problem in electoral accountability.

The proposition about the relationship between malfeasance and preferential voting systems does not contradict or compete with prior research on personal vote in multimember districts. Chang and Golden (2007), for example, find that corruption is lower in countries with open-list than with closed-PR systems, provided that district magnitude is below a certain threshold, specifically below 15 in their study. However, once district size exceeds this threshold, they find that open-list systems are associated with more corruption. Although their focus is on the incentives of politicians to raise campaign money illegally in personal vote systems, this study's claim regarding voters' cognitive capacity and electoral accountability points out that these politicians have not only incentives for corruption but also opportunities to do so, including lesser constraints they face as a result of weakened accountability and identifiability. By contrast, in countries where politicians have incentives but face significant constraints, corruption is less likely. Prior research concentrates on the incentives to raise money, but is not explicit about why politicians might do so illegally in a system where conventional wisdom states individual responsibility is paramount. This study indicates that large-M personal vote systems paradoxically diminish clarity of responsibility. Thus, the theoretical framework this study provides complements prior studies by providing an answer to the missing puzzle. And the

customary caveat stands: politicians engage in malfeasance given that they have both motive and opportunity to do so.

#### **4 Congressional Malfeasance in Brazil: Comparing Federal Deputies and Senators**

This section explores the hypothesis that high-magnitude personal-vote systems are more prone than low-magnitude personal vote systems to the election of bad politicians and legislators' malfeasance. Specifically, I compare two commonly used personal vote systems: plurality and open-list proportional representation. Both plurality and open-list PR are considered to elevate the importance of the personal vote compared to party reputation (Cain, Ferejohn, and Fiorina 1987; Carey and Shugart 1995). By enabling voters to vote for individual candidates, some scholars also argue that these systems enhance politicians' individual responsibility (Tavits 2007; Persson, Tabellini, and Trebbi 2003). However, as discussed above, voters' cognitive capacity for information processing becomes exponentially limited as district magnitude increases, and the intended mechanisms of electoral accountability are more likely to fail in high M open-list PR, electing more corrupt politicians and failing to deter their malfeasance once elected.

I explore this proposition by examining Brazilian federal deputies and senators. Brazil uses open-list PR to elect federal deputies and plurality to elect senators. For the elections of both houses, states are at-large districts. Since 1995, the Chamber of Deputies has 513 seats (503 seats until 1995), and its district magnitude varies from 8 to 70 (8 to 60 until 1995), with the state of Sao Paulo being the largest district. For Senate seats, candidates compete for either one seat or two seats in each state depending on the election year. The comparison of malfeasance records by Brazilian senators and deputies provides for a rare quasi-experimental setting that is lacking in most cross-national studies: they represent the same geographic constituencies; share similar organizational legislative structures and prerogatives; deal with the same president, bureaucracies, judiciary, and law enforcement; share the same history; and face the same national and regional constraints and problems (Desposato 2006).

Note that even the lowest magnitude districts for the lower house elections have eight seats, which is the upper-limit of Carey and Hix's (2011) "electoral sweet spot," but also far exceeds the limit of the effective functioning of voters' cognitive ability in an experiment undertaken by Cunow (2012) in Brazil. Furthermore, Brazilian law allows parties to field one and a half candidates for each seat in a district. As a result, most Brazilian voters find themselves in a situation in which they have to make a decision in legislative districts with hundreds of candidates. In 2010, even the least populous district with eight seats (state of Roraima) had 62 candidates, and in Sao Paulo, the largest district with 70 seats, 1,029 candidates ran. Moreover, federal legislative elections are held concurrently with presidential, gubernatorial, and state assembly elections. Thus, voting processes in Brazil's legislative elections can be unwieldy. If this paper's central contention—high *M* in personal-vote systems hinders, rather than helps, proper functioning of electoral accountability, thus leading to higher rates of malfeasance by elected politicians—is correct, we should find that malfeasance is more prevalent among the membership in the lower house than in the upper house.<sup>8</sup>

There is also survey-based evidence that Brazil's large district magnitude hinders effective and informed decision-making by voters, with implications for accountability and candidates' electoral strategies. Public opinion surveys have repeatedly revealed that a great majority of voters do not even remember for whom they voted in the last legislative elections. A recent study by Ames, Baker, and Rennó (2008), for example, indicates that in Brazil voter recognition of federal deputy candidates is less common than that of candidates in majoritarian (presidential or gubernatorial) elections. According to their study, among those actually going to the polls, 34% could not remember their legislative choice only one month later, and another 15% gave an incorrect name.

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<sup>8</sup> I am in no way making a claim that all the Brazilian deputies are corrupt or all the senators are clean. There are many respected, professional deputies who are unlikely to be corrupt. Moreover, misconduct scandals do appear for senators from time to time. My claim is that if the supposed electoral accountability mechanism does not properly function in high-magnitude open-list PR but does work better (but perhaps not perfectly) in plurality, we should then observe more malfeasance among the members of the lower house than among the upper house.

In addition, only 21% could spontaneously and correctly identify one of the many incumbent federal deputies in their state.

In high-magnitude districts, winning candidates need not be the most popular candidates but rather need to be just “adequate” to win a seat, and the threshold of adequacy, as discussed in the previous section, can be quite low. In such an environment, brokered mobilization of voters becomes a viable electoral strategy (Ames 2001; Hiroi 2010). Polls have repeatedly shown that prior to each election, many voters are approached by candidates or their “go-betweens” to sell their votes in exchange for money or other material goods or favors (Speck and Abramo 2002; Abramo 2007). There is also collective bargaining of votes conducted by influential leaders. The extent of this practice is such that it is possible that vote buying has significantly altered electoral results in certain cases (Abramo 2007).

If voters cannot remember whom they voted for, cannot correctly identify politicians representing them, or abandon to choose their representatives, they cannot use the threat of support withdrawal to induce politicians’ good behavior. In such a system, the line of electoral accountability is broken and corruption may abound.

Collecting malfeasance data poses a significant challenge to researchers because of the nature of the data (unlawfulness of such activities). This article utilizes information on the charges of malfeasance Brazilian legislators’ face in the Federal Supreme Court (STF). Brazil’s 1988 Constitution determines that incumbent members of the Federal Congress be tried only by the STF. Furthermore, its original provision prevented members of the Senate or the Chamber of Deputies from being tried in court without prior authorization by the respective house through a vote by their peers. This requirement amounted in practice to immunity from prosecution, even under very strong evidence of wrongdoing. This rule was finally altered by Constitutional Amendment No. 35 in December 2001, which reversed the process. Under the amended provision, Congress is informed if a case is brought against a member, but it has to proactively act if it wants to halt the case. In July 2010, I collected these STF notices (called *ofício*) sent to each house of Congress since 1988, and these constitute my primary data of legislators’ malfeasance. If the central claim of this article has relevance, we should

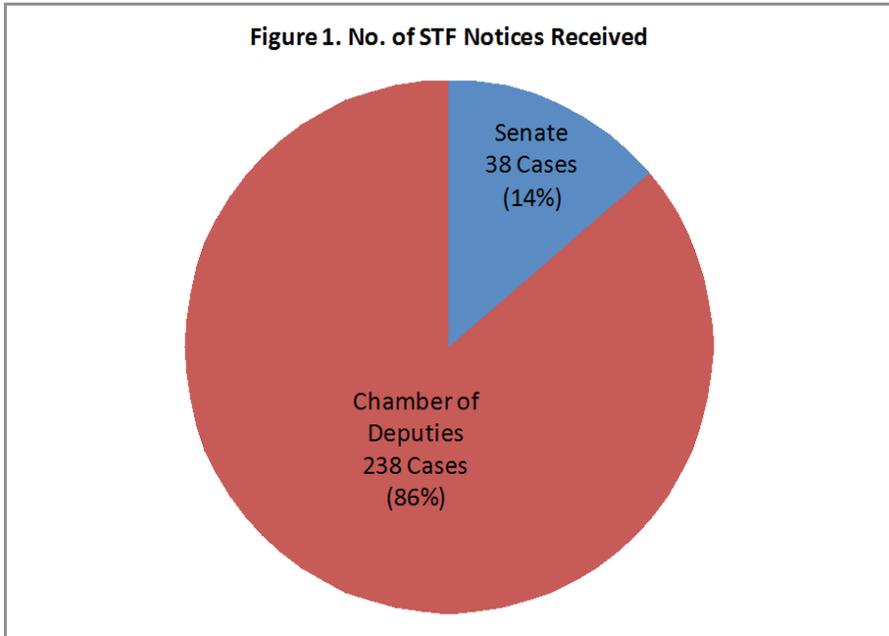
find the rates of STF notices to be higher in the lower house than in the upper house. I supplement the analysis of the STF notices with an examination of recent major corruption scandals that implicated many federal legislators.

There are a few caveats before we proceed to examine the STF data. First, the data represent *allegations* of malfeasance; it is possible that some of these allegations are unfounded. Ideally, we would use data of convicted cases, but the Brazilian judicial process moves extremely slowly, and rarely, if at all, are nationally elected officials convicted despite high initial media exposures and plenty of evidence against them in many of these cases (Taylor 2009). Despite this shortcoming, these are charges formally brought to the STF against incumbent members of Congress and symbolize the *first official decision* by the STF to move the cases forward. In a sense, these data may delineate legislators' malfeasance better than those based on accusations of wrongdoing reported by the media or perception-based indices of corruption. In any case, these malfeasance data should be considered to be complementary and should be interpreted with caution.

Second, STF notices against legislators do not constitute the universe of misconduct by legislators. Many cases of malfeasance remain uncovered or are only found after legislators leave office, in which case STF notices are not sent to Congress. Moreover, notices before the 2001 constitutional amendments included not only alleged crimes committed by incumbent deputies and senators while in their congressional office but also ones committed before assuming office. Although we should be careful about mixing these allegations attributed to two different periods, for the purpose of this study it is appropriate to examine both because its theoretical prediction refers to both electability of bad politicians and their misconduct in office.

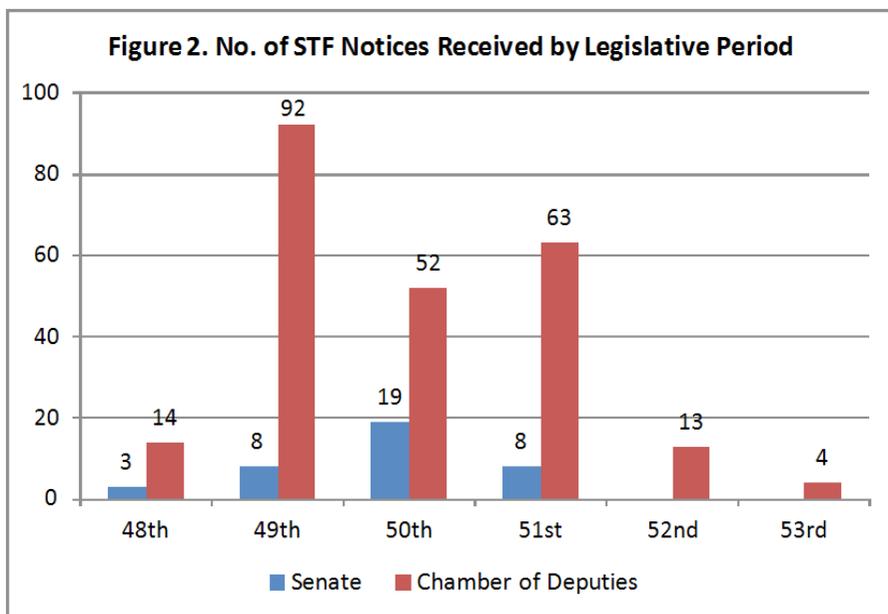
Third, since senators tend to have longer and more prominent political careers than deputies (Hiroi 2008) and their terms are longer (eight years for senators and four years for deputies), *ceteris paribus*, senators have more opportunities for malfeasance and more time to receive STF notices than deputies. This means that these data are biased against finding evidence of malfeasance by deputies compared to senators. On the other hand, if we find that the rates of malfeasance

are higher for deputies than senators based on STF notices, the evidence more strongly supports the hypothesis of this study than it first appears.



*Sources:* Elaborated by the author with data from the Brazilian Chamber of Deputies and the Federal Senate (2010).

Figure 1 presents the number of STF notices about the charges against senators or deputies received by the Senate and Chamber of Deputies from October 1998 through July 2010. In total, there are 276 such STF notices, 38 (14 percent) of which were sent to the Senate and 238 (86 percent) to the Chamber of Deputies.



*Sources:* Elaborated by the author with data from the Brazilian Chamber of Deputies and the Federal Senate (2010).

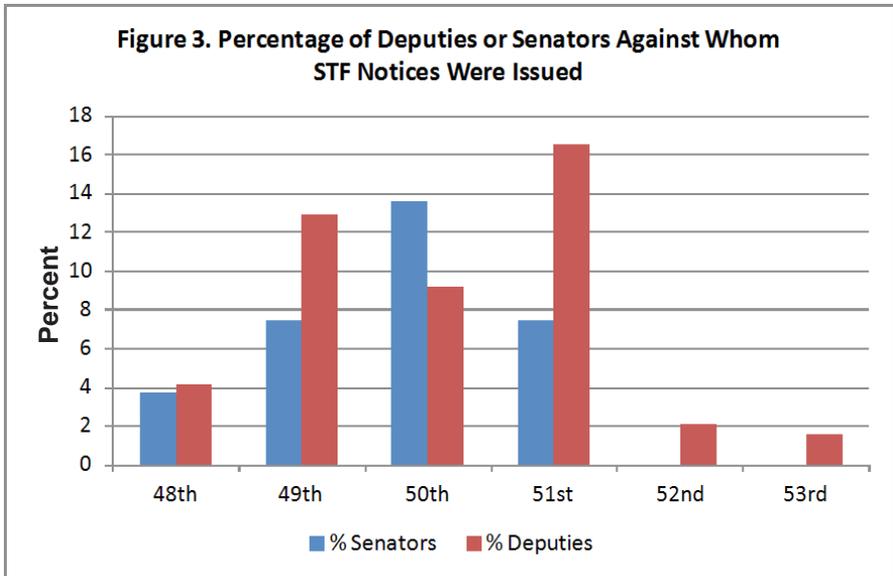
*Note:* The data for the 48<sup>th</sup> legislature cover approximately two years, from October 1998 to January 1991. The data for the 53<sup>rd</sup> legislature include STF notices received between February 2007 and July 2010. Constitutional Amendment No. 35 was enacted in December 2001.

Figure 2 provides the breakdown of the data by chamber and legislative period. The legislative term for the Brazilian Congress is four years, beginning in February and ending in January. The 48<sup>th</sup> legislature spanned between 1987 and 1991, and the 53<sup>rd</sup> between 2007 and 2011. The number of notices received by both houses of Congress during the 48<sup>th</sup> legislature is very small. This is partly explained by the fact that Brazil's newest constitution was only promulgated in October 1988, only at which point these notices were issued. Yet, even considering that it covers only about two years of the legislative period, these figures are comparatively small relative to the numbers in subsequent legislatures. The number of STF notices peaked during the 49<sup>th</sup> legislature with 92 notices received by the Chamber of Deputies. The number of STF notices to the lower house remained quite high during the next two legislative periods. It then dropped significantly after the

enactment of Constitutional Amendment no. 35 to only 13 during the 52<sup>nd</sup> legislature and four during the 53<sup>rd</sup> legislature. The peak in STF notices received by the Senate occurred during the 50<sup>th</sup> legislature when 19 notices, more than double the amount during the prior or subsequent legislature, were filed. From the enactment of the constitutional amendment in December 2001 through July 2010, the Senate did not receive any STF notice notifying the chamber of the opening of the process against its members for crimes allegedly committed since they took office.

The STF notices data indicate two interesting patterns. First, the Chamber of Deputies received far more notices than the Senate. This might not be surprising given that the lower house's membership is about six times as large as the size of the membership in the upper house. However, the lower house also received STF notices six times as many as the upper house did. Considering the point made earlier about different tenure lengths and political experiences, the fact that the numbers of STF notices issued to the two houses are roughly proportionally equal suggests possibly more malfeasance by the members of the lower house than the members of the upper house.

Second, the Senate received no STF notices against the incumbent members since the promulgation of Constitutional Amendment No. 35 whereas the Chamber of Deputies received 23 notices. The STF notices issued after the constitutional amendment are noteworthy because they indicate the opening of the processes for *crimes allegedly committed by incumbent legislators after their investitures*. While there was no opening of such processes against senators, there were 23 notices involving 27 federal deputies. One of these post-amendment STF notices deals with the “*mensalão*” (or big monthly payment) corruption scandal that broke out in 2005, which is discussed later in this section.



*Sources:* Elaborated by the author with data from the Brazilian Chamber of Deputies and the Federal Senate (2010).

Note: The data for the 48<sup>th</sup> legislature cover approximately two years, from October 1988 to January 1991. The data for the 53<sup>rd</sup> legislature include STF notices received between February 2007 and July 2010. Constitutional Amendment No. 35 was enacted in December 2001.

Table 1. Percentage and Number of Deputies or Senators Against Whom STF Notices Were Issued

Legislature	Senators (N)	% Senators	Deputies (N)	% Deputies
<b>48th</b>	3	3.7	21	4.2
<b>49th</b>	6	7.4	65	12.9
<b>50th</b>	11	13.6	47	9.2
<b>51th</b>	6	7.4	85	16.6
<b>52th</b>	0	0.0	11	2.1
<b>53th</b>	0	0.0	8	1.6

*Sources:* Elaborated by the author with data from the Brazilian Chamber of Deputies and the Federal Senate (2010).

Some STF notices include more than one legislator. Certain legislators also face multiple charges. Figure 3 and Table 1 present the percentage and number of deputies or senators against whom STF notices were issued in each legislative period under study. In these figures, if a legislator received multiple STF notices within the same legislative period, it is counted as one. The percentage of the total chamber membership who received STF notices in each legislative period takes into consideration the differences in the membership sizes of the two houses, and as such allows us to make a meaningful comparison of the two chambers. Both the table and the figure clearly show that federal deputies are on average more likely to receive STF notices than senators. Only during one legislature (the 50<sup>th</sup>) did the Senate exceed the Chamber of Deputies in the likelihood that its members received STF notices. Thus, the examination of STF notices provides confirming evidence for the hypothesis that due to the failure in the electoral accountability mechanism and low barriers to entry, corrupt politicians are more likely to be elected under a relatively high district magnitude open-list proportional representation rule than under a plurality rule, and once elected, they are more likely to be involved in malfeasance. Hence, by giving undue challenges to the voters in candidate selection and by obscuring identifiability, responsibility, and accountability, it is difficult to ascertain that personal-vote systems implemented with high M, such as open-list PR employed in Brazil, do service to the voters or enhance representation or government performance.

To illustrate the point further, it is worth examining recent major corruption scandals in Brazil. As mentioned before, one of the post-amendment STF notices deals with the *mensalão* corruption scandal that broke out in 2005, implicating the government of President Luiz Inácio Lula da Silva and his allies in the president's Workers' Party for funneling public funds to buy support for Lula's key reform programs, pension and tax reforms, in the Chamber of Deputies. The internal investigation in Congress by a bicameral parliamentary investigative committee produced a final report in September 2005, accusing 18 deputies, but no senators, of their involvement in the corruption scandal. Upon accepting the indictment of 40 individuals, most of whom former and incumbent deputies, the STF sent a notice in 2007 to the lower

house informing the initiation of the process against the then incumbent deputies, José Genoíno, Joao Paulo Cunha, Pedro Henry, Valdemar Costa Neto, and Paulo Rocha. Other deputies had either been expelled from office through the vote by their peers (a procedure called *cassação*) or resigned in the anticipation of their expulsion.

While Brasília was still being shaken by the *mensalão* scandal, yet another large-scale corruption scandal that involved many members of Congress surfaced in 2006. Even though the STF notice had not arrived in Congress when the field research was conducted in July 2010,<sup>9</sup> this scandal shares an important feature with the *mensalão* scandal in the involvement of legislators, and hence is worth a look here. The scandal, known as *sanguessuga* (bloodsucker) or *máfia das ambulâncias* (ambulance mafia) scandal, involved a kickback scheme based on fraudulent ambulance procurement in which members of Congress proposed amendments to the annual federal budget law for the purchase of overpriced ambulances in target municipalities. Initially over 100 members of Congress (nearly 20 percent of the total membership) were denounced. The congressional committee investigated 90 members and found enough evidence to recommend sanctions against 69 deputies and 3 senators.

The *sanguessuga* scheme was sort of an “equal opportunity” corruption scheme, i.e., it exploited the routine budgetary procedure in which members of both houses of Congress regularly participate. Any legislator—senators or deputies—with a motive for corruption had a chance to participate (Hiroi 2010). Congress’ internal investigative committee reported that more than 13 percent of the federal deputies but only less than 4 percent of senators participated in the scheme. Hence, this incidence, along with the *mensalão* scandal, gives yet more anecdotal evidence that given an opportunity, deputies, who are elected through open-list PR, are much more likely to be involved in such a scheme than senators elected through a plurality rule.

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<sup>9</sup> The Brazilian judicial process moves notoriously slowly.

## 5 Conclusion

This article contributes to our understanding of the relationship between electoral systems and legislative malfeasance by examining personal vote, district magnitude, and electoral accountability. Studies emphasizing individual responsibility argue that personal-vote electoral systems, where voters cast ballots for individual candidates, promote good performance by elected politicians and constrain their malfeasance by enabling voters to identify, monitor, and hold responsible individual politicians. Another strand of the literature claims that large district magnitude is a key to ensuring the availability of good politicians and electoral competition which enhance the monitoring of incumbents by oppositions. At first glance, personal vote systems with relatively large magnitude districts, such as open-list PR, appear to combine the attributes of the electoral systems that prior studies have shown to lower political corruption, namely, lower barriers to entry and enhanced competition attributable to larger district magnitude systems and the identifiability and punishability of corrupt politicians typically ascribed to plurality systems.

However, this study develops a proposition that due to high information costs to voters faced with many candidates, multimember-district personal-vote systems may weaken, rather than strengthen, electoral accountability, leading to a higher likelihood of electing corrupt politicians. In addition, information costs for voters become exponentially larger as the size of district magnitude, and thus the pool of candidates, increases. Some electoral systems can thus become unwieldy as district magnitude becomes large, for example, as is the case with Brazil's open-list PR and Afghanistan's single non-transferable vote. Thus, the combination of personal votes and large district magnitude can paradoxically encourage the entry of bad politicians, facilitate their elections, and fail to deter them from misconduct once elected into office. What is more, it does not take much for this adverse effect to begin: past research indicates that choice-making start becoming difficult with as few as seven, or some even showing with three, different options.

This study probes the argument of this paper with data on congressional malfeasance in Brazil. Findings provide strong support

for the hypothesis. Brazilian deputies, who are elected through relatively large magnitude open-list PR, are more likely to receive court notices about the charges against them than senators elected by plurality rule. Moreover, a brief examination of two recent major corruption scandals reveals that these schemes primarily incriminated deputies, and no senator was involved in the first (*mensalão*) scandal and only three senators were initially accused of their involvement in the second (*sanguessuga*). Even though more research is needed to further probe the proposition, the evidence from Brazil indicates that open-list PR contributes to greater incidences of congressional malfeasance compared to plurality rule.

However, open-list PR does not necessarily generate this undesirable effect; as argued, its adverse implications for electoral accountability and legislative malfeasance occurs only when district size is relatively large. Thus, open-list PR implemented with very small district magnitude may actually yield the fruit of the positive effects of both personal vote and enhanced electoral competition discussed in the literature. Chile, which uses open-list PR with district magnitude of size 2, may be a case in point: Chile is a regular on the list of least corrupt nations compiled by various international agencies. Nevertheless, it is worth repeating that even a small increase in district magnitude can create much larger adverse effects on accountability and representation.

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# MAJORITY ELECTIONS IN THE BRAZILIAN STATE CAPITALS: FEDERAL INDEPENDENCE AND INTERDEPENDENCE

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**Abstract:** This article explores the implications of the federal dimension of Brazilian electoral behavior. The international and national literature touts how the federation can shape political disputes within a country and influence voting outcome when voters choose their representatives in the different levels of government. In the Brazilian case, the federation is essential to electoral shaping. There are three autonomous levels of electoral competition—national, states, and municipalities—for the political offices of the executive and legislative branches, allowing parties to organize themselves into different territorial bases and connecting those bases in the process of the voting decision. To further the debate, this article explores the impact of national and state executive elections

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on municipal elections in the 26 Brazilian state capitals between 1994 and 2008. It seeks to determine through econometric analysis whether the vote for president and/or governor influences the vote for mayor. According to the results, the answer is yes. When a party shows good performance in the vote for president or governor, the vote for mayor is positively impacted. Additionally, the gubernatorial election has a greater influence on the majority of municipal elections. The findings confirm the importance of federal electoral connections to understanding voting, which presents distinct patterns between the parties and the federal entities and merits additional research and publications.

**Keywords: Electoral behavior. Brazilian federalism. Municipal elections.**

## 1 Introduction

Electoral behavior is an oft-studied theme in political science, which points to different explanatory dimensions of the voting decision. A little-considered dimension is federative. The federal structure impacts voting behavior when defining more than one autonomous sphere of power in a national State, extending voters' possibilities when choosing their political representatives. For the composition of autonomous governments, voting occurs in different territories, which signifies voters' independence in choosing candidates and parties that will govern at the national and subnational levels. Nonetheless, choices are made by the same set of voters. A voter in a locality chooses his or her mayor but also votes for governor and president; he or she submits to and evaluates the performance of local government but is also impacted by and evaluates the actions of state and national governments. This leads to another aspect of elections in federal nations: the interdependence between the processes of choice.

Brazil is a federal State with three autonomous levels of government—national, state, and municipal—as established in the 1988 Federal Constitution. This tridimensional federal structure has important impacts for the country's electoral and partisan dynamics, not only because each level allows for a specific electoral arena of partisan

competition but also because there are mutual political influences among these levels. Combined with a democratic, presidential, and multiparty political setting, federalism enables the voter to choose his or her presidents, governors, and mayors with an adequate degree of independence. This means that the voter is free to choose different—or even opposing—parties to govern the municipalities, the states, and the nation. Even so, political influences operate among levels of governments in elections. A political party with a strong performance in national and/or state executive elections can boost the votes of its members in municipal elections, which can reinvigorate the party in the sense that by strengthening itself at the municipal level, the party can also widen its municipal electoral base for state and national elections.

Accordingly, federalism seems to point to electoral and partisan dynamics that combines independence and interdependence among the levels of government. This combination is beneficial because independence is an important factor in maintaining the political autonomy of each federal entity, but some interdependence can also foster intergovernmental cooperation in the definition and implementation of public policies.

The objective of this study is to explore this duality in the electoral dynamics of the Brazilian federation, considering what the literature says about the possible impact of federalism on electoral behavior. After the literature review, this work seeks to identify patterns of autonomy and interdependence in the election of the different Brazilian federal entities through a descriptive and econometric analysis of the vote for political parties in the 26 Brazilian state capitals for the offices of mayor, governor, and president in the period 1994-2008. This choice of period is the result of changes in the electoral calendar after 1994, when national and state elections became concomitant and separate from municipal elections. The objective is to determine whether municipal majority elections are influenced by the national and state majority elections that precede them.

This article is organized into four sections. The first is dedicated to the presentation of concepts and explanatory dimensions in voting in accordance with the specialized literature. It will highlight the marginality of the federal dimension in the literature that seeks to explain electoral

behavior. The second section reviews aspects of the literature associated with the federal component in explaining voting behavior. That section highlights the factors identified by the literature related to the impact of federalism on both the parties and Brazilian elections. The third section presents a descriptive analysis of the voting patterns in the Brazilian state capitals during the period 1994-2008, considering the elections for president, governor, and mayor. The fourth section contains an econometric analysis that seeks to explain the extent to which the parties' mayoral votes are influenced by majority elections for president and governor. Are strong parties in presidential and/or gubernatorial elections also strong in mayoral elections? The findings confirm the theory of national and state influence over municipal elections. This article also includes final considerations, synthesizing and balancing this work's findings and positing new perspectives for study.

## **2 What explains partisan voting in democratic regimes?**

Studies about electoral behavior seek to understand how citizens behave with respect to the phenomenon of the "political world" and, more to the point, how voters decide on their vote. (BORBA, 2005). In this sense, important questions arise, such as the following: Which devices are triggered by the voter when making a voting decision? What is the role of parties in the electoral moment? What is the importance of the political campaign? How are citizens' attitudes and ideological positions and their electoral choices linked? What is the importance of social and economic context for voter behavior?

The institutionalization of electoral behavior as an area of knowledge within the field of political science involves three fundamental theories that arose during the mid-twentieth century. These theories were structured in schools of thought and encouraged the development of research and the formation of a theoretical framework for the new area of scientific investigation. Nonetheless, they are not treated as harmonizable and incremental explanations, but instead, different analytical perspectives considered them capable of debate and supplementation, as has occurred in studies and investigations of electoral behavior.

At the end of the 1950s, the so-called Michigan School developed the psychological explanation of voting, in which the individual is the unit of analysis that explains both political behavior and the voting decision. The methodology advocated to capture the elements of the shaping of individual preferences in the survey, which uses as its main research tool the performance of targeted individual interviews using the data source of a questionnaire. This questionnaire is given to a representative sample of the population. The data obtained and analyzed provide standards of conduct that are generalized to the entire population. The following parameters apprehended by this school to understand vote definition appear as important: the level of political involvement, political alienation and political party identification, and elements that are influenced by educational level, age, class position, ethnic origin, religious origin, demographic origin, and institutional conformations (primarily the party system). These aspects, combined with the process of the primary socialization of the individual—usually from the family home—result in attitudinal “fields” that guide the voter’s interests and political preferences. From this analytical framework, the Michigan School argues that political-party membership comes before the choice of candidates, emerging from primary socialization and exhibiting an emotional component. The degree of party loyalty controls the direction of the vote, and the higher the degree of party loyalty, the lower the voter response to the momentary appeals of electoral campaigns. Another postulate of this theory is that participation and electoral volatility arise out of not only distribution of the degree of membership but also partisan and political alienation (BORBA, 2005; FIGUEIREDO, 2008).

Another significant effect of the 1950s was the publication of the seminal book *Voting*, by Berelson et al. (1954). That book introduced the sociological perspective, which highlights the importance of both the social context and the group context in understanding voting. This perspective argues that voting is an individual action that results from social interactions and is critical for understanding the context in which the individual is to understand his or her electoral decision. Thus, this macro-social theory posits that electoral behavior would be a function of nature, of the density of interactions in which individuals are

involved, of the opinions formed out of those interactions, and of society's level of socioeconomic development. The primary perspective adopted by the theorists of the sociological school explains electoral results from social data in different regions (FREIRE, 2001). The sociological school highlighted socioeconomic, demographic, and occupational variables (BORBA, 2005). Unlike the psychological school, the focus is no longer the individual: party identity is viewed as a representative contract of social interests between voters and parties (or candidates). In summary, the sociological theory argues that the voting decision depends on the nature of social relations in which the individual is involved, the political identity of the group to which he or she belongs and the campaigns' momentary appeals.

The rational choice or "economic" theory of voting, also established at the end of the 1950s, has its origins in Anthony Downs's work, *An economic theory of democracy* (1957). This theory takes into account the individual perspective to explain voting but highlights the instrumental and strategic components of political behavior, similar to the conduct of individuals acting in the market. The political sphere is known as a "political market" in which politicians aim to "sell their products" and citizens assume the role of "consumers" who select the "products" that will maximize their gains (BORBA, 2005). The voter is the *homo economicus*, endowed with rationality to establish cost-benefit calculations that guide his or her actions. This voter considers not only information about parties and candidates but also his or her satisfaction with economic, individual, group, and national realities to decide the direction of his or her vote. Therefore, the voting decision suffers from both economic effects and from the voter's assessment of the government and its policies (so-called retrospective voting). The voter's answers to opposition appeals vary inversely with his or her degree of satisfaction with the current officeholders. Conversely, responses to situationist appeals vary directly depending on the electorate's degree of satisfaction with the present officeholders (FIGUEIREDO, 2008). The voter can also make a prospective evaluation, seeking to identify which candidates have the best ability to offer policies that cater to his or her interests. The theory of rational choice explains voting as resulting from economic interests, differing from the other schools, which

emphasize the relevance of the subjective identification of class or position in the social system. The theory does not discount that social class is relevant—albeit indirectly—as a factor that defines individuals' economic interests. Membership in the same social class tends to create similar positions about inflation, variation in individuals' income, and unemployment, among other issues, which impacts how one votes.

These three theories had great influence in works on electoral behavior in Brazil. This area of research began to develop in the 1950s with the pioneering work of Azis Simão (1955), who addresses the blue-collar vote in São Paulo. Thereafter, the findings of this research area intensified during the 1960s and the 1970s through the work of Gláucio Soares (1973), the collections edited by Bolivar Lamounier and Fernando Henrique Cardoso (1975), and the work of Fábio Wanderley Reis (1978). During this period, the studies relied heavily on the postulates and variables of psychological and sociological theories to understand Brazilian electoral behavior. More recently, Marcus Figueiredo (1991) has incorporated the basics of the rational theory of voting.

Throughout the second half of the twentieth century and the beginning of the twenty-first century, several investigations on electoral behavior have applied analytical instruments present in the three theories. Some adopted one school only as a reference, and others sought to integrate the different paradigms (BORBA, 2005). Additionally, criticism of the models to explain voting emerged. With respect to the psychological school, the central criticism revolves around the failure of party identity to act as a fundamental variable to explain electoral behavior. This criticism is especially important in the current context, in which the parties suffer from a crisis of representation (MANIN, 1995), decreasing the proportion of voters who have strong party identities. Individuals no longer trust the political entity as the primary institution of channeling and representing their interests. With respect to the sociological model, according to Freire (2001), the importance attributed to integration and social cleavages as predictors of voting has been questioned. At the individual level, macro-social-level variables are more significant than one's own political attitudes. Social cleavages have also suffered profound changes throughout history, and therefore,

the explanatory social contexts of the vote in the twentieth century may not be observed with such clarity in the present. That same author criticizes the economic theory of voting, which at its core is the concept of voting as merely an instrumental action, thus disregarding voting's ideological and subjective components. There is also an informational aspect. The theory of economic voting makes the erroneous assumption of perfect information about the government, the economic situation, the interests represented by the parties, etc., which constitute the basis for rational behavior. Nevertheless, it is known that the information available to the voter to make his or her voting decision is imperfect and incomplete.

In the quest to explain voting, the national and international literature contains few studies devoted to understanding the influence of the federalist political-institutional arrangement on voters. In the Brazilian case, which provides the voter with three different levels of government composition—and thus voting decisions—it is undeniable that federalism is a relevant variable in the political-electoral dynamic. It is worth asking: how does the Brazilian voter behave in each of these spheres of decision? Does he or she consider the government's performance at the different administrative levels to make his or her voting decision? Or is it that the citizen replicates his or her party preferences at all levels? These are the questions that motivate this study, which does not pretend to exhaust the subject but only to stimulate debate in light of the explanatory theories of voting, focusing on the impact of the Brazilian federal arrangement on voting.

### **3 The federal dimension of electoral behavior and partisan voting in Brazil**

At the international level, the works that analyze the federal dimension in voting include that of Hamann and Pollock (2010). Those authors compare Spain and Germany and show how their distinct institutional aspects can influence voting behavior related to turnout rates in elections at the national and regional levels. In Germany, the Upper House corresponds to one instance of effective representation of the *Landers* (subnational units). The regions are represented in the

Upper House, through which they participate in the country's administration and legislation. In Spain, there is no similar mechanism for representation of the regions. The authors' thesis is that because of the greater importance of the regional (subnational) elections for elaborating public policy at the national level, rates of voter turnout at the regional level in Germany are more closely connected to voter turnout rates at the national level than they are in Spain. In other words, in Germany, when the rate of turnout is high in national elections, it also tends to be high in regional elections. In turn, when the rate of turnout is low in national elections, the tendency is similar in regional elections. The point is that given the correlation between regional elections and national policy, the factors that affect turnout at the national level tend to affect regional elections.

In Brazil, few studies of electoral behavior focus on the federal dimension of voting. Generally, those books consider the Brazilian federation only briefly, belying the importance of this form of the government. A large portion of the most recent studies about electoral behavior highlight the voting decision and its implications for the party system at only one level of representation without connecting the electoral processes of the different federal entities. Thus, we have works that investigate at the national level (CARREIRÃO; KINZO, 2004; HOLZHACKER; BALBACHEVSKY, 2007), at the state level (BORGES et al., 2011), and at the municipal level (LAVAREDA; TELLES, 2011; BARRETO, 2012; FLEISCHER, 2002).

Other Brazilian studies that examine the federation to understand electoral dynamics highlight party congruence between state governors and the federal government. They show that when the state governing coalition coincides with the federal governing coalition, the candidates from these parties benefit from a substantial competitive advantage, relative to opposition candidates, in elections for the Chamber of Deputies. Conversely, where there is no party correspondence between the governments at two levels, the opposition party can take advantage of access to federal programs and patronal resources to better their chances for election to the Chamber (BORGES et al., 2011).

The federation is featured in some political literature of the early 2000s, the focus of which is understanding the party system and behavior

in the Brazilian national legislature. U.S. scholars, so-called Brazilianists such Mainwaring (2001), Ames (2003), and Samuels (2003), argue the thesis that federalism is but one element in the country's political configuration (in addition to those of presidentialism, multipartism, and the proportional vote) contributing to low party identity and the personalism of voting, resulting in fragmentation and low levels of discipline in the national political parties, given that parliamentary behavior is oriented to state and local elections. The result is that it is difficult for the national executive to implement his or her agenda.

Samuels (2003) centers his criticism of the Brazilian federalism on gubernatorial power over the electoral process for the Brazilian Chamber of Deputies. Through a study that utilizes the concept of *coattails*<sup>10</sup> to refer to the effect of the president and the governor on federal deputy elections, that author concludes that governors have a greater influence on voting for the lower chamber than for the presidency. The author's conclusion is that gubernatorial *coattails* prevail over presidential *coattails* and that the power of the governors in national politics is derived from their *coattails*, to the detriment to presidential political power.

Soares (2013) analyzes the majoritarian effect of the occupation and nomination for the positions of president and state governor on proportional election to the Brazilian House of Representatives during the period 1994-2010. The results of that study show no impact from the occupation of majority seats, whether the president or governor is in the majority, on the parties' votes for federal deputies, which contradicts Samuels's thesis about governors' power in national legislative elections. However, it is observed that strong candidates for either the presidency or state governorships boosts the vote for these same party's federal deputies, given that gubernatorial *coattails* are more significant than the presidential *coattails*. Thus, the author concludes that there is a federal dimension to elections for federal

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<sup>10</sup> *Coattail* refers to the rear flaps of a cutaway that, being too long, drag items as they move. The term has been adopted by American political scientists to denote the power of popular candidates or parties over their supporters or allies in different electoral competitions.

deputies that relates to the party's performance in presidential or gubernatorial elections in the Brazilian states. The better the performance in elections for these positions, the more likely the party is to receive votes for the national legislature from their constituencies, i.e., in the states of the federation.

Carreirão and Kinzo (2004) advocate the importance of parties in the electoral process through the study of partisan preference and rejection related to presidential voting during the most recent period of Brazilian redemocratization (1989 to 2002). Analyzing presidential election data and public opinion polls during that period, the authors show that party preference is an important element in identifying where on the ideological spectrum the party for which the voter will vote is found, although it is not necessarily possible to predict how the voter will vote. Moreover, the rate of party preference has a certain relationship with the level of education (it is higher among voters with a high school degree: on average, this contingent, 51% of voters, expressed a preference for some party). Partisan rejection, which signifies a voter's indication of one party for which he or she refuses to vote, seems to have a clear link with the vote because in more than 98% of cases in which a voter rejected a party, he or she did not vote for the candidate of that party.

In the municipal environment, the work of Telles et al. (2011) considers the federal aspect in analyzing the 2008 municipal elections in Belo Horizonte. In those elections, the governor of the state of Minas Gerais (Aécio Neves of the Brazilian Social Democracy Party [Partido da Social Democracia Brasileira—PSDB]) and the mayor of the state's capital (Fernando Pimentel of the Worker's Party [Partido dos Trabalhadores—PT]) signed an alliance in favor of the candidate of the Brazilian Socialist Party [Partido Socialista Brasileiro—PSB], Márcio Lacerda, despite the heated rivalry between the PT and the PSDB at the national level. The authors note that federalism has become the subject of political campaigns, sometimes to assert the autonomy of alliances at the subnational levels and at other times to emphasize a different way of doing politics in Minas Gerais, marked by reconciliation and the prevalence of general interests over the logic of individualistic policy. The repercussions and unfolding of this

alliance, which was broken during the 2012 municipal elections, highlight that strong political differences between national and subnational alliances can be problematic and can have an effect on both the election campaign and the voter's decision. The 2008 alliance and the path toward its breaking in 2012 link two central aspects that we want to emphasize in this study: autonomy and interdependence between the electoral and political processes of the different levels of power in the Brazilian federation.

Also on the municipal level, and focused on federal electoral linkages, Almeida and Carneiro (2008) point to partisan linkages between the local political arena and the state and national political arenas. They propose that partisan organizations at the various levels of the federation allow for the partisan articulation of municipal policy at the higher levels. Through econometric analyses of state and national election data from 1994 and 1998 and of municipal election data from 1996 and 2000, the authors identify the following:

the existence of links between levels in the party system, both in the majority system and in the proportional system [...]. There are significant effects on the vote for mayor and president on the vote for governor; of the vote for mayor and governor on the vote for federal deputy; of the vote for mayor, governor, and federal deputy on the vote for state deputy; of the vote for governor and state deputy on the vote for mayor; and of the vote for mayor on the vote for city councilor (ALMEIDA; CARNEIRO, 2008, p. 424).

Similar to Almeida and Carneiro's work, but using a different methodology and a more limited scope, the following sections of this study seek to present and to analyze possible influences on national and state majority elections, on presidential and gubernatorial elections, and on mayoral elections in the Brazilian capitals. The objective is to determine the extent to which the parties' votes for mayor can be predicted from the electoral performance that they obtained in previous presidential and gubernatorial elections.

#### **4 Partisan strength and majority elections in the Brazilian capitals (1994-2008)**

Brazil takes a particular form among the federal experiences and has three autonomous levels of government. The country consists of one nation, 26 states, one federal district,<sup>11</sup> and 5,565 municipalities (IBGE, 2009). This configuration results in a complex system of political representation that involves majority elections for the executive offices at three levels: one president, 27 governors, and 5,565 mayors. In addition, there are proportional elections for the legislative offices: 513 federal deputies, 1,059 state deputies, and 51,976 city councilors (TSE, 2012). At the national level, the legislative power is bicameral, and there are majority elections for the 81 members of the Senate, which is composed of three partisan senators for each State and for the Federal District.

This intricate electoral network involving the race for thousands of positions becomes even more complex in a political system that combines multipartism and an open list for choosing candidates for proportional seats. Thus, electoral behavior directly suffers from the influence of both the federal organization and other institutional aspects of the country's political organization. Additionally, two changes that occurred in the 1990s are important to consider with respect to the federal dimension of electoral behavior in Brazil. The first related to the electoral calendar. National and state elections have become concomitant and are separated by two years from the municipal elections. The second related to the introduction of reelection for executive offices in the 1998 elections, which enabled presidents, governors, and mayors to renew their duties for only one subsequent term.

As we have observed, we can consider the correlation among elections at different levels of the federation from the perspective of

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<sup>11</sup> The Federal District (Distrito Federal – DF) is a hybrid political entity, mixing characteristics of state and municipality. It has one governor and 24 district deputies who are responsible for the combined administration of the DF and Brasília. Brasília, which corresponds to the same geographic space as the DF, is the seat of both the district government and the capital of the Federal Republic of Brazil.

different analytical focuses: the influence of presidential and gubernatorial elections on the election for federal deputies (SAMUELS, 2005; SOARES, 2012); and the influence of national and state elections on partisan disputes in the municipalities (CARNEIRO; ALMEIDA, 2008). The choice of focus is important because of the tangle of possibilities present in an election scenario with so many offices in dispute, which involves so many parties, and which is structured into three territorial levels of power.

This work focuses on the majority elections for president, governors, and mayors in the 26 Brazilian state capitals in the period 1994-2008. The objective is to explore the influence of the elections for the offices of state and national executives on party performance in mayoral elections. The choice of majority elections is justified because majority elections mobilize more resources and interest on the part of the electorate, which leads us to believe that federal electoral linkages can be more easily grasped from this perspective. Given that the presidential and gubernatorial elections occur concurrently and precede municipal elections by two years, we can take as a central proposition that a party's good performance in a municipality during the presidential and/or gubernatorial elections will have a positive impact on its performance in the mayoral elections in the same municipality.

The capitals were chosen as an analytical focus because they correspond to a restricted number of municipalities with quite similar characteristics in terms of populations, economics, and politics. This choice also permits a more accurate analysis of federal election linkages because it focuses on major Brazilian municipalities.

The selected period, from 1994-2008, encompasses the national and state elections of 1994, 1998, 2002, and 2006, and the municipal elections of 1996, 2000, 2004, and 2008.

The universe that we analyzed comprises the fourteen major parties that stood for the majority municipal elections. The cutoff criterion was the average overall performance of the parties in the Brazilian capitals, in the mayoral elections, above 5%. Table 1 shows the parties that contested municipal election during the studied period and their average performance—in each election and during the entire period—in the capitals in which they competed in mayoral elections.

Displayed in decreasing order of average overall performance, in the upper part of the table, we have shaded the fourteen parties that are the objects of our analysis. When combined, these parties obtained more than 90% of the average overall vote for mayor and governor and 88% of the vote for president. The other parties are considered tiny (despite their considerable consideration in the majority elections) and show very low vote results. This selection allows us to center the analysis on the relevant parties that are competitive and that win the majority of elected offices.

Table 1- Political parties in majority municipal elections. Average votes in the capitals (1996 to 2008).

Party		1996	2000	2004	2008	Period	
Acronym	Name	Electoral Number	Average Vote (%)	Average Vote (%)	Average Vote (%)	Average Vote (%)	
PT	Worker's Party [Partido dos Trabalhadores]	13	26.0	29.8	31.5	30.0	29.3
PSDB	Brazilian Social Democracy Party [Partido da Social Democracia Brasileira]	45	26.3	25.3	29.3	29.6	27.6
PMDB	Brazilian Democratic Movement Party [Partido do Movimento Democrático Brasileiro]	15	25.4	23.3	19.8	30.4	24.7
PSB	Brazilian Socialist Party [Partido Socialista Brasileiro]	40	15.5	24.3	20.3	34.5	23.6
PFL/DEM	Liberal Front Party/Democrats [Partido da Frente Liberal/Democrata]	25	26.6	23.4	17.6	16.2	20.9
PTB	Brazilian Labor Party [Partido Trabalhista Brasileiro]	14	11.3	19.5	22.8	23.8	19.4
PP/PPB/PP(1)	Reform Progressive Party/Progressive Party of Brazil/Progressive Party [Partido Progressista Reformador/ Partido Progressista Brasileiro/ Partido Progressista]	11	20.1	15.8	16.7	24.3	19.2
PDT	Democratic Labor Party [Partido Democrático Trabalhista]	12	21.6	17.9	16.6	11.3	16.8
PSD	Social Democratic Party [Partido Social Democrático]	41	2.9	30.2			16.5
PC do B	Communist Party of Brazil [Partido Comunista do Brasil]	65	5.0	16.0	11.1	17.7	12.4
PL/PR (2)	Liberal Party [Partido Liberal]	22	1.0	10.3	15.2	22.9	12.3
PPS	Popular Socialist Party [Partido Popular Socialista]	43	1.6	16.3	21.6	9.9	12.3
PRB	Brazilian Republican Party [Partido Republicano Brasileiro]	10				11.5	11.5
PV	Green Party [Partido Verde]	43	0.9	2.9	3.1	25.8	8.2
PMN	National Mobilization Party [Partido da Mobilização Nacional]	33	2.0	0.0	0.5	9.6	3.0
PRONA	Party of the Reconstruction of the National Order [Partido de Reedificação da Ordem Nacional]	56		1.4	3.8		2.6
PSL	Social Liberal Party [Partido Social Liberal]	17	0.2	6.4		0.5	2.3
PSOL	Socialism and Freedom Party [Partido Socialismo e Liberdade]	50				2.2	2.2
PRN/PTC (3)	National Reconstruction Party/Christian Labor Party [Partido da Reconstrução Nacional/Partido Trabalhista Cristão]	36	0.7	0.1	2.5	1.3	1.9
PSC	Social Christian Party [Partido Social Cristão]	20	1.5	0.3	1.5	2.7	1.5
PRP	Progressive Republican Party [Partido Republicano Progressista]	44	1.7	0.9	1.4		1.3

PSDC	Christian Social Democratic Party [Partido Social Democrata Cristão]	27	1.1	0.2	0.4	2.6	1.1
PTN	National Labor Party [Partido Trabalhista Nacional]	19	0.0	0.4	1.8	1.8	1.0
PST	Social Labor Party [Partido Social Trabalhista]	52/18	0.8				0.8
PSTU	United Socialist Workers' Party [Partido Socialista dos Trabalhadores Unificado]	16	0.5	0.7	0.8	0.9	0.7
PAN (4)	Party of the Nation's Retirees [Partido dos Aposentados da Nação]	26	1.1	0.1	0.7		0.6
PRTB	Brazilian Labor Renewal Party [Partido Renovador Trabalhista Brasileiro]	28	0.5	0.3	0.8	0.8	0.6
PSN/PHS (5)	Party of National Solidarity/Humanist Party of Solidarity [Partido Solidarista Nacional/Partido Humanista da Solidariedade]	31	0.2	0.8	0.6	0.3	0.6
PCB	Brazilian Communist Party [Partido Comunista Brasileiro]	21	0.2		0.1	1.2	0.5
PT do B	Labor Party of Brazil [Partido Trabalhista do Brasil]	70	0.4	0.6	0.6	0.3	0.4
PCO	Workers' Cause Party [Partido da Causa Operária]	29	0.1	0.4	0.4	0.4	0.3
PGT	General Party of the Workers [Partido Geral dos Trabalhadores]	30	0.1	0.2			0.1

**Data sources:** STE (2012); Nicolau, Jairo (2006); Dados Eleitorais do Brasil [Electoral Data of Brazil] (1982-2006).

#### Notes:

- (1) The PPR joined with the PP in 1995 and became the Progressive Party of Brazil (Partido Progressista Brasileiro—PPB). The PPB changed its name to the Progressive Party (Partido Progressista—PP) in 2003.
- (2) The PL joined with the PRONA to create the PR in 2006.
- (3) The PRN changed its name to the Christian Labor Party (Partido Trabalhista Cristão—PTC) in 2001.
- (4) The PAN was incorporated into the PTB in 2007.
- (5) The PSN, founded in 1995, became the Humanist Party of Solidarity (Partido Humanista da Solidariedade—PHS) in 1997.

Table 2 shows the average vote of the parties for mayor, governor, and president in the 26 state capitals. Chart 1 illustrates the situation of the parties in these three elections. We observe that only the PT and the PSDB garnered significant votes in the majority elections at the three levels of government. Furthermore, parties such as the PMDB, the PSB, and the PFL/DEM, which focused their campaigns on the subnational arena, entered into alliances for the national elections<sup>12</sup>.

<sup>12</sup> The PMDB had its own candidate for president in 1994. It supported the PSDB in 1998 and the PT in both 2002 and 2006. The PFL/DEM allied itself with the PSDB in all of the presidential elections during the period. The PSB supported the PT in the 1994 and 1998 presidential elections, mounted its own candidate in 2002, and supported the PT in 2006.

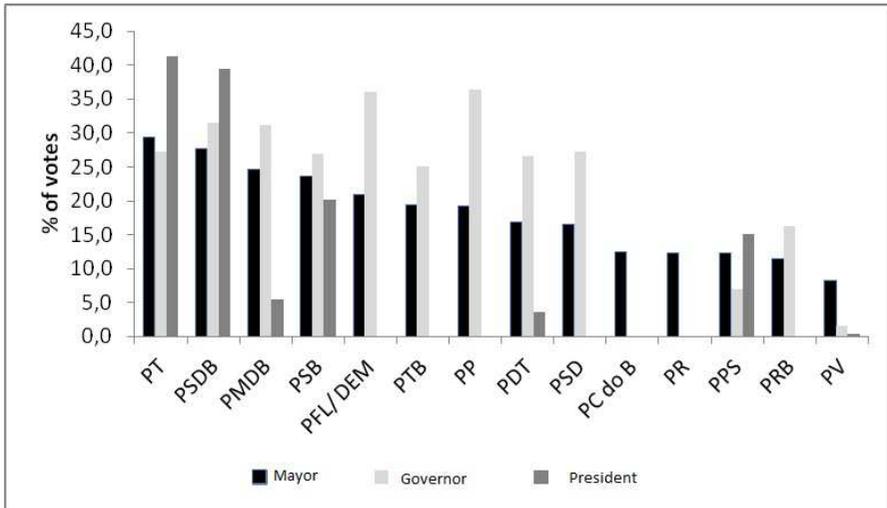
The PDT did not make the same choice: it ran its own candidates for president in 1994, 2002, and 2006, but with worse electoral results. The other parties' votes were concentrated in the municipal majority elections. What seems to be a good average performance for governor on the part of the PTB, the PP, and the PSD actually applies only to isolated situations in the state capitals, according to Table 2.

Table 2 – Average total vote for parties in the majority offices in the capitals, 1994-2008

Party	Mayor		Governor		President	
	N*	% of votes	N*	% of votes	N*	% of votes
PT	80	29.3	53	27.3	80	41.2
PSDB	58	27.6	30	31.4	58	39.5
PMDB	54	24.7	36	31.2	17	5.5
PSB	40	23.6	16	26.9	12	20.1
PFL/DEM	44	20.9	13	36.0	0	-
PTB	28	19.4	6	25.1	0	-
PP	35	19.2	2	36.4	0	-
PDT	40	16.8	21	26.5	19	3.6
PSD	5	16.5	1	27.3	0	-
PC do B	18	12.4	0	-	0	-
PR	15	12.3	0	-	0	-
PPS	29	12.3	5	7.0	21	15.0
PRB	2	11.5	1	16.3	0	-
PV	22	8.2	6	1.6	6	0.3

\* N corresponds to the number of capitals with voting data about the parties for the offices in question. However, N does not correspond to the number of capitals in which the party competed in elections for those offices but offers a good approximation of this situation.

Chart 1 – Vote for Mayor, Governor, and President in the Capitals by Party (average 1994-2008)



Source: Author's preparation from data of the Superior Electoral Court [Tribunal Superior Eleitoral] (TSE, 2012).

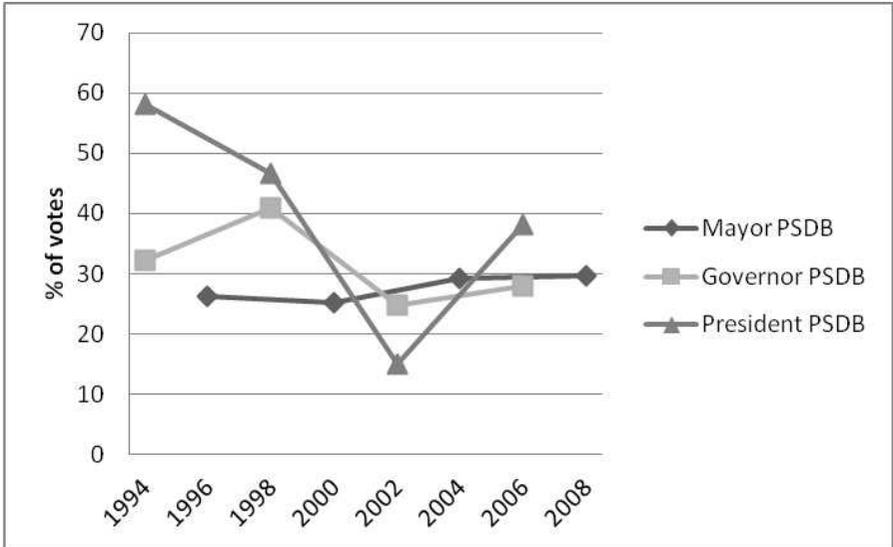
Better refining the above data, the charts below demonstrate the performances of the PT and the PSDB in the three contests and of the PMDB, the PSB, and the PFL/DEM in the subnational contests, respectively.

Charts 2 and 3 show the variations in the vote for the two main parties that contested and occupied the presidency during the period. We observed that the behaviors of the PSDB and the PT were different. The PSDB demonstrated a more regular and slightly growing vote for mayor in the capitals and irregular and discrepant performance in the competitions for president and governor. The PT has a more regular pattern in voting, in an ascendant sense. However, there is also a more regular and less volatile pattern for mayor and a more irregular pattern for president and governor. The latter two competitions exhibit quite similar patterns with respect to the evolution of the votes.

The PMDB, the PSB, and the PFL/DEM also show different behavior in the subnational competitions. The PMDB shows very similar voting patterns for mayor and for governors, along with a variation of

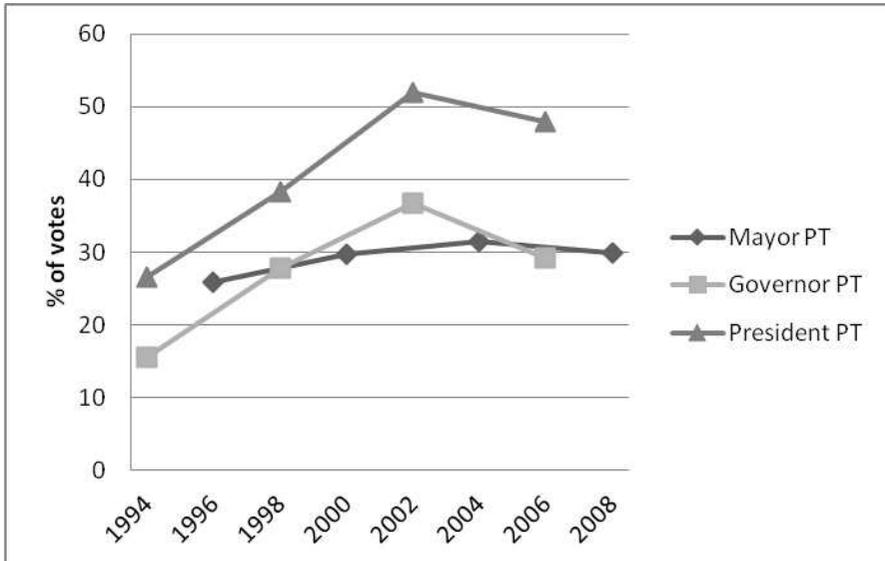
20-35% in the contests, indicating a possible link between the two electoral competitions. The PFL/DEM showed a descending tendency in the votes for mayor and governor, inverse to that which occurred with the PSB, which shows a positive trend in the votes for governor and mayor.

Chart 2 –PSDB Vote for Mayor, Governor, and President (1994-2008)



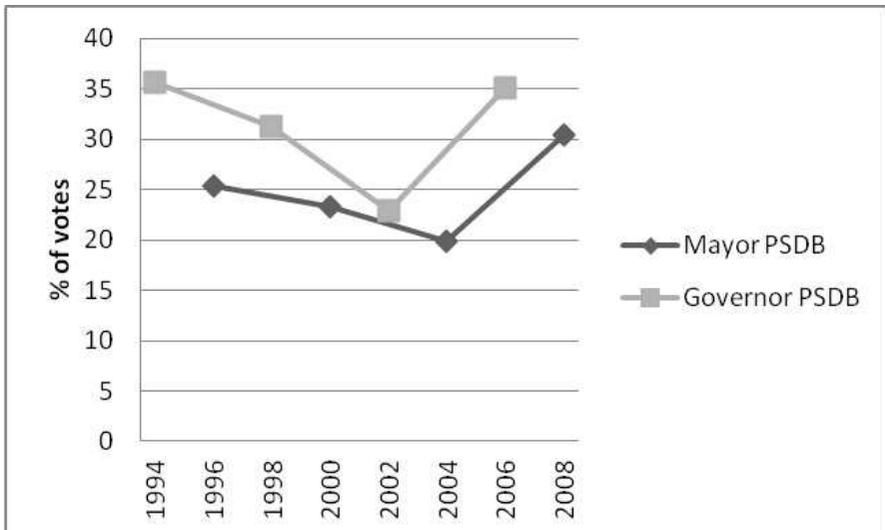
**Source:** Author’s preparation from data of the Superior Electoral Court [Tribunal Superior Eleitoral] (TSE, 2012).

Chart 3 – PT Vote for Mayor, Governor, and President (1994-2008)



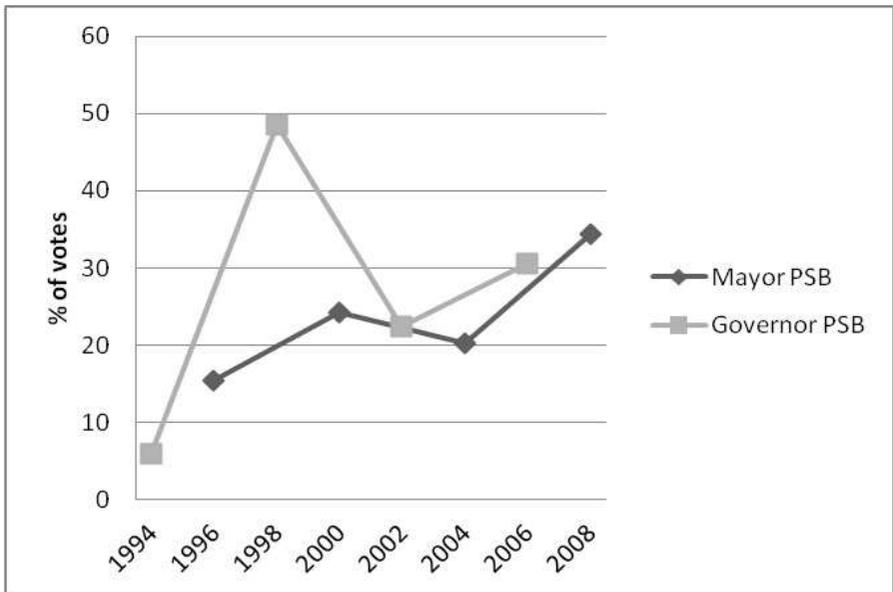
**Source:** Author’s preparation from data of the Superior Electoral Court [Tribunal Superior Eleitoral] (TSE, 2012).

Chart 4 –PMDB Vote for Mayor and Governor (1994-2008)



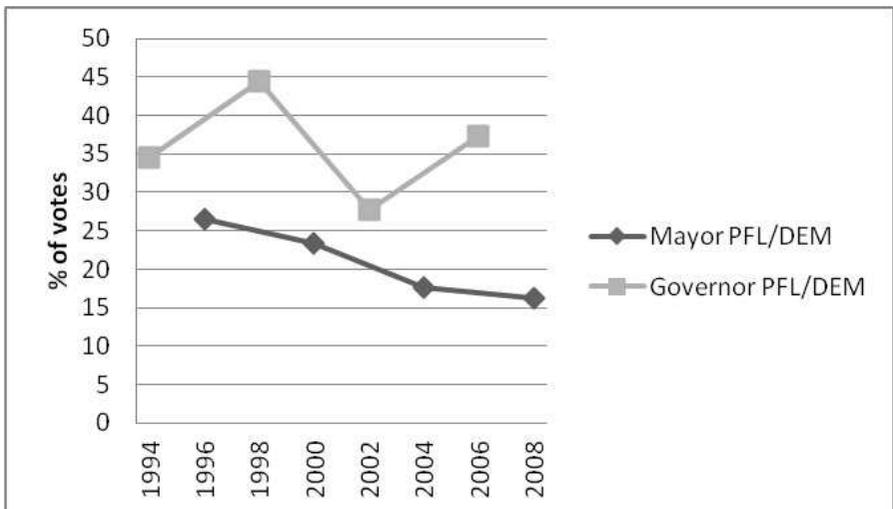
**Source:** Author’s preparation from data of the Superior Electoral Court [Tribunal Superior Eleitoral] (TSE, 2012).

Chart 5 –PSB Vote for Mayor and Governor (1994-2008)



**Source:** Author’s preparation from data of the Superior Electoral Court [Tribunal Superior Eleitoral] (TSE, 2012).

Chart 6 –PFL/DEM Vote for Mayor and Governor (1994-2008)



**Source:** Author’s preparation from data of the Superior Electoral Court [Tribunal Superior Eleitoral] (TSE, 2012).

## **5 National and state influences in the elections of mayors in the Brazilian capitals**

This section uses econometric analysis to infer national and state influences on the elections for mayors of the Brazilian state capitals in the period 1994-2008. The database for this analysis contains predominantly electoral information available from the website of the Superior Electoral Court [Tribunal Superior Eleitoral] (TSE, 2012). Population and gross domestic product (GDP) data were obtained from the website of the Brazilian Institute of Geography and Statistics [Instituto Brasileiro de Geografia e Estatística] (IBGE, 2012). Information about the Municipal Human Development Index in Education (Índice de Desenvolvimento Humano Municipal na Educação—HDI Education) was obtained from the webpage of the United Nations Development Programme (PNUD, 2012).

### **5.1 Variables and hypotheses**

The dependent variable of our analytical models is the vote received by the political party for the office of mayor (mayoral vote) in the 26 Brazilian capitals in each of the last four elections (1996, 2000, 2004, and 2008). The metric used is the percentage of votes received by the party for mayor in the capital in the first round in relation to the total valid votes distributed among the various parties in that majority election. This variable is expected to be affected by the following set of independent variables:

- 1) Vote for the party for president in the previous election (Presidential Vote). The good performance of the party in the presidential elections in the capital can drive the vote of the same party in the next mayoral election.
- 2) Vote for the party for governor in the previous election (Gubernatorial Vote). The good performance of a party in the gubernatorial elections in the capital can also be a catalyst for the party's vote for mayor.
- 3) The party controls the mayoralty and the mayor runs for re-election (Incumbent Mayor). The fact of having a sitting mayor

who seeks re-election can mean access to important government resources (offices, public funds, and implementation of public policies) and positively impact the parties' vote for mayor.

- 4) Vote of the party in the mayoral election immediately prior (Previous Mayoral Vote). The previous vote of the party for mayor in the capital can be a predictor of its vote in the current election. This variable shows an electoral capital that can be perpetuated over time in the municipal majority elections, independent of the elections at other levels.
- 5) Per-capita GDP of the municipality (Municipal Per-Capita GDP). Even working with capitals—municipalities that stand out on the national scene in terms of economic development—there are differences among these municipalities with respect to wealth produced and population. It is worth determining whether greater economic development has an impact on the party's share of the mayoral vote.
- 6) Municipal Human Development Index in Education (HDI Education). HDI, elaborated in terms of two education indicators (literacy and rate of school attendance) can have an impact on the parties' vote. Various studies and electoral research, Kinzo and Carreirão's (2004) among them, show schooling as a factor that impacts party preferences.

From these variables, the working hypotheses hold that the political party's share of the mayoral vote increases if:

- H1: the party's share of the presidential vote (Presidential Vote) increases;
- H2: the party's share of the gubernatorial vote (Gubernatorial Vote) increases;
- H3: the party has a mayor who is seeking re-election (Incumbent Mayor);
- H4: the party's share of the mayoral vote in the previous election (Previous Mayoral Vote) increases;
- H5: per-capita income (Municipal Per-Capita GDP) increases;
- H6: the Municipal Human Development Index in Education (HDI Education) increases

## 5.2 Analytical models

To test the above hypotheses, a statistical regression analysis was performed. The measurement scale of the main variables and the number of independent variables, as along with the association observed between these and the dependent variable, led to the adoption of the multivariate linear regression model.

Six models of regression were defined. The first model included all of the independent variables with the exception of “Incumbent Mayor” and “HDI Education,” which showed high correlation with “Previous Mayoral Vote” and “Municipal Per-Capita GDP,” respectively. Models 2 and 3 are similar to model 1, but “Presidential Vote” and “Gubernatorial Vote” are interspersed. Models 4, 5, and 6 differ from the three first models by replacing “Previous Mayoral Vote” with “Incumbent Mayor” and GDP with HDI Education.

## 5.3 Results

Table 3 shows the results obtained by the six adopted models. In the first model, which includes “Presidential Vote” and “Gubernatorial Vote,” only the variable referring to the party’s previous share of the mayoral vote presents statistical significance, with a high coefficient. In the second and third models, which intersperse national and state votes, we observe that in addition to the previous vote obtained by the party, the variables “Presidential Vote” and “Gubernatorial Vote” also impact the vote for mayor, with the gubernatorial effect being greater than the presidential effect. In the other three models, when we replace “Incumbent Mayor” with “Previous Mayoral Vote” and HDI Education with GDP, we observe in model 4, which includes the “Presidential Vote” and “Gubernatorial Vote” variables, only the impact of the gubernatorial vote. Of models 5 and 6, which intersperse the two variables, only model 5 shows the effect of “Presidential Vote,” and only model 6 shows the effect of “Gubernatorial Vote.” Thus, whether a party had a mayor running for re-election was not statistically significant in explaining the vote received by the party for mayor. In the six models, GDP and HDI Education do not demonstrate an impact

on the dependent variable, perhaps because the capitals have greater economic and social homogeneity. We should also consider that the period is short and it is difficult to obtain certain, less-sharp influences.

The results are in accordance with the intention of this section, which was to determine whether the parties' share of the presidential and/or gubernatorial votes have an impact on the partisan vote for mayor. The findings prove the hypotheses that the growth of the party's vote for president and governor has a positive impact on the party's performance in mayoral elections. The results emphasize the importance of the federal dimension for properly understanding electoral behavior. Nevertheless, the best predictor of a party's mayoral vote is the vote that it received in the immediately preceding election for the same office. This means that partisan and electoral dynamics in the municipalities operate principally according to internal variables independent of political competition at the other levels of government. Thus, the models presented here show that the gubernatorial vote has a greater effect than the presidential vote on the mayoral vote. These findings are congruent with the descriptive analysis of section 3, in which we observed a certain consistency for the majority offices of the PT but an irregular pattern for the PSDB, along with more congruence in the gubernatorial and mayoral vote for the PMDB, the PSB, and the PFL/DEM, which, as observed in the previous section, concentrated their candidates in state and local elections and led to their alliances with parties that had greater chances of success in the presidential elections.

Table 3—Federal Effects in Mayoral Elections (1994-2008)

<b>Dependent Variable: Partisan Vote for Mayor</b>						
	<b>Model 1</b>	<b>Model 2</b>	<b>Model 3</b>	<b>Model 4</b>	<b>Model 5</b>	<b>Model 6</b>
Constant	3.649 (5.676)	6.926* (4.012)	3.637 (4.767)	44.15* (25.61)	36.78* (19.98)	47.70** (21.35)
<b>Independent Variables</b>						
Presidential Vote	0.0285 (0.0852)	0.155** (0.0731)	--	0.0940 (0.0785)	0.231*** (0.0558)	--
Gubernatorial Vote	0.148 (0.101)	--	0.229*** (0.0844)	0.286*** (0.0821)		0.374*** (0.0634)
Incumbent Mayor	--	--	--	2.313 (3.615)	-1.019 (2.651)	2.559 (2.667)
Previous Mayoral Vote	0.577*** (0.113)	0.521*** (0.0854)	0.562*** (0.0931)	--	--	--
Municipal Per-Capita GDP	0.0327 (0.176)	0.0822 (0.129)	-0.0163 (0.160)	--	--	--
HDI Education	--	--	--	-33.40 (29.15)	-20.45 (23.00)	-38.16 (23.99)
Observations	75	121	105	134	226	211
Adjusted R <sup>2</sup>	0.370	0.291	0.397	0.108	0.060	0.152

**Source:** Author's preparation from data of the Superior Electoral Court [Tribunal Superior Eleitoral] (TSE, 2012). Standard error in parentheses. \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$

## 6 Final considerations

The intention of this article was to show the importance of the federal dimension in the understanding of electoral behavior. We understand that it succeeded. The first section was dedicated to a literature review of electoral behavior, examining the major schools of thought that explain the voting decision: psychological, sociological, and rational choice. These schools continue to orient studies and research on elections around the world; however, they have been subject to criticism, innovations, and amendments. We believe that among these additions, it is worth introducing the geographical dimension of the vote. Individuals vote in localities, regions, and countries for different political offices, which is an important factor in shaping electoral performance. In particular, this perspective applies to federalist countries in which political power is divided into more than one autonomous sphere of government. This is the case in Brazil.

In the second section, we addressed the literature that incorporates the federal dimension into its analysis. We analyzed the literature that addresses the Brazilian case in a more detailed fashion, and we verified, among the Brazilianists, the negative nature of the impact of federalism on the decision to vote. In relation to that focus, there are works that center their analysis on the federal electoral linkages between the different territorial levels and the contested offices. Those works examine the effects of presidential and gubernatorial elections on elections for federal deputies (SAMUEL, 2005; SOARES, 2012), federal conflicts in municipal elections (TELLES et al., 2011), and the different partisan and electoral linkages between the local political arena and the state and national political arenas (ALMEIDA; CARNEIRO, 2008).

Section 3 utilized descriptive statistics to show data about majority elections in the Brazilian state capitals in the period 1994-2008. We found that fourteen parties were more significant in the mayoral elections in the period, highlighting the PT, the PSDB, the PMDB, the PSB, and the PFL/DEM. Observation and comparison of the development of these parties in the polls for the majority seats show some indications of correlation. If the presidential vote seems to impact the vote for mayor, which is clearer in the case of the PT, the gubernatorial vote nevertheless is the one that seems to have the most impact on the party's mayoral vote, as we observed with the PMDB, the PSB, and the PFL/DEM. Therefore, an important and undeveloped aspect in this work, but suggestive of more and better research, is that parties have very different strategies and results in majority electoral linkages.

Section 4 uses econometric analysis to test whether the parties' performance in presidential and/or gubernatorial elections has an impact on the parties' share of the mayoral vote. The results emphasize assumptions already outlined in section 3. The presidential vote has an effect on the party's mayoral vote, but in a less significant form than the gubernatorial vote. This is also an area that merits more exploration that would help in understanding how citizens' voting choices at the different levels of the federation are articulated in both partisan and electoral terms.

In summary, we can affirm that there is not only partisan but also national and state electoral influence on the parties and the voting decision in municipal elections. Nevertheless, this influence does not

alter the fact that the townspeople—and this is true at least for the capitals—engage in autonomous decision making when choosing their political representatives.

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# **PARTICIPATORY DEMOCRACY AND PUBLIC ADMINISTRATION: A STUDY OF THE BUDGET EXPERIENCE OF THE STATE OF PIAUÍ**

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**Abstract:** This article analyses the experience of participatory planning in Piauí, an instrument created in 2007 to increase the participation of civil society in defining the state's public policies. The study has two central arguments. First, the great dependence of Piauí on the resources of the federal government leaves little room for the formulation of specific public policies, hindering the implementation of policies considered to be priorities by the civil society, which participates in assemblies and councils that compose the participatory planning of the state. Second, despite the creation of the participatory institution within the state's executive branch, we observed a lack of planning by the government in accommodating the demands of the population. The state's departmentalised administrative structure inhibits communication between departments for the implementation of integrated policies.

**Keywords:** Participation; democracy; councils.

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## 1 Introduction

Since the 1980s, Brazil has experienced steady growth in political participation through councils and participatory budgeting. From an institutional perspective, the 1988 Constitution was the starting point for the formation of various participatory measures (AVRITZER, 2011, p. 13). Participatory budgeting, which has become widely disseminated among Brazilian municipalities, was first implemented in 1989 in the city of Porto Alegre and has inspired many similar experiments. At the state level, Rio Grande do Sul was the first state to employ this public administration model between 1999 and 2002.

The various participatory institutions provide citizens with the opportunity to influence the government's choice of policy priorities, whether local or at broader levels. The institutions' main objective is to give *voice* to low-income individuals, who in general are politically marginalised by society, by expanding their rights beyond mere participation in elections. However, the several empirical studies on this subject show that these institutions can also be used as instruments of power by politicians and bureaucrats and often function as a model for reproducing the traditional domination (WAMPLER, 2007, p. 1). Thus, one topic that has been discussed in the literature is assessing the operationality of the participatory institutions and verifying their effectiveness for democracy.

In this article, we use the concept of participatory institutions defined by Avritzer (2003, p. 3), i.e., "a way of rebalancing the relationship between representative democracy and participatory democracy". In this sense, the author identifies four characteristics: first, a transfer of sovereignty by elected politicians and bureaucrats to regional or thematic assemblies where citizens have the power of decision; second, the existence of elements of participation and delegation that are generally operationalised by assemblies and councils, respectively; third, the principle of sovereign self-regulation, with rules defined by the participants themselves; and fourth, a change in priorities for the distribution of public resources whereby the neediest sectors have the highest priority. Thus, these institutions operate according to both

representative and participatory principles through direct interactions with political parties and state actors.

This definition allows us a framework to analyse participatory institutions and evaluate whether public participation in the choice of policy priorities actually exists and what their contribution is to the quality of democracy in the sense of expanding the citizenship and accountability of elected politicians. Conversely, we can also determine whether these institutions have only an illusory character, i.e., if they only serve to legitimise the government's actions and maintain the traditional representative model.

In this context, the general objective of this study is to analyse the experience of participatory planning in Piauí, which was created in 2007 to broaden the participation of civil society in shaping the state's public policies. The presented analyses are based on an exploratory survey conducted through nine qualitative interviews and a content analysis of official state documents. The study has two central arguments. First, the great dependence of Piauí on the resources of the federal government leaves little room for the formulation of specific public policies, hindering the implementation of policies that are considered a priority by the civil society, which participates in assemblies and councils that compose the participatory planning of the state. Second, despite the creation of a participatory institution within the executive branch of the state, we observe a lack of planning by the government in accommodating the demands of the population. The departmentalised administrative structure does not allow for effective communication between departments for the implementation of integrated policies, nor does it allow the verification of projects *vis-à-vis* what was approved in the assemblies and councils.

The paper is divided into two sections in addition to this introduction and a conclusion. In the next section, we discuss the participatory institutions in the context of democratic theory. Our goal is to describe the contributions of these institutions in increasing the quality of contemporary democracy. Then, we present the case study of the participatory budgeting in the state of Piauí. In this section, we analyse the main institutional and cultural challenges to the effective participation of the population.

## 2 Participation and deliberation in democratic theory

According to Nobre (2004, p. 21-22), there are two arenas in which struggles over the democratic model are fought. The first is the definition of the institutional apparatus responsible for sustaining the democratic regime. This arena has an historical tradition in debates about democracy throughout the modern era. Within this apparatus, important institutions are discussed, such as periodic elections, the governmental regime, the arrangement of powers, and the role of bureaucracy. In the second arena, discussions take place concerning the creation, maintenance, and transformation of the spaces created within the ambit of the state so that the people actually participate and deliberate on matters of a political nature.

So-called participatory democracy emerged as a counterpoint to the liberal legalistic model of the twentieth century. Przeworski, Stokes, and Manin (1999) argue that voting is the only mechanism of vertical accountability<sup>13</sup> available for citizens in contemporary democracies to control and influence the choices of elected politicians. The participatory design strongly contrasts with the idea that the state is limited to ensuring the negative freedoms of citizens and that citizens should achieve their political, economic, and social goals autonomously. Participatory democracy holds that the state must guarantee an equality of cultural and material conditions for all citizens so they can effectively achieve direct participation in democracy. In other words, beyond the exercise of voting, the state should guarantee that all citizens are capable of participating in major policy decisions.

Therefore, according to Ugarte (2004, p. 98), regardless of the different theoretical perspectives that are presented with various aspects of this model, deliberative democracy offers a core of fundamental and universal concepts. The first fundamental concept of deliberative democracy is that all citizens should participate in the decision-making process in issues involving the collective interest. If general participation is impossible, representatives should be chosen for this purpose. The

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<sup>13</sup> For a better understanding of the different types of accountability, see Guillermo O'Donnell (1994).

second fundamental concept of deliberative democracy is that the results of any deliberations must be based on a broad discussion of the reasons and justifications for the public's choices. In such a discussion, a consensus based on the pillars of fairness, rationality, and objectivity must prevail.

Therefore, we agree with Ugarte's (2004) concept in the sense that democracy can be understood as a form of government in which the largest number of citizens freely participates in a decision-making process that involves issues of collective interest through publicly pre-established procedures. However, the effectiveness of participatory institutions is highly correlated with the degree of local associationism, as argued by Avritzer (2003).

In a corollary of participatory democracy, the conception of deliberation arises as a way to justify political decisions. The deliberative model of democracy argues that even when decisions are made by a small number of people, the choices should be based on criteria that are widely accepted by the population. The concept of political justification arises as an element that can bring decision makers closer to the citizens to the extent that decisions are made based on public debate and that are accepted by the majority of the population.

According to Dryzek (2004), the core of deliberative democratic theory is legitimacy, which can only be achieved when the results of political decisions are desired by everyone interested in the decision in question. This desire can be demonstrated by the citizens' direct participation in public deliberations. However, a fundamental question must be addressed by this model: how to ensure that everyone participates in the public deliberations. This question can be extremely complex; for example, Brazil has nearly 200 million inhabitants and a territory of over 8.5 billion square kilometres.

For Dryzek, theorists of deliberative democracy worked around this problem by setting as a condition for legitimacy the right and ability of everyone to participate in the decision-making process, not the effective participation of everyone in that process. Thus, in the words of the author,

Putting the problems in terms of a universal right, capacity, or opportunity to deliberate, rather than the actual exercise of that right, capacity, or opportunity, makes deliberative democracy more plausible. (2004, p. 42).

In addition to the right and capacity to deliberate, there is another limit on participatory democracy: the opportunity and willingness of everyone to participate in public life. In this respect, it seems appropriate to raise another question: are all citizens really interested in participating and deciding on matters of public nature? Or are many people more concerned (if not exclusively) with matters of only a particular nature? Initially, based on measures of effective popular participation in public matters in Brazil, there are strong indications that the second issue supersedes the first.

However, that fact is not lethal to deliberative democracy. The possibility of involving only a small number of people in deliberations is openly considered by theorists of deliberative democracy. Thus, participation that is restricted to a small group of “stakeholders” does not arise as an impediment to the exercise of democracy because any decisions are guided by public reason (a concept coined by John Rawls). In analyses of the functioning of participatory budgeting institutions in Belo Horizonte and Porto Alegre, cities that are considered successful in Brazil and in which associationism is strong, participation is approximately 1.0% and 1.5%, respectively (AVRITZER, 2003). Thus, even in locations with strong associationism, the effective participation of the population is relatively low compared with the total population that has the right to participate.

Dryzek’s (2004, p. 58) conclusion is that democracy is not a matter of counting heads and that there can be democracy even without the effective and direct participation of 100% of the concerned population as long as decisions are made based on the expectations of that population. In other words, proponents of deliberative democracy do not find a fatal flaw in the model because of the non-participation of individuals, taken alone. Rather, they argue that the crux of the matter is the deliberations made through the prism of public legitimacy and the acceptance of the general arguments by the majority, even if the decisions are made by only a small group of representatives.

From the point of view of the effectiveness of participatory institutions, the literature indicates that when there is a tradition of strong community associationism, there is an increase in participation, as in the case of Porto Alegre (BAIOCC, 2002). However, Avritzer (2003) argues that the effects of the political culture are different when there is no local associative tradition. The author shows that in such cases, the participatory institution becomes a “systemic way of implementing a distributive policy and making it completely dependent, as a policy, on the mobilisation capacity of the local government” (AVRITZER, 2003, p. 38). The effectiveness of this model depends on political will at the expense of civil society.

Today, the concept of political citizenship in Brazil does not discriminate by any social, economic, or sexual condition, as has occurred in the country’s recent history. Anyone aged 16 years or older, whether female or male, and regardless of socioeconomic class has a formal right to vote for members of the government. However, one question that arises in this respect is that the Constitution, while recognising the right of illiterates to participate in the electoral process, excludes them as actual voters. In this sense, the message of universal suffrage conveyed by the Constitution is inconsistent with the concept of universality. The question that must be asked is the following: can formal education be considered an excluding factor for citizens to vote to fill the country’s political offices?

According to De Paula (2005, p. 153-172), the 1980s were important in the recent history of Brazil for organising civil society around common political objectives regarding the country’s political opening. In this sense, during discussions on the text of the new Constitution (which was enacted on October 5, 1988), social movements managed to include important instruments for the direct participation of society in public administration.

De Paula (2005, p. 153-172) further argues that among the most important instruments in the current national political scenario are thematic forums, such as the World Social Forum, which, although they are non-state initiatives, manage to influence the country’s political agenda (perhaps because they are international organisations) through the three branches of government; administrative councils of public

policies, such as the councils of education of the federal government, states, and municipalities; and participatory budgeting, which were created from local experiments conducted by leftist administrations in the late 1980s.

The administrative councils of public policies are mechanisms of direct popular participation in matters of great importance in public administration. Unfortunately, there are several reports in the national literature regarding the formal existence of such councils as a means to “fulfil” the law, but they do not work as they were designed and become hostages of excessively controlling public administrations. The analysis conducted by Fonseca (2011, p. 161) shows that the local context and adopted informal rules are essential to the functioning of these councils because when there is no participatory culture, the initial logic of such councils can be inverted, turning participatory institutions into legitimisers of the already-existing power relationships.

The idea behind the councils is for a collegial body of government and civil society representatives to work together to guide or oversee certain state actions. Most public policies today are implemented based on the deliberations of councils. According to the IPEA (2005), Brazil had more than 39,000 councils in 2011, and many of them were created independently to accommodate certain types of institutions.

Some of the most important representative councils in the country include 1) the School Feeding Council, whose purpose is to manage the application of resources for school meals and to assess their quality; 2) the Municipal Health Council, which proposes targets for local public healthcare and manages the resources allocated to the public health system and the execution of specific programmes; 3) the Council of Social Control of Bolsa Família (Family Allowance), whose main function is to manage the programme and determine whether families meet the criteria to participate in it; 4) the Social Assistance Council, which oversees the delivery of resources and their application in social assistance programmes, especially those aimed at children, the elderly, and the handicapped; 5) the Council of FUNDEB, which is responsible for planning and overseeing the application of resources for education; and 6) the Council of Public Transport, whose function is to monitor the operation of the public transportation systems in

municipalities, including the determination of cost.

The mechanism of participatory budgeting, in turn, aims to allow ordinary citizens to participate in decisions regarding the distribution of public resources in several areas of the government. Although the institutional rules for participatory budgeting vary by city or state, the literature indicates some typical components, including the following:

- In general, there is a division of the territory, either the municipality or the state, into regions. The aim of this division is to facilitate meetings and the distribution of resources. Citizens are elected as representatives for the participatory budgeting of each of the regions.
- A minimum number of meetings with government representatives throughout the year is guaranteed to discuss the various aspects of budget policies: new proposals, debate of these proposals, distribution of resources, oversight, etc.
- Public deliberation and negotiation between the participants and the government.
- Citizens are responsible for electing their representatives to the participatory budgeting institutions.
- Representatives choose the projects that should have priority. This vote may be secret or public.
- In general, the councils are large and substantial enough to effectively achieve the final decision making and monitoring of the programmes. However, the councils also often comprise representatives from different regions.
- In some places, an annually published report details the programmes and projects (WAMPLER, 2007, p. 52).

The chart below presents a summary of the constitutional mechanisms for popular participation in Brazil. In addition to the councils, the table shows other existing methods for Brazilian citizens to act directly in the formation of public policies.

## Chart 1 – Summary of the constitutional and legal mechanisms for public participation in the conduct of public matters in Brazil

<b>Instrument</b>	<b>Foundation</b>	<i>Purpose</i>
Vote	art. 14 of CR.	To choose those who will represent the people in the control of the state, both in the executive and legislative branches for all of the entities in the Federation.
Plebiscite	art. 14, I, of CR. Law 9.709.	To assess the popular preference on certain matters of public interest in advance.
Referendum	art. 14, II, of CR. Law 9.709.	To assess popular opinion about government policies regarding the collective interest, which can be confirmed or rejected.
Popular Initiative	art. 14, III, art. 29, XIII, and art. 61, of CR. Law 9.709.	To begin the legislative process to edit a law of public interest at the municipal, state, or federal level.
Right to Information	art. 5 <sup>th</sup> , XXXIII, of CR.	To determine the intricacies of Public Administration, including its processes, partners, and purposes.
Right to Petition	art. 5 <sup>th</sup> , XXXIV, <i>a</i> , of CR.	To obtain specific information, including documents, related to state administrative matters.
Popular Action	art. 5 <sup>th</sup> , LXXIII, of CR.	To nullify an act that is injurious to public property, administrative morality, the environment, or the historical and cultural heritage.
Representation	art. 37, §3 <sup>rd</sup> , III, art. 74, §2 <sup>nd</sup> , art. 103-B, §4 <sup>th</sup> , III, art. 130-A §2 <sup>nd</sup> , III, of CR. Art. 73-A of LRF.	To confirm that the relevant bodies (Internal Control System, Court of Accounts, Public Prosecutor's Office, National Judicial Council, and National Council of the Public Prosecutor's Office) adopt the necessary measures in their respective areas of expertise to ensure legality, probity, and morality within the ambit of the Public Administration.
Inspection	art. 31, §3 <sup>rd</sup> , art. 173, §1 <sup>st</sup> , I, of CR; arts. 48, 48-A and 49 of LRF.	To investigate, through accountability analysis, requested documents, information (see Right to Petition), and instruments, such as the Summary Report of Budget Execution or the Fiscal Administration Report, to determine whether the management of public resources is being performed efficiently, effectively, and within the bounds of legality.
Outcome Assessment	art. 1 <sup>st</sup> , single paragraph of CR; art. 48, 48-A and art. 50, §3 <sup>rd</sup> , of LRF.	To assess whether public administrators are fulfilling their roles as agents of the sovereign will of the people, especially whether government plans, the Multi-Year Plan, Budget Guidelines, and the Budget are being implemented satisfactorily.
Participation in Participatory Budgeting	art. 37, §3 <sup>rd</sup> , I, II of CR; art. 48, single paragraph, subsection I of LRF.	To directly participate in the conduct of public matters, especially in the making of budget proposals, which will guide the use of public funds and through which society can satisfy important and urgent social demands.
Representative Council	Infra-constitutional legislation according to each area.	To act as an organ of prior, concurrent, and subsequent control in different public policy areas.

Source: prepared by the authors. Notes: CR – Constitution of the Republic; FRL – Fiscal Responsibility Law.

## ***2.1 Financial activity of the state and public policies***

Currently in Brazil, all of the state's financial activities must be supported by public deliberations held within the legislative branch. The state's financial activities involve both revenue collection and expenditures, and to either generate resources or spend money, the government needs prior legislative authorisation (realised through the laws). In practice, the executive branch prepares a budget proposal in which it inventories all of the resources available to raise revenue and enumerates all of the expenses it intends to incur during the year. This proposal is forwarded to the legislative branch, which has the responsibility to discuss, amend, and approve the general budget of revenues and expenditures.

Government revenues are mostly compulsory; they do not depend on citizens' consent to be levied and collected. Taxes account for nearly all of the common revenue of the government, and taxes are paid by the population in a systematic and regular manner. In contrast, the government makes decisions to apply those resources to activities that result in benefits to citizens, especially in the areas of greatest need: education, healthcare, urban infrastructure, security, justice, services, etc.

One issue that is always present in discussions of public finances is the criteria through which the government's priorities are established. There are always people who are unsatisfied with the choices made by the government. This fact follows from the fundamental economic axiom that resources are scarce and cannot meet all demands simultaneously. Thus, there is a strong relationship between participatory democracy and public administration. For Tenorio and Saraiva (2006, p. 126-127), a context of social governance is currently being experienced in Brazil, which is understood as a form of *res publica* administration in which the government makes its decisions as a way to serve the interests of society, which itself has mechanisms to participate directly in the administration process. The cases of public policy councils, thematic forums, participatory budgeting, access to information, and the search for knowledge about public matters are all part of this so-called social administration.

However, as discussed above, these institutions are not always effective. In places where there is an associative tradition, there is low participation in councils and forums, which depend heavily on the political will of the executive. This seems to be the case for participatory budgeting in the state of Piauí, which we examine in the next section.

### **3 The experience of participatory budgeting in Piauí**

Since the mid-1990s, the state of Piauí has sought to introduce participatory institutions in the government. “I have recently participated in a debate in which it was mentioned that there had already been some attempts in the 1990s, approximately 1995” (Interview with the Administrator of the State Government). However, the state did not enact supplementary law no. 87 until 2007, the goal of which was to include the perspective of territoriality and the direct participation of society in the planning and budgeting process. This law sought to ensure that state actions were organised according to the needs of each region. Considering the heterogeneity of the critical problems in each region, the government sought to meet social demands according to the peculiarities presented by each territory through participatory institutions.

According to official government documents,

From the territorial view, there is an establishment of policies that consider the peculiarities, problems, and potentialities of each territory. This form of planning was implemented in the state of Piauí in 2003 with the Project Regional Scenarios, an integrated action plan involving all bodies, programmes, and projects of the State Government, civil society organisations, and private companies, through a number of regional activities to encourage participation and the cooperative engagement of the various institutions for the promotion of sustainable regional development (ANNEX I OF LAW 5,714/2007, p. 23).

In fact, the most significant constitutional provision regarding the duty of the state in budgetary matters is to attempt to reduce micro-

regional socioeconomic inequalities (art. 178, paragraph 7, of the State Constitution). However, art. 178, §1 of the same Constitution provides that medium-term planning should strive for the micro-regionalisation of guidelines and goals of the government for the realisation of capital expenditures and government programmes.

In this sense, supplementary law n. 87/2007, which formally established participatory territorial planning, divided the state into four macro-geographic regions, 11 development territories, and 28 clusters, with the territory as the most visible basis for medium-term government planning.

The legal basis (established in art. 1 of supplementary law n. 87/2007) for the territorial division of the state includes environmental characteristics, economic goods production, the socioeconomic relationship between the cities, the existing road network, and the political-administrative division of the state.

### *3.1 Administrative structure vis-à-vis participatory planning*

In a corollary, the developmental territory was defined as the basic planning unit for the implementation of government actions so that public planning achieved through budgetary laws (the multi-year planning law, the annual budget, and the appropriations bill) would henceforth follow the perspective of territoriality. That is, the government should formulate specific policies to meet the unique demands of each region.

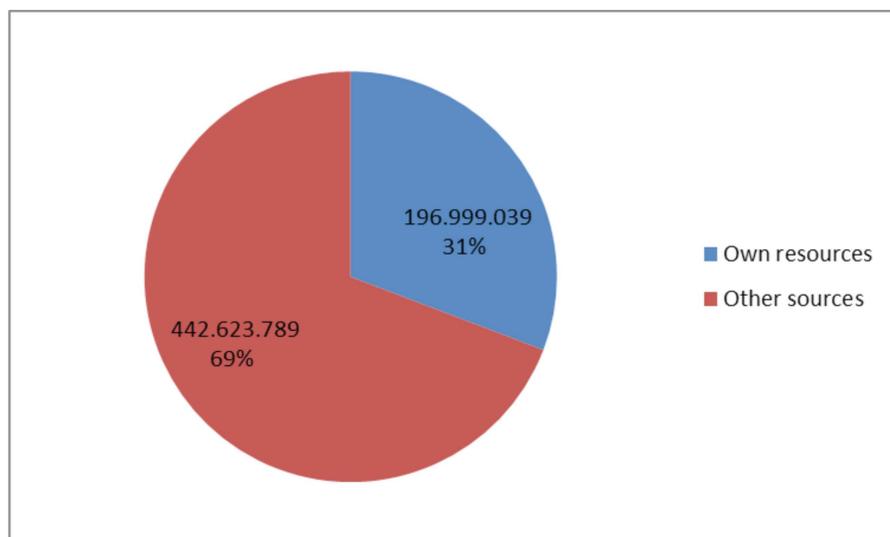
However, because the state of Piauí ranks among the country's poorest and most dependent on federal funds, it has little margin for formulating specific policies and therefore becomes a "hostage" of voluntary transfers from the federal government to implement targeted actions to meet social demands. The state's administrators seek to minimise this dependency by arguing that the state always must provide compensation in relation to federal resources.

See, in the case of these actions, if there is an action, any action that exists at this level, which is structured, none of the Ministries working with the states comes without local

compensation, and this compensation varies a lot. For example, if you create an investment to interconnect, through paving, all municipalities of a given territory and it will cost 5 billion, 20% of that is the state's responsibility, and the Ministry does not send any money without the state contributing beforehand (Interview with Public Administrator).

Despite the above argument, we know that the state government alone can do little to meet the demands of the territories because the state's resources are insufficient for performing structured investments in the state of Piauí. For example, the mission of the Infrastructure and Logistics for Development Programme is to address structural bottlenecks in the state. However, more than two-thirds of the budgeted funds for this programme come from external sources, mainly covenants (voluntary transfers from the Union) and the internal credit operations (made possible through BNDES).

Figure 1 – Sources of funds for infrastructure investments in the 2008-2011 quadrennium



Source: Prepared by the authors based on the PPA 2008-2011.

The implementation of the government's plan structured through autonomous programmes faces a serious operational obstacle: administrative departmentalisation. In practice, the departments are occupied by parties from the government's support base, and they therefore must work with two different agendas: one focused on the interests of the political party and the other focused on the core role of government. In general, the first agenda is a priority in every department. Thus, although formally planning is conducted based on programmes, the state does not have any mechanism for the administration of public policies because its administrative structure is based on the departments.

[...] then we have a big problem that is not of this administration, but we have been working in this direction to solve this in the short term, which is to make the budget a regional budget. We have a regionalisation policy in terms of decision making, but our budget is not regionalised. It is not yet. You define and make a decision, but at the time of monitoring, tracking, knowing about that activity, the feedback is lacking (Interview with Public Administrator).

As seen in the quotation above, the state administrators recognise that there is a policy aimed at regionalising decision making and investments in public policies that is not followed by the budget structure. Because the administrative structure is completely different from the planning structure, there are difficulties in meeting the demands of the territories due to organisational problems and a lack of ability to monitor the implementation of policies.

In the case of Piauí, we also do not observe intra-governmental coordination in the sense that the departments involved in budgetary activities do not work together to achieve their delineated purposes. This lack of coordination can be observed in the work performed by the General Comptroller of the State on the evaluation of government programmes in 2009 (Operational Audit Report on the Universal Access to Basic Education Programme). In the interviews conducted for this study, the administrators recognise that the federal government

is better prepared to monitor and track the existing programmes in the state:

[...] the federal government is better structured to do this monitoring; in our planning, we understand that one thing that really compromises this process is that we have failed to develop a monitoring tool (Interview with Public Administrator).

Let us return to the example of the Logistics and Infrastructure Development Programme because of its relation with the activities discussed in the participatory planning process on the proper structure for investments.

According to the Multi-Year Plan (Plano Plurianual - PPA) of 2008-2011, the stated goal of the programme concerns:

Increasing the availability of water in the poorest regions of the state; encouraging the exploitation and marketing of mining; providing the municipalities with basic infrastructure for socio-economic development; and reducing the costs and shortage of road transport for passengers and goods (p. 224).

The chart below shows the multi-year budget for the programme, which totals 639 million reais.

Chart 2 – Multi-year budget of the Infrastructure and Logistics Development Programme

Year	Budget
2008	76,068,503.00
2009	141,675,502.00
2010	243,575,211.00
2011	178,303,612.00
Total	639,622,828.00

Source: PPA 2008-2011.

We analysed the composition of the programme according to the activities created to achieve its goals. The total is 420 activities. The logic of the government's activity planning (determined by the Logical Framework model<sup>14</sup>) dictates that for every action there must be a specific purpose, which is to address the causes of a public problem. Following this methodology, the logic of territorial planning formally adopted by the state of Piauí states that every action must be specified by a developmental territory.

Unlike what is recommended by the model, we observe that, of the 420 activities, only 105 have a defined purpose (however, many of these defined purposes are vague, imprecise, and are not related to the specific problem). In other words, at least 75% of the actions are not planned because they have no direct relationship with the public problems that need to be addressed by the government. In this sense, one realises that the government planning established in the PPA is unstructured because there could never be an action without a purpose, as such an action would represent an innocuous effort of not addressing any problem. By deepening the analysis further, one realises that only five activities meet the definition criteria of a purpose and a specification of the territory. We observe that 98.8% of the activities are not established by relating the specific development territories and a purpose. These results demonstrate the lack of effectiveness of the state's planning.

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<sup>14</sup> A good definition of the Logical Framework (Quadro Lógico – QL) model can be found in Pfeiffer (2006, p 145-190). According to this author (p. 147), "The QL is a matrix successively elaborated in a process of structuring those elements considered as the most important ones in a project, which allow its systematic, logical, and succinct presentation. What must always precede the planning of a project is an analysis of what is wanted to change with the intervention, in general, a problem situation. Importantly, the QL is not a complete plan for a project. It is only a summary of the intervention plan, which basically provides answers to the following questions:

- Why should the project be done?
- What is its purpose and what are the changes to be achieved?
- How is it intended to produce improvements?
- What are the external conditions that will influence the achievement of outcomes and their effects?
- How is it possible to identify the scope of the improvements and changes?"

When comparing the planning of activities with the execution of the budget, one realises that the minimum set in the PPA disappears completely. We observe that no budgetary controls are placed on the activities, either by the Infrastructure and Logistics Development Programme analysed here or by the municipality and territory in which the activities are designed to be executed. The only controls established for the execution of the budget are those determined by law (function, programme, body, nature of the expense). For example, the Federal Constitution (art. 212) requires that states spend at least 25% of their net tax revenue on education. In this case, there is a control regarding the execution of the expense to comply with the law, although there is no planning to make the actual investments.

Administrative control of the plan and the budget is completely neglected. Thus, the process of territorial participatory planning by the government of the state of Piauí is a mere formality, and there is no real commitment to compliance with the proposals.

The state government has no mechanism in the budget to determine which development territory is targeted by a planned action, which demonstrates the ineffectiveness of the participatory planning process because it is not possible to establish the desired location for the expense.

### ***3.2 Institutional design***

Complementary Law n. 87/2007 defines the functioning of territorial participatory planning. From the point of view of the general institutional design, there is a General Assembly in each municipality in Piauí comprising the “local authorities and civil society” responsible for it. Each General Assembly defines the priorities and chooses representatives to serve on the Council of Territorial Development. There is one Council of Territorial Development in each territory, and it is composed of representatives of the government and civil society from all of the involved municipalities, whose purpose is to deliberate on municipal proposals and prioritise them for the territory. Finally, the State Council of Development is responsible for consolidating all of the presented proposals and finalising the

participatory process by integrating the results with the formal government planning.

The following table summarises the organisational structure for participatory budgeting in the state of Piauí or, as the administrators prefer, “participatory planning”. The Municipal Assemblies are open to all citizens, allowing broad participation. However, there is no guarantee that society’s demands will be accepted because they must be approved by the Council of Sustainable Territorial Development (Conselho de Desenvolvimento Territorial Sustentável – CTDS) and the State Council of Sustainable Development.

The functions of the Council of Sustainable Territorial Development (Conselho de Desenvolvimento Territorial Sustentável – CTDS) include creating a hierarchy for the actions of each territory, i.e., the councillors are responsible for defining the policies that should be prioritised. This principle is reasonable because, according to the guidelines of the law that created participatory budgeting in Piauí, the territory, not the municipality, is the basic unit for state planning. However, this decision should be made based on criteria defined by the State Council of Sustainable Development, thereby nullifying its power of self-regulation, which is a critical characteristic for the functioning of participatory institutions (AVRITZER, 2003).

Furthermore, the ability to transfer sovereignty from elected officials to citizens in the municipal and territorial authorities is unclear, which is a fundamental characteristic of participatory institutions (AVRITZER, 2003). On the contrary, the State Council of Sustainable Development (Conselho Estadual de Desenvolvimento Sustentável – CEDS) is responsible for deliberations of public policies that guide government actions in the state of Piauí. The CEDS is chaired by the State Governor and is composed of 52 councillors, who are representatives of the government and the organised civil society. In this sense, the decisions largely remain with the head of the executive branch and his secretaries, who have broad representation on this council, as shown in the following table. It should also be noted that the state reproduces the same logic at the federal level by ceding little importance to the legislative branch in the formulation of public policies, with only one representative of the State Assembly on the CEDS.

Table 1 – Organisational structure of participatory budgeting in the State of Piauí

<b>Participatory Institutions</b>	<b>Main Institutional Mechanisms</b>
Municipal Assemblies - Total of 224	<ol style="list-style-type: none"> <li>1. Are a responsibility of local actors (government and civil society)</li> <li>2. Are open to citizens</li> <li>3. Set the priorities to be forwarded to the Territorial Council</li> <li>4. Elect two representatives per municipality to compose the Council of Sustainable Territorial Development</li> </ol>
Council of Sustainable Territorial Development (Conselho de Desenvolvimento Territorial Sustentável – CTDS) - Total of 11	<ol style="list-style-type: none"> <li>1. Provides an opinion regarding the demands of the Municipal Assemblies</li> <li>2. Creates a hierarchy of the actions desired for a territory from river criteria defined by the State Council of Sustainable Development (Conselho de Desenvolvimento Territorial Sustentável – CTDS)</li> <li>3. Supports the executive branch in preparing the development plans of the territories</li> <li>4. Encourages and support programmes for enterprises</li> <li>5. Provide opinions about projects and prepare reports on the activities conducted in the region</li> <li>6. Composed of innate members (mayors of the municipalities, presidents of the Legislative Chamber, and one representative of the executive branch of the state) and non-innate members (two representatives per municipality in the region, one representative of an NGO operating in the territory)</li> </ol>
State Council of Sustainable Development	<ol style="list-style-type: none"> <li>1. Chaired by the governor of the state and consists of 52 councillors: 15 are from the state government, with 13 secretaries, 1 member of the legislative branch, and 1 from the judicial branch. The other participants are composed of 15 representatives of civil society organisations and 22 members of the CTDS, two per territory</li> <li>2. Deliberates on the public policies that guide the state's actions</li> </ol>

Source: Prepared by the authors.

According to data presented by the Department of Planning to prepare the guiding plan for government actions in the 2008-2011 quadrennium, 11 regional conferences were conducted to define the actions within the respective territories, in which approximately 3,000 participant citizens were registered, i.e., 0.10% of the state's population, as shown in the following table. However, the actual results of this alleged involvement are not noted in the budget scheme. To what extent were they included in the state's public planning? Currently, it is impossible to know the answer to this question, at least when referring to information published by the government.

**Authors:** Are you managing to meet the demands coming from popular discussions in the allocation of budgetary resources?

**Administrator:** Some demands, yes. Most, not. It's very complicated (Interview with Public Administrator).

Table 2 - Popular participation in the development territories

<b>Territory</b>	<b>Participants</b>
Vale dos Rios Piauí e Itaueira (Valley of the Piauí and Itaueira Rivers)	253
Vale dos Guaribas (Valley of the Guaribas)	321
Vale do Sambito (Valley of the Sambito)	278
Carnaubais	209
Planície Litorânea (Coastal Plain)	385
Tabuleiros do Alto Parnaíba (Tablelands of the High Parnaíba)	190
Chapada das Mangabeiras (Chapada of the Mangabeiras)	229
Serra da Capivara (Mountains of the Capybara)	169
Vale do Canindé (Valley of the Canindé)	192
Cocais	225
Entre Rios	463
<b>Total</b>	<b>2.914</b>

Source: PPA 2008-2011.

Our argument is that, despite the regulation of participatory planning in the state established through a “complementary law”, the

institutions and mechanisms necessary to carry out the normative purposes have not been created. To reach this conclusion, we rely on the lack of information on any systematic deliberation activity on matters of planning in the state of Piauí. We do observe, however, although without a thorough examination of the subject, that there are only occasional formal meetings to “simulate” a participatory process for society in defining the government’s priorities. This fact is widely discussed by the government for political and electoral objectives, although no concrete results have been presented.

Corroborating our argument is the fact that since the passage of the law, no administrative mechanism has been developed by the state government to minimally ensure the implementation of measures “approved by public deliberation”. An informal consultation with the Department of Planning, which is the body legally responsible for it, proves that the government has not created any mechanism for tracking and monitoring public policies or for the policy priorities of the development territories. If one consults the accounting system (through the reports published by the Department of Finance), which should provide codes for the execution of investments from the territorial perspective, no form of control is found. All that is included are those extremely traditional items of expenditure by economic function, nature, element, and function, which provides no information about participatory planning.

There are several reports available concerning the execution of the state budget from a financial perspective. Thus, it is possible to ascertain how much the government spends on salaries for staff, accommodations, airfare, etc. Nevertheless, no information is available regarding how much the government has invested in the 11 development territories.

It is also possible to determine how much the government spends on education in general because there are accounting mechanisms that differentiate the expenditures by means of programming codes. The codes specify each education function so that all expenditures committed for each purpose are given a specific code in the accounting structure. The same process holds for healthcare, security, administration, etc. However, it is not possible to identify the amount of investment

expenditures, for example, in the territory of Entre Rios or the territory of Valley of the Guaribas.

These institutional problems compromise societal accountability because organised civil society cannot observe the activities of the state government. According to Smulovitz and Peruzzotti (2005, in WAMPLER, 2007, p 19), societal accountability is characterised by multiple actions of the organised civil society to expose government activities that contravene the opinion of the majority of citizens, such as demonstrations, calls to the media, and complaints to other agencies (Court of Accounts, Public Prosecutor's Office etc.), among other actions. In this sense, these activities complement citizens' vertical control exercised through the right to vote.

We use as an illustrative example the two main departments of the government that are responsible for many of the purposeful actions of the State: the Department of Education and the Department of Health. Both are decentralised and have warehouses in various regions of Piauí's extensive territory, thus requiring that the departments consider the demands of each region. However, the spatial organisation of these departments bears no relation to the development territories.

In the case of the Department of Education, there are the Regional Offices of Education (Gerências Regionais de Educação – GREs) that are responsible for decentralised actions in the various regions. However, the roles of the GREs are completely separate from the territorial planning. For example, Teresina, which is part of Entre Rios territory, possesses three GREs. The case of healthcare is similar. The regional health administrations are created without any regard to territorial planning.

One could argue that the administrative structures are much older than the territorial planning initiatives, but five years have already passed since the adoption of supplementary law n. 87/2007. Since then, nothing has been done to adapt these organisations to the law. In addition, there is little indication that any government action is planned.

The effectiveness of participatory territorial planning in the case of Piauí urgently requires government action to adjust the administrative structures to the requirements of participation and deliberation. These measures range from institutional arrangements to the establishment

of instruments to manage and monitor the investments made in each territory.

Although the law requires the creation of important institutions in the context of popular participation in public planning, the law itself is not sufficient to guarantee the effectiveness of the measures. On one hand, there is a need for the establishment of institutions that are capable of carrying out measures encouraging participation, including warranties for the systematic functioning of such institutions, as is the case with many of the previously discussed assemblies and councils. On the other hand, the lack of a participatory political culture has been reaffirmed in the context of political discussions with the state. However, instead of being regarded as a fatal limit on public participation, this bottleneck should be addressed by the government through policies that encourage participation and social control.

### ***3.3 Non-associativist tradition and its impact on PB***

The state of Piauí is not nationally recognised for a wide associativist tradition, as occurs, for example, in Porto Alegre. Although the city of Teresina took part in some experiments with the participation of citizens on the municipal councils beginning in the 1990s, the majority of municipalities in the countryside do not have public participation in political life. According to Avritzer (2003), Participatory budgeting alone is not able to generate an associative infrastructure where it does not exist, especially in small towns. In this case, the success of participatory institutions is related to political will and financial capacity.

At the beginning of the process, the broad participation of citizens in municipal councils and commitments to become a councillor aroused great interest among the population of the state of Piauí. However, after a short period, the administrators realised that there was a lack of interest in participation, particularly because, as previously noted, the arena of effective deliberation in the state is the State Council of Sustainable Development - CEDS. Thus, discussions in the councils are seen as a “waste of time”, as exemplified in the following quote:

These are more conservative forces that were already performing an election function before. Thus, at the first moment of the composition, they were important elements to spice up the debate, to enrich the debate. In the second stage, it seems like we've gotten this space, so they lost interest: I better go talk to the governor than waste time here on this council. So, for the participatory planning, that's very bad, for the counsellors, it's very bad, for democracy, it's terrible. Because it gets empty, right? The counsellors have felt it, and at the beginning of the year, we are starting to emerge in this debate.

If we do not speed these councils up, the trend is for an emptying and a loss of space because there are times that, on the political scene, there is not much sympathy for a project that was designed at that time, then you also do not have the strength to make a change of scenario, and we have to keep trying and talking and see to what extent there is a gap, there is a space for us not to let people lose that motivation (Interview with Public Administrator).

Supporting the arguments from the literature (AVRITZER, 2003), it was possible to observe in our research that one of the most successful cases of participatory budgeting was in the Territory of the Valley of the Guaribas River. This territory consists of 39 municipalities, all of which are located in semiarid Piauí. According to the state administrators, there was significant political will among the authorities of this territory. Aiming to boost economic development through family clusters focused on the production of honey and cashews, the mayors mobilised much more compared with other territories. As a result, the administrators argued that it was possible to obtain greater attention from the state government in the region. In the case of Piauí, we realise the importance of political will in a context of low associativism.

The Territory of Cocais, in contrast, presents a history of a more active civil society, and we see greater participation by the citizens. The existence of social movements and associations, such as the movement of the Babassu Coconut Women Breakers, boosted this participation. In this territory, the administrators perceive the greater participation, regardless of the institutional incentives of participatory budgeting.

Much of the resources still cannot match the term outcome, but I say that in terms of participation, organically, you see consistency in the movements, in the things, continuity in the struggles (Interview with Public Administrator).

This perception of administrators is also shared among the directors interviewed for this research. All of the interviewees considered the civil society of their municipalities to be poorly organised, which becomes an impediment for a region's demands to be recognised. The lack of political will of some mayors was also cited as an issue by the councillors. Thus, the active participation of mayors could result in greater achievements for the municipality.

#### **4 Final considerations**

The research conducted on participatory planning in the state of Piauí revealed the fragility of the existing institutional arrangement in the participatory institutions. The analysis of power relations, both formal and informal, proved crucial to the understanding of the studied subject.

From the point of view of institutional design, we observed some mechanisms that are inconsistent with the main characteristics of participatory institutions. We verified that the Councils of Sustainable Territorial Development (Conselhos de Desenvolvimento Territorial Sustentável – CTDS) have no power of self-regulation because their decision criteria are defined by a higher court: the State Council of Sustainable Development (Conselho Estadual de Desenvolvimento Sustentável – CEDS). Because the latter is chaired by the governor and is largely composed of his secretaries, deliberations remain centralised in the state executive.

Furthermore, the analysis of budgeting and planning instruments, especially the PPA 2008-2011, showed that the administrative structure of the state of Piauí does not follow the territoriality arrangement provided by law. Instead, we observe an institutional framework that is based on departments at the expense of territories. Thus, there is a discourse regarding the planning of regional public policies based on programmes in the areas of health, education, infrastructure, etc., but it

is not realised in practice. The budget planning seems more like a “piece of fiction” that only fulfils what is strictly prescribed in the law.

The lack of an associativist political culture in the state makes the effectiveness of the municipal and regional councils even more difficult to achieve because when there is a low participatory culture, the achievements of participatory institutions are highly dependent on the willingness of political leaders and the institutional design, which in the case of Piauí presents mechanisms that discourage citizen participation. Thus, we realise that in cities where there is strong community associativism, there is greater citizen participation on councils and hence greater effectiveness of the deliberative institution.

Finally, we believe that progress in the analysis of the deliberative process provides new aspects to consider in contemporary democratic theory. The discussion of this topic shows that it is possible that political participation can surpass the limits of voting through deliberations at assemblies and councils regarding the direction of public policies. However, in the case of Piauí, the institutional design of the participatory institutions must be improved to provide greater autonomy to the territorial councils. The greater the autonomy and effectiveness of these councils, the more credibility the population will give to deliberative institutions.

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# ACCOUNTABILITY IN DEMOCRATIC REGIMES

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**Abstract:** This article discusses the relation between corruption and accountability, showing that the more accountable a government is, the greater the ability of the voter to evaluate the true effectiveness of that government and inhibit and repress occasional abuses. Confidence in the political class is dependent on mechanisms that guarantee freedom and the preservation of that confidence, which is in direct relation to the need for accountability. A consequent issue is the effectiveness of what has been called vertical accountability, i.e., elections. This article argues that elections serve only to invest authority in politicians and do not reward or punish; therefore, elections are a weak mechanism for accountability. Finally, this article establishes the importance of accountability in representative democracies for good institutional functioning.

**Keywords:** corruption, accountability, oversight.

## 1 Introduction

The confidence we have in the political class in democratic societies is subject to mechanisms that guarantee freedom. In turn, the preservation of this confidence, which the political class desires to maintain, derives specifically from the need for accountability (Patricio, 2001).

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The real effectiveness of what has conventionally been called vertical accountability (elections) and has long been regarded as the primary mechanism of accountability is being questioned by empirical analysis. Thus, elections can prevent unpopular but technically correct steps from being taken by a government, and elections can also compel a government to fulfil campaign promises. However, Fearon (1996, apud Patrício, 2001), Manin, Przeworski and Stokes (1997), and Ferejohn (1986) show that one cannot prove empirically that some voters have a tendency to vote for politicians who follow reward and punishment parameters. Consequently, confidence in representative democracies or in constitutional governments is increasingly linked to mechanisms other than elections that concomitantly limit and allow governing, whereas elections function to invest authority in the ruling elite.

This rationally founded confidence requires that rulers be accountable, either by elections or by any other form of public inspection [oversight]. That is, individuals who govern will only be reliable if it is in their best interests to do what is expected of them. And they will only do what is expected of them if they are obliged to be accountable (Patrício, 2001, p. 97).

Because there are, in political life, many institutions run by individuals with a high degree of self-interest, the confidence of the public they need to win is based on work performed in the public interest. For this “altruistic” work to occur, some of these public servants must be directly accountable to citizens, and others must be accountable to other public servants. Because both of these types of control are extremely fragile and weak, a theory is necessary that shows how essentially self-interested bureaucrats who are motivated by income and their careers may serve millions of citizens (Hardin, 1991). The conclusion that reliable governments are those that are accountable is also clear in Pettit (1997). Oversight, according to these authors, derives precisely from the belief that rulers should be subject to checks and balances, which was developed and shown to be justified in the *Federalist Papers*. A system of checks and balances is the only way for a nation to take precautions against the arbitrary will of rulers and prevent corruption (Patrício, 2001).

## 2 Definitions of accountability

Highly relevant and useful definitions of accountability are also presented in Patricio (2001). Therefore, I will utilise here the entire excerpt that dissects these definitions:

Accountability relationships are typical “agency” relationships, those in which an agent is committed to act on behalf of a principal. It is said that a person, A, is accountable to another, B, if two conditions are met:

- 1) It is implied that A is obliged to act in some manner in favour of B.
- 2) B has the power, by formal rules or informal means, to sanction or reward A for A’s activities and performance in the exercise of this activity.

Another definition of “accountability” compatible with this one is as follows: In a representative democracy, there is “accountability” if the principals – voters, citizens – have tools that allow them to discern and sanction (punish or reward) the behaviour of institutional agents (Laver & Shephse, 1999, p. 87).

Electoral accountability supports “minimalist” definitions of democracy, such as the following: “Democracy is a political system in which the rulers are indicated by free, regular and repeated elections, in which parties may lose elections” (Przeworski, 1997, *apud* Patricio, 2001, p. 121).

Alternatively, the following definition: “Democracy is a political system distinguished by the accountability of rulers to the ruled” (Cheibub & Przeworski, 1997, p. 156).

In this situation, accountability is generated by elections but may occur only indirectly, as in the parliamentary system, in which government (or Cabinet, or executive branch) accountability is held by the legislative branch, which, in turn, is governed by the system of elections, creating a chain of several links between the government and the electorate. The same occurs in the case of executive branch agencies, whose bureaucrats are directly accountable to the president and to congress but only indirectly to the voters.

In parliamentary democracies, political agents (or representatives) may be treated as principals and cabinets

treated as agents who are accountable or react to the possibility of sanctions by acting in accordance with what they believe to be the will of the principal. In this case, a vote of mistrust is perceived as a real threat, inducing an appropriate behaviour or forcing resignation if a vote of mistrust is anticipated.

The representative government, based on delegation or assignment of power to representatives elected periodically, is, in the first definition, considered an accountable form of government:

“If individuals are rational and governments are competent [...] and voters know everything they need to know regarding the exogenous conditions and the effects of policies on the results, then both a “responsible” government and an accountable government are representative. [...] People give signs of their will in elections, and a responsive government will implement their instructions to generate the results that people want. Alternatively, the government will anticipate retrospective judgements of the electorate, and, to win elections, will do the same” (Manin, Przeworski, & Stokes, 1997, p. 73).

However, if one accepts the possibility of sanctions in the strict sense as a definition of accountability, there is no guarantee that elections are an effective mechanism for the sanctioning of a representative by a voter.

The literature considers several problems, such as the so-called “problem of the last term in office”, the problem of the existence of a large variety of candidates or campaign issues or the problem of incomplete information on the part of voters. The limitations of the electorate to reward and punish the behaviour of elected representatives during the representatives’ term in office and the lack of coordination on the part of voters ensure that representatives obtain economic “revenues” in this relationship.

Pasquino (1997, *apud* Patricio, 2001, p. 123) suggests that instead of minimalist definitions based on the existence of elections, the following definition of democracy should be considered: “A constitutional democratic state is a political system in which the will of an elected majority can be overturned or modified – at least for a time – by an unelected and politically unaccountable body”.

This definition has the advantage of including bodies such as Constitutional Courts, in which unelected officials make

decisions that may invalidate majoritarian decisions. It is assumed, furthermore, that constitutional elections allow certain bodies to discard and impose results that may negate the decisions of democratic majorities. However, constitutional elections include horizontal accountability as the foundation of democracy.

The result is that the minimalist definition of democracy, based on the existence of periodic elections, tends to give way to a “counter-majoritarian” definition in which freedom is associated with horizontal accountability, which is more important than (or complementary to) vertical accountability in preserving confidence.

The existence of non-elected bodies in democracies, such as the judiciary and the bureaucracies of executive branch agencies to whom decision-making power is delegated, requires considering the legitimacy of these bodies and an effective manner in which to hinder bureaucrats from benefitting from the information asymmetry existing between them and the institutions that control them, which can cause them to deviate from their functions in a predatory manner (Patrício, 2001, p. 124).

The conclusion that we can draw is that elections, a democratic factor of moderate governments, ultimately do not solve the agency problem of the delegation of power. Elections therefore only serve to give consent to, but not to reward and punish, politicians.

There are authors who demonstrate that democracy, as a method of producing governments founded on elections, does not prevent accountability problems, and most models and empirical research conclude that the information asymmetry between rulers and the ruled is one of the main reasons for this systemic fragility. These authors consider this information asymmetry a key to explaining the agency problems arising from the delegation of power.

Electoral institutions are the democratic component of representation, not because there is a selection of representatives, but because there is a possibility that representatives will be changed periodically. Electoral institutions serve “not only to choose good rulers but also as an accountability mechanism of the politicians to the public and thus render the policies more or less close [responsive] to the desires

of the public” (Ferejohn, 1986, p. 65). Even today, the idea of representation “brings the supreme moment in which the electorate judges the past actions of the rulers” (Manin, 1997, p. 178).

However, what ensures “that the elections actually induce representatives to act in the public’s interest in the best manner possible?” (Pitkin, 1967, p. 34). Do elections ensure accountability? Do “elections effectively ensure that, in anticipation of sanctions or rewards, representatives strive to act in the best interest of the citizens? And if that does not occur, [would] there be any reason to choose the elections as a source of voters’ confidence in representatives?” (Patrício, 2001, p. 138). We observe different answers from each author.

Manin, Przeworski and Stokes (1999), Maravall, Ferejohn (1986), and Cheibub and Przeworski (1999) suggest that elections do not prevent problems such as “moral hazard” and adverse selection, nor do elections guarantee the reward or punishment of politicians by voters. The authors present evidence that elections are weak mechanisms of accountability. The quality of information available to the common voter is a precise determinant of the extent of electoral control.

With the exception of the Banks and Sundaran (1997) model, the majority of the older election dynamic models postulate the possibility of some type of electoral control, even if it is only the presence of unreliable voter information. Ferejohn’s (1986) model, for example, posits that voters vote, punishing or rewarding the performance of candidates, based on what will maximise their own welfare, assuming that politicians will only pursue their own interests. The mere existence of this rule hypothetically induces candidates to pay attention to the interests of voters. Ferejohn arrives at the following conclusion: Because the electorate is as homogeneous as the number of competitors is large, voters have increasing control over politicians in office as the value of the office to the candidate increases and less control as the politician’s desire to be re-elected decreases.

In contrast, Fearon (1996, apud Patrício, 2001) considers in his model that repeated elections do not function as a structure of accountability because voters know that the ability to observe what politicians do and subsequently assess whether these actions are favourable to themselves is a remote possibility. Fearon asks, therefore,

how elections should be understood and whether they should be considered an instrument of choosing the “right king” politician or an instrument of accountability. He also questions whether voters perceive elections as an opportunity to choose a “good kind” of political leader who will act on behalf of these same voters, regardless of any re-election incentive, or if voters even have the ability to discern the “good guys”. If the latter, electoral accountability would not be necessary for elections to guarantee the public policies desired by voters.

According to the answer provided by Fearon (apud Patricio, 2001), if we consider as given the two conditions that define the relation between accountability and representative democracies, namely, 1) that representatives act according to the interests of voters and 2) that voters can punish or reward the representatives if the representatives do not act according to the interests of the voters, the logical consequences are that 1) there is no relation between elections and accountability and 2) the lack of electoral accountability does not imply a lack of agents who act in the manner that the principal desires.

Patrício (2001) explains that in this model, if

voters believe and are able to distinguish and vote for “right types” (those who want to implement exactly what the voter wants), then the elections do not need to be instruments of sanction to produce good public policies. Conversely, with a good legal system and watchdog type agencies, there would be fewer incentives for corruption; additionally, the representatives would not need to provide favours to the corporations that generally fund their campaigns. Thus, we cannot clearly conclude that the end of electoral accountability would make politicians less [responsive] to public policies (Patrício, 2001, p. 145).

In turn, Manin, Przeworski and Stokes (1999), when considering an elitist system, reiterate the argument of authors such as Schumpeter (1942), Dahl (1971) and Bobbio (1989), who consider democracy a system of “competitive oligarchies” in which those governed can replace those who govern by elections. Manin, Przeworski and Stokes then inquire whether this fact would be enough to force governments to act in a representative manner. Is there any reason for one to believe that

because of the simple fact of being elected, politicians will act in a representative manner? Additionally, if we also assume that elections are free, that participation is widespread and that citizens enjoy political freedom, does this ensure that governments are representative? There is consensus on the origin of representative democracies and the fact that formal arrangements and democratic procedures encourage representatives to act in the interest of the represented. The fundamental question, then, is how do these incentives operate?

The authors define a representative government, therefore, as one that acts in the interest of at least a majority of citizens or that acts according to what the government believes is in the interest of the majority of citizens. The authors define representation as a relation between interests and outcomes and define two basic concepts that are implicit in “representation”: responsiveness and accountability. In the concept of responsiveness, there is an implicit relation between signs and policies. Thus, a government is responsive to the extent that the policies it applies are those that voters prefer. Governments know what the voters prefer by election polls, opinion polls, political demonstrations, or votes on specific platforms during elections. In the concept of accountability, there is a relation between results and sanctions. Thus, a government is accountable if citizens are able to differentiate governments that represent their preferred policy from those that do not. Citizens will not re-elect politicians who do not act according to the policies the voters prefer. Nevertheless,

there is no *a priori* relation established between the will of voters and political behaviour. What politicians do between the two election periods is based on what they anticipate regarding the behaviour of voters, both punishments and rewards, depending on the information that voters have (Patrício, 2001, p. 148).

The authors conclude that elections are not necessarily effective in leading representatives to act in the manner voters expect or lead voters to vote for those politicians who perform their tasks in the best interests of citizens. The information asymmetry between rulers and the ruled is harmful to the latter.

Maravall (1997, *apud* Patrício, 2001), by utilising the principal-agent theory, expresses the view that public opinion is much more a result of manipulation than the cause of any policy, stating that preferences are not exogenous. Maravall attributes to politicians the fact that they always want to get elected, stay in power and maximise their autonomy in case their policies go against the preferences of voters. Because the voters' preferences are endogenous, the cost of this disagreement is mitigated as politicians use manipulation strategies ("Machiavellian policies", according to Maravall). In this case, the principal can make two mistakes: rewarding an agent who disagreed with the voter's interest or punishing those who acted according to their preferences.

The control of the agent by the principal depends on three requirements: 1) that the control of the agent and the conditions under which the agent operate are publicly known, 2) that both parties are symmetrically able to fully anticipate all possible contingencies that may arise during their relationship, and 3) that the agent may be required by the principal, at no cost, to follow his preferences.

The conclusion is that

the political scenario in which accountability mechanisms operate has changed much in recent times. The media always takes on the role of opposition to the parliament, which indicates that the opposition follows the media. The parliamentary agenda is generally set by the information that stems from newspapers, radio and television programmes. [...] The judiciary has also acquired an important role in the mechanism of political accountability and the definition of the agenda. In other words, politics became more and more judicialised and justice more politicised. [...] However, control over politicians can hardly be accomplished by pluralistic institutions when democratic institutions (such as the parliament or political parties) are helpless instruments of accountability. Thus, when politicians complain about the treatment received by these institutions, their best strategy is to facilitate the monitoring of the parliament and the parties (Maravall, 1999, *apud* Patrício, 2001, p. 152).

Cheibub and Przeworski (1999) demonstrate that re-election does not indicate that the politician was representative, only that the voters saw him/her as such. Cheibub and Przeworski define democracies as political regimes that differ from other regimes by the electoral accountability of the rulers to the ruled, concluding, after the observation of a great number of democracies, that the survival in office of many heads of state is completely independent of their economic performance, even when there is visibility and/or clarity of the politicians' responsibilities. Thus, Cheibub and Przeworski conclude that there is a weaker relation between democracy and elections than is generally assumed. Possible explanations for this are the following: 1) voters do not care about economic issues; 2) voters do not use proper incentives to convince representatives to act on their behalf (in this case, it is not enough for voters to be sensitive to economic performance; it is necessary that politicians are certain that, if they act properly, they will be re-elected, but this last possibility is denied by the statistics regarding the re-election of candidates in office); 3) voters do not know how to evaluate the performance of the candidate in office because of a lack of information, re-electing the candidate indiscriminately if conditions are good; and 4) the voters are "myopic": at the end of the term, they cannot calculate the value of the future bequeathed by the candidate.

Patrício (2001) summarises the conclusions analysed as follows:

1) Although in economics, it is assumed as possible, through a contract, that the principal limits the ability of the agent to extract monopolistic rents, electoral competition does not eliminate the monopolistic opportunities of agents, even if temporary; 2) to avoid the costs of divergence with voters, politicians manipulate the electorate; 3) voters and candidates up for re-election have conflicting preferences, voters preferring agents easier to control and frequent elections, and candidates preferring contracts that render it difficult to observe their actions. Voters prefer clarity, politicians prefer obscurity; and 4) electoral punishment is not guaranteed, and candidates up for re-election are only moderately accountable to voters.

### 3 Bureaucracies and control of the legislative branch: The “fire alarm” and the “police patrol”

With regard to the accountability of executive branch agencies, whose powers are delegated by the legislature, imperfections in information and control are the main problems a parliament faces when delegating such authority. Therefore, the choice of the type of delegation by a parliament is marked by conflicts of interest and by the level of uncertainty regarding policy outcomes.

McCubbins and Schwartz (1984), in an article that became a reference in the analysis of the accountability of executive branch agencies to legislative branches, are concerned about these problems and develop a simple model for choosing a type of control. McCubbins and Schwartz present evidence of that choice, developing some implications with regard to the discretionary power of bureaucrats and the legislature.

The article begins with a definition of control (*oversight*): “Congressional oversight policy concerns whether, to what extent, and in what way Congress attempts to detect and remedy executive-branch violations of legislative goals” (McCubbins & Schwartz, 1984, p. 2). These authors then define two types of oversight according to an analogy of their function: “fire-alarm” oversight and “police-patrol” oversight.

The type of oversight designated as *police patrol* encompasses a manner of monitoring in which parliamentarians actively seek errors in the implementation of policies by the agencies. This type of oversight is more centralised, active and direct than *fire-alarm* oversight. A parliament seeks or attempts to discourage violations of the objectives for which the agency was created. In *fire-alarm* oversight, parliamentarians expect a signal from the electorate or their stakeholders before engaging in oversight of the agencies.

McCubbins and Schwartz define *police-patrol* oversight as follows:

[...] Analogous to the actual use of police patrols, control of the police patrol type is comparatively centralized, active and direct: the own initiative of Congress, lawmakers examine a sample of the Executive agency activities. The purpose of these actions is to detect and remedy any violations of

legislative goals, and the impact of enforcement itself, discourage such violations. “An agency’s activities might be surveyed by any of a number of means, such as reading documents, commissioning scientific studies, conducting field observations, and holding hearings to question officials and affected citizens.” (McCubbins & Schwartz, 1984, p. 3).

Next, they define *fire-alarm* oversight:

[...] Analogous to the use of real fire alarms, fire-alarm oversight is less centralized and involves less active and direct intervention than police-patrol oversight: instead of examining a sample of administrative decisions, looking for violations of legislative goals, Congress establishes a system of rules, procedures, and informal practices that enable individual citizens and organized interest groups to examine administrative decisions (sometimes in prospect), to charge executive agencies with violating congressional goals, and to seek remedies from agencies, courts, and Congress itself. Some of these rules, procedures, and practices afford citizens and interest groups access to information and to administrative decision-making processes. Others give them standing to challenge administrative decisions before agencies and courts, or help them bring alleged violations to congressmen’s attention. Still others facilitate collective action by comparatively disorganized interest groups. Congress’s role consists in creating and perfecting this decentralized system and, occasionally, intervening in response to complaints. Instead of sniffing for fires, Congress places fire-alarm boxes on street corners, builds neighborhood fire houses, and sometimes dispatches its own hook-and-ladder in response to an alarm (McCubbins & Schwartz, 1984, p 3).

Some important consequences arise from the McCubbins and Schwartz model. We only mention those that have implications for our study.

With regard to the parliamentary activity that promotes such control activities, parliamentarians tend to prefer fire-alarm oversight at the expense of police-patrol oversight. The argument that supports this statement is that a parliamentarian, by being objective (following the assumption adopted in the article), uses fire-alarm oversight

because this is the most visible type of oversight in the eyes of voters; thus, the parliamentarian receives more credit from fire-alarm oversight than from police-patrol oversight. Furthermore, McCubbins and Schwartz demonstrate that fire-alarm oversight is more effective than police-patrol oversight for three reasons: 1) parliamentarians engaged in police-patrol oversight inevitably spend time examining a large number of actions by executive branch agencies (including matrices and branches) that do not violate legislative goals or harm anyone, at least not enough to generate complaints; 2) considering realistic police-patrol political oversight, parliamentarians examine only a small sample of the actions of executive branch agencies; and 3) despite fire-alarm oversight being more costly than police-patrol oversight, much of this cost is paid by citizens, interest groups, administrative agencies and courts that “sound the alarm” rather than by the parliamentarians.

It is significant that analyses show we must consider that the fire-alarm policy covers any violation of legislative goals that seriously undermines an organised group. In addition, the police-patrol policy certainly misses many violations by only examining a sample of the actions of executive branch agencies. However, there is a trade-off between the two types of oversight, and although the authors demonstrate that fire-alarm oversight is more desirable than police-patrol oversight, this method does have some drawbacks. Thus, the authors conclude their analysis by saying,

[...]To be sure, *fire-alarm* oversight tends to be particularistic in the sense of Mayhew (1974): it arguably emphasizes the interests of individuals and interest groups more than those of the public at large. This is an important difference - the essential difference, we think, between the respective products of *police-patrol* and *fire-alarm* oversight. But whether it is a shortcoming of *fire-alarm* oversight depends on one's ideological point of view: even if *fire-alarm* oversight deemphasizes some public interest concerns, it gives special emphasis to a concern for the interests and rights of individual citizens and small groups (McCubbins & Schwartz, 1984, p. 9).

Some of the models that we have discussed assume as desirable the control of bureaucracies by the legislature. This is a form of guarantee against the avidity of bureaucrats and simultaneously a manner in which to create incentives for these bureaucracies to become more accountable.

Thus, according to our arguments and those demonstrated in Manin, Przeworski and Stokes (1997, 1999), Maravall (1997, apud Patricio, 2001) and Ferejohn (1986), among others, the foundation of the minimalist version of democracy is that elections, despite being fundamental for consenting, are weak mechanisms of accountability. This is because the existing information asymmetry between rulers and the ruled allows rulers to extract benefits from their mandate, which ultimately causes additional mechanisms of accountability to be required, such as controls by the legislative and the judicial branches. Bureaucracies, in this scenario, end up taking advantage of their monopolistic position in relation to citizens, acting arbitrarily and with little transparency. In addition, controls of the legislature, “rationally concentrated on the modality [type] ‘fire-alarm’” (Patricio, 2001), are not secure guarantees that effectively limit the power of bureaucrats, from which a lack of accountability can be derived.

We have therefore established the importance of accountability in representative democracies for good institutional functioning. One can deduce that the more accountability there is, the greater the transparency and the smaller the possibility of corruption in government bodies. However, what is the relation between accountability and corruption as it relates to institutional design? We will now address this issue.

#### **4 Accountability, control of corruption and reforms**

Public accountability is necessary to control corruption. Both autocracies and democracies can be profoundly corrupt, and both forms of government can also be accountable in different manners. Elections can constrain politicians, although this tool can be imperfect. Public accountability is possible even in countries without elections or with a ruling party that always wins. Autocrats may find these constraints more difficult to accept than elected public servants; however, even public servants of democracies resist reforms that expose them to criticism

and public scrutiny. Corruption may be limited both by internal government structures and by organisations that constrain illegal behaviours and breaches of duty by public servants and by external pressures coming from the public.

Limits on the power of politicians and political institutions, combined with independent monitoring and sanctions, can be powerful anti-corruption strategies. An independent judicial branch, including an independent system of judgement of actions, may also limit the power of political leaders. However, fragmentation of political power is not necessarily effective in preventing corruption. Under identical conditions, a system with multiple veto points is particularly subject to improper influences, and a federal system can simply provide national and local political leaders with extra money with which to grow richer at the expense of the public. Independent sources of judicial and prosecutorial power are less problematic as long as these institutions are obviously free of corruption and patronage. Although independence is a necessary condition for controlling corruption, it is not a sufficient condition.

The legislature's delegation of the implementation of policies to the executive branch is also a desirable manner in which to limit political corruption. However, after delegating power to the executive branch, the lack of accountability of the latter when the regulatory powers are centralised can facilitate corruption, which gives the executive branch wide discretionary capacity.

What has been discussed thus far suggests that administrative reform of the law should be a component of any anti-corruption strategy. The conditions that determine the enacting of a rule for executive agencies should be examined to ensure appropriate levels of participation and adequate transparency. The actors therefore must have access to facilitated judicial channels if the government does not follow procedures properly or simply acts illegally. Therefore, one of the objectives of anti-corruption reform must be to render corrupt activities more difficult to hide. Review procedures intended to achieve a solid and substantial policy and democratic accountability can also indirectly combat corruption.

Many countries already have exemplary anti-corruption statutes; however, such statutes are irrelevant in the real world (Singh, 1997;

UN, 1990). The prosecutors of a country being actively engaged in punishing corruption will mean little unless the country has an honest judiciary. In the absence of such basic institutions, bodies specialising in focusing on corruption are required. Rose-Ackerman (1999) uses the *Fletcher v. Peck* case as a sign that the establishment of an independent judicial branch is not sufficient in places in which corruption is commonplace. Deeper reforms of the political system are required. Judicial independence, however, appears to be a valuable concept.

Judicial reform is politically difficult. Although surveys with citizens suggest dissatisfaction with the justice system in many countries, the judges themselves are most likely not dissatisfied. Judges can support programmes to increase wages and improve working conditions because these improvements are not accompanied by rigorous reviews of their performance. The Executive branch may also block the reform of the judicial branch if the courts are full of patronage appointments.

It is common for prosecutors to ignore corruption and focus their work on less sensitive political issues. One response to this type of behaviour is creating independent anti-corruption commissions or even generating the presence of inspectors general who report only to the chief executive or to the parliament. The best-known cases and the best examples are demonstrated by Hong Kong and Singapore, both city-states and former British colonies. In both cases, the time devoted to combating corruption, in conjunction with high-ranking commissions, gives credit to law enforcement through independent agencies operating under a strong statute and for the reform of public service.

Anti-corruption agencies are a popular reform proposal in developing countries. In addition to the two countries mentioned, other countries such as Malaysia, Botswana, Malawi and the Australian state of New South Wales have similar institutions (Skidmore, 1996). Even so, the Independent Commission against Corruption (ICAC) of Hong Kong is not without problems.

One potential problem is the reforms remaining in the background. For example, the process of obtaining a driver's licence in Hong Kong had become too long and complicated. The ICAC then discovered that people who paid bribes could obtain licences more quickly. Although the committee in office had included recommended

manners in which to reduce incentives for corruption in the process of obtaining a licence, the approach taken by the agency was to strengthen the laws against drivers and corrupt officials at the expense of a reform in the bureaucracy to facilitate the issuing of licences (Skidmore, 1996). An anti-corruption policy is not useful if the policy leaves in place restrictive laws and complicated processes that produce incentives to bribery. An anti-corruption agency should only be a portion of a larger strategy that includes fundamental reforms that complement programmes to strengthen the legislation.

Citizens may be important in monitoring and combating the arbitrariness of governments. However, this monitoring and combativeness are effective only if governments make information regarding their actions available. Citizens should have a convenient means of presenting their complaints and must be protected from reprisals. There are two basic paths to public pressure: collective complaints relating to general failures of the government made by citizen groups and private objections made by individuals against treatment by public authorities. Both individual and collective complaints can foster reforms in the structure of government.

A precondition for any type of complaint is information. It is easy, however, to underestimate the importance of posters, pamphlets and videotapes that tell people what they should expect from honest public servants and how citizens can complain. In many cases, such informational materials represent the first time that ordinary citizens hear about their right to combat abusive authority.

Complementary to the basic information regarding public servants, citizens must have more comprehensive information. Governments should inform citizens regarding what is occurring with the budget; what the new laws, rules and statutes are; and what the procedures of the legislative bodies are. Although such practices are already routine in developed countries, citizens of many developing countries are deprived of information from their governments.

However, governments that maintain good marks and make those marks available to the public can operate with impunity if no one bothers to review the available information or if people who analyse the information are afraid to disclose their analysis. There are three possible

paths to accountability. If the objective is to pressure the government to act in the public interest, the roles of both the media and organised groups are important. If the objective is that government must be accountable to individuals, paths for individual complaints must be established. In all three cases – media, groups and individuals – there is the problem of fear. If public servants or their allies in the private sector intimidate and embarrass those who speak freely, the formal structures of accountability will not be effective.

Laws that facilitate the establishment of private associations and non-profit corporations collaborate in monitoring and combating corruption. These laws facilitate the creation of watchdog surveillance groups, such as Transparency International. These local and international organisations conduct a range of activities that include participation in Integrity Workshops organised with the institutional support of the Institute for Economic Development and conducted by the World Bank and other bilateral agencies. These workshops have occurred in Tanzania, Uganda, Malawi and Jordan. They bring together individuals from the public and private sectors to discuss issues of corruption. A meeting held in Tanzania in 1995 produced an agreement among high-ranking public servants that they would disclose their assets and the assets of their families; this led to the creation of the Presidential Commission of Inquiry against Corruption (Tanzania, 1996).

The fight against high-level corruption requires national attention and private organisations urging leaders to change their behaviour. Conversely, limiting bureaucratic corruption at the lower levels of government is always of interest to high-ranking officials who may try to convince ordinary citizens to engage in this effort. This type of fight against corruption can be conducted without the citizens' being organised – as long as individuals can easily express their complaints without fear of reprisal.

Rendering it easy to formally complain only combats the type of corruption that generates bribes obtained for a service that should be free. Bribes that allow illegal activity or that soften a legal regulation or the amount of taxes are less likely to be revealed by private individuals and firms unless officials have been arrested and wish to reduce their punishment. Conversely, if the demands for bribes are a condition of

obtaining a legal benefit, individuals may disagree with the payment if they can appeal to an honest court.

Some public agencies have created “hotlines” for direct complaints from citizens. In England, numerous local communities have experimented with anti-fraud hotlines (United Kingdom, Audit Commission, 1993). The Programme for Modernisation of Public Administration from the Mexican government has created a similar system of hotlines for businesses harassed by tax inspectors (Mexico, Federal Executive Branch, 1996). This type of method can be successful if complaints remain anonymous and complainants have no fear of reprisal. If the hotline numbers are not widely available to people in rural areas or in poor urban areas, other methods of collecting complaints must be considered. The hotlines must be more than symbolic. Public servants – ombudsmen, control agents of certain units or agents of law enforcement – must monitor the complaints closely and transparently. If the complaints refer to individuals, the accused should have the right to defend themselves against false accusations in a creditable fashion. Otherwise, anti-corruption campaigns can degenerate into personal “vendettas”, with individuals requesting the state to facilitate their feuds.

## **5 Conclusion**

We demonstrate that to generate a system of efficient accountability and to control corruption indirectly by imposing limits on political power, two strategies are possible. The first strategy is government structures that create veto points and independent sources of political, administrative and judicial power. These structures limit corruption, rendering it less advantageous for both public servants and corruptors. The second strategy provides the population and groups (interest groups and pressure groups) with manners in which to formally complain about the government and about bad services provided to the public. The government provides information regarding their own actions in the media, the public can complain, and private organisations (such as NGOs) and individuals themselves create pressure and demand public accountability. The first type of anti-corruption strategy is more

compatible with democratic government structures. The second type renders the government more vulnerable to popular discontent. Consequently, many regimes, including even “nominal democracies”, view such policies with concern and suspicion. We conclude that such strategies are, nevertheless, important methods for undermining the ability of the actors to corrupt and be corrupted.

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# BOOK REVIEWS

CASTLES, Francis G. (Edit.). *The impact of parties: politics and policies in democratic capitalist states*. Sage Publications, 1982.

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This book is based on research completed by the Party Differences and Public Policy group. The research group, established in 1978 during the European Consortium for Political Research conference in Grenoble, defends the importance of politics, and political actors in particular, to analyses on the production of public policy. More specifically, the articles published in this work apply “partisan theory” in examining the Social Welfare State, thereby measuring the effects of parties of varying political ideologies on the formulation and implementation of social policies (SHMIDT, 2010). Hence, articles in this book may be considered essential to at least two areas of debate: a) to methodological-theoretical debates surrounding the effects of social agents on public policy results over economic or functionalist approaches and b) to debates on democracy.

Applying a methodological-theoretical perspective, this work edited by Castles challenges approaches that ignore the actions of political actors when describing public policy results, and notably social welfare policies. Among these approaches, works from the 1960s and 1970s that emphasise the economic dimension as a preponderant of welfare policy implementation are distinct. These works were premised on two major hypotheses: one attributed economic growth from industrialisation to the welfare state, and the other applied a (neo)Marxist perspective to explain how social policies are conceived as legitimate and stabilising sources of the social capitalist order.

The first argument presented affirms the direct relationship between resources generated through economic growth and the financing of social policies implemented to solve problems stemming from industrialisation: transformations of productive activity and of the demographic structure (WILENSKY; LEBEAUX, 1965). Politics (institutions and political actors) is not important as an explanatory

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variable of variations in welfare policies (WILENSKY, 1975). One may argue that social policies are a “by-product” of economic development. In turn, the economic approach of the (neo)Marxist perspective identifies the production of public policies, particularly welfare policies, as a strategy of the State to ease tensions inherent to the capitalist system. This viewpoint is directly linked to the welfare state and to the legitimisation and reproduction of the capitalist system (OFFE, 1984). According to this perspective, politics (institutions and political actors) is also not considered an explanatory factor.

Nevertheless, if actors are not important (or are of very little importance), what is the purpose of democratic participation? Rather, subjacent to functionalist and economic theoretical methodological approaches is the premise of the dynamics of the political system itself. Not surprisingly, the influential work of Wilensky (1975) does not relate differences within the political regime to the production of welfare policies. These variations would be directly related to the level of economic development present, regardless of whether a regime is democratic, authoritarian or totalitarian. Further, even in a democratic regime, do the main actors that mediate the state-society relationship not differ in their public policies? What is the purpose, then, in discussing the formation of political parties and to debate the configuration of representative political institutions?

The work edited by Castles provides a different explanation for the production of public policies centred on political actors or political parties, but without disregarding possible restrictions on partisan action resulting from institutional and economic factors. The chapter written by Castles echoes partisan theory’s explanation of the welfare state and, therefore, the importance of political parties in the formulation and implementation of public policies. The author’s objectives are:

- I – To observe whether capitalist democracies became more or less similar in their public spending patterns throughout the 1960s and 1970s.
- II – To determine the effect of political parties on variations in public expenditures in diverse areas of public policy (social policy expenditures in particular).

III – To determine when relationships between public policy patterns are mediated by voter choices or party system structures.

The effects of parties are measured by the degree of covariance between political party ideologies and social welfare policy expenditures. The author's hypothesis states that left-wing political parties in the government increase public spending, and social spending in particular<sup>15</sup>. Far-right parties would serve as an obstacle to increased public spending. As such, a right-wing majority government would oppose the implementation of welfare policies. A weak right-wing presence or the absence of right-wing parties in the government would create more favourable conditions for the expansion of welfare policies<sup>16</sup>.

It is naïve to assume a direct relationship between political party affiliation and public spending that is not mediated by situational conditions in which partisan action occurs. Accordingly, Castles adds the following social and economic factors to his explanatory model as "controls": economic development and demographic structure. For the author, development is essential to replenish necessary resources for the expansion of public spending. The demographic structure is also influential because the presence of an economically inactive group, such as the elderly, forces an increase in spending on social security. Similarly, the existence of a large youth population necessitates higher expenditures on education. In other words, Castles argues that analyses of political party actions should consider the supply and demand of economic resources in a given society.

Another factor considered by Castles is the strength of trade unions, measured as a proportion of the strength of the unionised workforce. In turn, the author adds an important political actor derived

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<sup>15</sup> The author measures public expenditures in the following ways: Total public expenditure/GDP; Consumption of public spending/GDP (current); Transfers and subsidies/GDP; (total expenditure – social expenditure)/GDP; Education spending/GDP; Social security spending/GDP; Health spending.

<sup>16</sup> For the author, the right wing parties will be stronger if they are secular. Christian parties are classified as right-wing by the author, but they are weaker than secular right-wing parties. One party controls the government with 66% of the seats for 66% of the analysed period. A party is considered stronger than another if it has at least 5% more of the popular vote.

from the existing socioeconomic structure and strongly linked to left-wing parties (or labour parties). For example, Castle argues that the high degree of industrial concentration required in a small market increases the probability of the formation of strong unions and left-wing governments. Both political actors pressure the government to deliver publicly financed services, promoting welfare policies. Finally, Castle considers a political institutional factor: whether a country is a federation or not. He hypothesises that a low degree of administrative and political centralisation is associated with greater restrictions on public expenditure.

Generally speaking, Castles arrives at the following conclusions. First, he finds little evidence for the validity of convergence theory (first objective). According to the author, “aggregate expenditure patterns among nations have been less similar, while [...] welfare program expenditure patterns within nations have become similar” (p. 69). Economic development, despite having a lesser impact on public spending, permits the expansion of social programs. Demographic variables have a predictable effect: larger proportions of elderly and youth populations result in more public spending.

Castles confirms the partisan hypothesis and concludes that “there is evidence that products and results of public policies are more decisively influenced by the strength of right-wing political parties than by the extension of socialist partisanship” (p. 57). Another important finding refers to the legacy of welfare as a prominent explanatory factor. According to the author, the composition of the government and relative position of a country with welfare spending between 1960 and 1970 changed little over time, implying that the variance in spending at time  $t$  is strongly related to variance at time  $t-1$ . The 1960s appear to have determined whether a social welfare state would be established in Europe. In fact, Castles argues that low degrees of welfare found in some countries in the 1970s are linked to the reluctance of right-wing parties in power during the 1960s to expand welfare provisions. For him,

The countries that seem to have capitalized on the opportunity (to implement the Welfare State) were precisely those that had centre or social democratic governments (in the 1960s).

The right saw economic development in other terms, as the opportunity to increase the return of private initiative and enterprise. (p. 74).

Other articles published in *The Impact of Parties* follow Castles' directives. Rather, analyses focus on political actors, mediation between actors, institutions and socioeconomic conditions. Writing at the beginning of the 1980s, the authors of the work reinforced the use of theoretical-methodological approaches that would become prevalent in works on public policy at the start of the 1990s: new institutionalism. This occurred because hypotheses on the effects of political parties on welfare production are supported by theories on relationships between the "inputs" and "results" of the political system. One may argue that the literature on political parties and public policies largely establishes an analytical explanatory model for the institution, expansion and retraction of social welfare policies that combine the actions of relevant actors on one hand, and the institutional-political and socioeconomic factors that characterise their contexts of operation on the other. One can thus assume that variability among implemented social policies can largely be explained by a combination of 1) relevant actor motivations, 2) interactions between actors, 3) current institutional-political frameworks, 4) socioeconomic contexts and 5) welfare policy legacies.

The work edited by Castles contributes greatly to the construction of this analytical model. This approach, which emphasises the importance of institutions to the provision of public policies, justly problematises the factors that restrict and guide partisan action. Public policies can be largely conceived of as the decisions of political parties whose primary motivations may be to win votes in order to exercise and maintain power or seek participation in governments through political roles or through the provision of public policies based on ideology (STROM; MULLER, 1999). In this case, the ideological coloration of political parties as suggested by Castles and other authors reflects their political motivations.

The roles of parties in the maximisation of their policies, in turn, can be promoted or restricted through interactions with different political and/or social actors, and principally unions, the electorate,

bureaucracies and oppositional political parties (HICKS; SWANK, 1992). This issue has also been explored to an extent in *The Impact of Parties* through an analysis of the strength and power of political parties and of the presence or absence of strong unions. In turn, the actions and interactions of these actors are guided by previously adopted policies (or in other words, the legacy, as described by Castles), by veto points given through existing institutional arrangements (CREPAZ, 1998; IMMERGUT, 1996; TSEBELIS, 2002) and by the socioeconomic context in which they act. Although Castles has not explored institutional veto points, the intermediation between economics and politics is a concern not solely of the author but of the entire work.

Recent analyses of political parties and public policies have used sophisticated statistical models to test the analytical model outlined above. This is a weak feature of Castles article in that relationships between explanatory variables and public expenditures are measured largely through bivariate correlations. Castles also presents contradictory information in that he classifies all Christian political parties as right-wing parties but then argues that such political parties in western Germany, Austria and Italy were strong proponents of welfare policies. More recently, the effects of political parties have been measured mainly through their participation in government, as measured by time spent in office (BLAIS; BLAKE; DION, 1993) and by the sharing of roles within cabinets, or in other words, through an analysis of government coalitions (BUDGE; KEMAN, 1990).

One may note, therefore, the importance of the work's theoretical orientation to the development of further analyses on the importance of political parties to the production of public policies. However, to what extent is the work current? Furthermore, what roles do political parties play in an environment in which ideological cleavages have changed and in which programmatic convergence among parties seems to be the rule in representative democracies? The work's importance resides in the simplicity of its research questions: do political parties make a difference? In what sense and in what context do they make a difference? These questions will continually make us contemplate the workings of representative democracies.

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SINGER, André. Os sentidos do Lulismo: reforma gradual e pacto conservador [The meaning of Lulism: gradual reform and the conservative pact]. São Paulo: Companhia das Letras, 2012, 276 p.

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The relevance of the Lulist phenomenon lies at the core of André Singer's work, "Os sentidos do Lulismo: reforma gradual e pacto conservador" [The meaning of Lulism: gradual reform and the conservative pact], which conducts an investigative synthesis of studies conducted by the author. The work examines the rise of Lulism through electoral realignment, i.e., the convergence of leadership and class factions (the subproletariat) during the 2006 presidential election. Generally speaking, Lulism refers to a state that provides for the poorest populations without opposing the established order.

The form of Lulism analysed in this study is premised on a contradiction between conservation and change in terms of governmental economic achievement for the purpose of justifying change without opposing the existing order. Government achievements are sustained throughout the chapters through the use of analytical instruments that are related to electoral realignment and to changes that are implemented within the party organisation. This argument, though well-suited to the concept of Lulism, is limited in that it interprets this phenomenon as something that is partially detached from party competition. Perhaps the Worker's Party (Partido dos Trabalhadores – PT) may be fully incorporated into the analysis and made even more complex if an analytical view of political representation were applied.

The work may thus have consequently sought to understand the "meaning of the PT" without alluding to that which the social sciences literature defines as "*petismo*" (PT policies). From an analytical perspective, the concept of electoral realignment may have included the dynamics of PT political representation in recent years, i.e.,

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representational changes resulting in an electoral realignment, as described earlier. While the author defines Lulism as a comprehensive phenomenon of electoral realignment that emerged in 2006, it may be crucial to recognise the institutional character of the mobilised decisions in terms of political representation from party forces and in terms of the complexities of electoral competition.

While the party issue is discussed in one of the chapters that focuses on the two “souls” of the PT, doubts are raised regarding the meaning of Lulism. This doubt is especially evident when the author’s definition is compared to possible readings of the phenomenon based on institutional processes of electoral competition and the political representation of government policy actions. In this sense, it is possible to conclude that subnational policy “mirrors” electoral nationalism and party competition with Lulism. This phenomenon may imply the existence of a more complex and multidimensional relationship between intermediate and latent political actors in the realm of electoral realignment.

The first chapter, which focuses on the social and ideological roots of Lulism, describes the trajectory of PT’s relationship to the social strata of higher income and education. This dynamic remained in place during the elections of 1989 to 2002, during which the party received strong electoral support from the highest strata while resistance was met from the lower income working classes who defended change vis-a-vis the conservation of order.

Lula’s candidacies promoted conciliation with the lower strata, resulting in the rise of Lulism in 2006, which was characterised by polarisation between the rich and powerful, rather than the presence of a right-left dyad. The author defines one aspect of Lulism as a departure from the PT. This perspective characterises the methodological orientation of the work. However, doubts are raised with respect to the real distinction between Lulism and the immediate consequences of change within the PT framework, i.e., which of the author’s definitions exhibited antagonism between Lulism and *petismo*.

The work highlights the procedural shift that occurred in the midst of the 2002 PT campaign as a result of essential changes that occurred within the PT during the 1990s that led to the party’s first

presidential victory. This local electoral success and strong level of party preference among voters - in addition to the strong presence of organised civil society groups - analytically increased the need to rethink theoretical-methodological choices regarding the personalisation of “Lulism”.

In the second chapter, the author analytically confronts the two “souls” that currently compose the PT: “Sion” (*Colégio Sion*, where the PT was founded in 1980, the author’s reference to the pragmatic compromises the established order at the time of the party’s creation), which represents the anti-capitalist position that the party defended at the time of its creation, and “Anhembi” (referring to the São Paulo convention centre where the party frequently hosts events, which is a capitalist symbol of business and ideologically represents diverse party positions), which, upon renouncing its anti-capitalist commitments, represents by conviction the assimilation of common liberal conceptions that are antagonistic to the ideological spectrum that the party had adopted upon its foundation.

In the author’s words, the “Anhembi” soul demonstrated a

pragmatic disposition that occupied the opposite end of Sion old purism. It was not a gesture of relaxation but rather a true commitment to traditional Brazilian pragmatism, which was once denied explicitly in the party’s flag. Under the guise of adjustments made during the 2002 election period, a revolution was underway, inspiring left PT supporters to join the spirit of Sion (p. 99).

To the author, as the “Anhembi” soul removed anti-capitalist party factions, it introduced more factions that were willing to accept capital, thereby resulting in the development of a permanent party line.

Analyses that examine previous changes to the PT use data that are related to party preference and to the ideological views of PT supporters. Both analytical dimensions refer to the party’s popularisation, i.e., the fact that this change of party line found its social foundation in the sub-proletariat. The PT was affected through a reiteration of dominant positions on the issue of the “Anhembi” soul, although the Lula government partly adopted goals of the “Sion” soul. According

to the author, this illustrates that the spirit of the “Anhembi”, although dominant, did not suppress that of “Sion”. Rather, “they coexist side by side, as if one wished to ignore the existence of the other” (p. 119).

Overall, Lula’s two terms formed a contradictory synthesis between two souls that compose the PT today, in a similar way as those policies that were adopted by the government during the two terms, which simultaneously benefited economic interests and the needs of the poorest populations. The possible conjunction between these antagonistic interests within PT assumes a paradoxical character, and in our view, this is particularly true of the PT’s current political representation, which is amplified as much by past interests regarding the soul of “Sion” as present interest in the “Anhembi” soul.

The clash between the two PT souls and the effective shift in PT electoral support reaffirm the need to understand, in terms of political representation, shifts that occurred in the relationship between the PT and major social movements and organised segments of civil society that were influential within the party until 2002. Hence, it may perhaps be necessary to include this relationship as a third analytical dimension that focuses on how organised groups continue to support the party while faced with those changes discussed in the work. This would verify the extent to which the party has disconnected from those active citizens that favour new relationships with groups that sympathise with the spirit of “Anhembi”.

The third chapter seeks to analyse the material and political grounding of Lulist agendas adopted by the two presidential administrations. The chapter discusses the government’s political choices surrounding the achievement of a “Rooseveltian dream”, i.e., the process behind the emergence of a Brazilian New Deal<sup>17</sup>.

The analytical approach is designed to examine the antithetical character of the “political economy of Lulism”, which guaranteed the rapid decline of monetary poverty, but a more slow decline of inequality, thus expressing contradictions that arise while arbitrating different

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<sup>17</sup> In reference to policies that form the “New Deal” implemented by the United States government of Franklin Roosevelt, which aimed to overcome the effects of the Great Depression.

interests. Lulism's overall success is attributable to an ability to balance conflicting proposals while functioning as a judge for the various classes.

Examinations of Lulism should perhaps consider relevant changes in political representation that manifested during this period, thereby enabling an interpretation of new forms of organised civil society mobilisation. While this mobilisation united segments of civil society in favour of the political goals of Lulism, it also benefited governmental efforts to encourage civil society to participate in conferences, advisory council meetings, and other arenas of political dialogue. Hence, the author limits his analysis by discarding the possibility to understand political principles of Lulism. Our disagreement with the author on this matter is premised on the fact that limited structured conflict arbitration occurs within civil society. If Lulism thus immobilises civil society, it will not enjoy the political autonomy to guide civil society actions.

Hence, rather than promoting an argument surrounding the demobilisation of society, the author may have concluded that Lulism may have maintained different forms of mobilisation tied to political choices to ensure the success of class coalitions. In other words, demobilisation realised through Lulism may be perceived as a strategy for generating capital under the direction of the PT together with social movements influenced by the party.

The ways in which choices were coordinated through the prevention of agendas of interest demonstrate how well PT programmatic tensions were balanced in the face of arbitrated coexistence between the spirit of "Sion" and that of "Anhembi". It is possible to extrapolate from the work's results that consequences of localised tension in the struggle between the two PT souls had a considerable influence on how the organisation was viewed and on the mobilisation of segments of civil society under the context of Lulism. Hence, the relationship between parties and movements may have warranted more attention in the work through an examination of two interconnected research questions concerned with the implications of Lulism for both civil and political society.

Finally, the fourth chapter develops an argumentative basis for identifying the actions of Lulism as manifestations of "weak

reformism” that differ from the series of PT proposals regarding the “Sion”, which promoted proposals for “strong reformism” in programmatic compromises until the 1990s. Thus, Lulism had not advocated an exclusion of “strong reformism”. Rather, the dilution of reformism occurred due to a gradual process of undeniable change within Brazil.

The author understands that while certain policies developed by Lula enacted “strong reformism”, this was conducted in a homeopathic fashion without confrontation. The author warns that one must not confuse this process with “strong reformism” itself or with neoliberalism as it was analysed throughout the chapter based on essential data. Rather, the author argues that Lulism is characterised by actions of “weak reformism” that do not exclude minor actions of “strong reformism” and which do not place secular capital interests at risk. The “final note” described in this chapter must be noted here. The author describes the class character of Lulism, i.e., the structure of Brazilian capitalism under Lulism, particularly with regards to the constitutive character of the Brazilian working class of the current century, which is determined by the power of ongoing reformism. The argument focuses on the fact that while “weak” in nature, this form of reformism promotes structural changes as long as it is implemented, given that Lulism shifts class character in favour of another dyad of rich and poor.

Recent social and political manifestations of Lulism are analysed in the “final note” with respect to the Party of Brazilian Social Democracy’s (Partido da Social Democracia Brasileira - PSDB) adherence to Lulism:

although it continues, even if by exclusion, the party of the bourgeoisie and petty bourgeoisie, the PSDB, will not be able to clearly vocalise its nucleus as long as Lulist realignment endures. It must present itself as the ethical perpetuator of weak reformism (p. 214-215).

This facet of the PSDB observed by the author can be identified in other parties that support the government, e.g., formative movements of new Lulist party forces external to the PT (or in opposition to the PT, but in favour of Lulism). The author’s central argument defends

the notion that the development of popular capitalism as a Lulist paradigm leaves spaces of anti-capitalism vacant in the face of the limited support for minor parties such as the Socialism and Freedom Party (Partido Socialismo e Liberdade - PSOL) and United Socialist Workers' Party (Partido Socialista dos Trabalhadores Unificado – PSTU). Hence, Lulism partly defends capital interests at its core.

The author's analysis conveys a partial collapse of the Left based on notions that it had both lost and won against Lulism. The work leaves the reader to question: regarding Lulism as a strategy used by the Brazilian Left, will the Left define this political movement as a "moral" rule or as a contingency of a political project?

For the author, the form of capitalist hegemony that Lulism represents is combined with an overall decline of the Left as a consequence of the spread of neoliberalism. The loss of Leftist space has resulted in the development of a combination of "lower reach" political projects, which programmatically weaken values adopted during the twentieth century. In this sense, the factors that led to the rise of Lulism are not differentiated from the limits of the Left at the beginning of the 21<sup>st</sup> century. The "final note" of the chapter contemplates this issue and recognises that despite the occurrence of depolarisation between left and right, new processes of polarisation between the PT and PSDB exhibited a different character given the predominance of "weak reformism". This marked a new era and introduced contradictions to the Brazilian case that were more significant relative to the period that preceded that of Lulism. For the author, "the PSDB will need to convince the 'old middle class' that the upward movement of the 'new middle class' is positive and that it is decreasing, for electoral reasons, existing forms of social polarisation" (p. 215). The PSDB will have to present itself as the leader of a "popular transformism".

Given the numerous changes that have occurred in Brazilian politics over time, it is impossible to deal conclusively with its themes, which have articulated a vast theoretical framework through an even broader empirical design. This is especially true with respect to methodological pitfalls, which for some haunt the foundation of the work of a researcher who simultaneously lives as both an object and a subject.

While this work will undoubtedly continue to be mandatory reading in several academic fields, it will also prove valuable to common readers who seek an in-depth understanding of the current Brazilian political system. This work will thus offer reflections on the future of democracy and on interpretative lines of Brazilian politics, i.e., the foundations of 21<sup>st</sup> century Brazilian society.



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