

The Political and Economic Consequences of Executive-Legislative Crises

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Much of the recent analysis of presidentialism has been based on the assumption that executive-legislative confrontation creates simultaneous conditions for policy stability *and* regime breakdown. In the first section of the paper, I show that there is an inherent logical tension between these two predictions and that they rely on contradictory assumptions. In the second section, I develop a model of executive-legislative deadlock and argue that regime instability is more likely when partisan players are unilaterally impatient, when institutional design is biased in favor of one party, and when the number of parties is greater. In the third section, I test the predictions of the model using time-series cross-section data for 19 presidential countries in the Western Hemisphere between 1950 and 2000. Finally, I discuss how this approach illuminates some empirical puzzles like the historical survival of American presidentialism and the lower levels of regime instability created by executive-legislative deadlock in Latin America in the 1990s.

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Over the last fifteen years, much of the comparative analysis of executive-legislative relations in presidential regimes has relied on the assumption that confrontation between the two elected branches of government generates two opposite effects: policy stability and regime instability. In the first part of this paper, I review those arguments and claim that simultaneous expectations of policy stability and regime instability generate an analytical paradox. The only way to solve this paradox is by discriminating situations in which preferences over policy are independent of preferences over institutions, from those in which preferences over policy overrule preferences over institutions. The argument about the perils of presidentialism has assumed that among veto players policy preferences drive preferences over regime types, while the argument about policy stability has taken for granted that institutions are exogenous and fixed.

In the second section, I develop a simple model of executive-legislative deadlock which suggests that policy disputes are likely to overrule the institutional status-quo when partisan veto players are unilaterally impatient, when institutional design is biased in favor of one group, and when the number of partisan players is greater. An empirical analysis of 19 countries over 51 years provides support for these hypotheses in section three. The conclusions discuss how this approach helps us to understand what appeared to be anomalies in the existing literature on presidentialism.

Consequences of Executive-Legislative Deadlock

Regime Instability. In the late 1980s, students of presidentialism arrived to the conclusion that presidential systems were more prone to democratic breakdown than parliamentary ones, since the latter allow for mechanisms intended to ensure the unity of purpose between the executive and the assembly—like the dissolution of the parliament or the vote of no-confidence—while the former typically do not. In Juan Linz’s classic formulation: “Since both [the president and congress] derive their power from the vote of the people (...), a conflict is always latent and sometimes likely to erupt dramatically; there is no democratic principle to resolve it, and the mechanisms that might exist in the constitution are generally complex, highly technical, legalistic, and, therefore, of doubtful democratic legitimacy for the electorate. It is therefore no accident that in some of those situations the military intervenes as *poder moderador*” (Linz 1994, 7).

In a similar vein, Riggs (1988) argued that “when serious tensions between president and congress arise in countries following the US model, constitutionalism typically loses out. (...) Although popular revolutionary movements are not uncommon, much more frequently small groups of bureaucratic conspirators, headed by a few military officers, stage a coup d’état, suspend congress, depose the president and set up new (unconstitutional) governments” (Riggs 1988, 256). In his analysis of the 1973 coup in Chile, Arturo Valenzuela concluded that “the challenges of democracy in Chile were closely linked to the difficulties of making compatible a presidentialist constitutional framework (...) and a polarized multiparty political system in which no party (or political tendency of the Right, Left, or Center) could generate a majority to elect the president or support him in the legislature” (Valenzuela 1994, 93).

To the extent that a large body of literature has qualified or revised Linz's argument during the 1990s, the basic assumption has remained unscathed. Scholars have sought to establish the conditions for executive-legislative deadlock, without questioning the underlying logic of the argument (for an exception, Cheibub 2002). In a classic article, Scott Mainwaring argued that it is in fact the interaction between presidentialism and multipartyism what constitutes a "difficult combination" for democracy, since 1) "multipartism increases the likelihood of executive/legislative deadlock," 2) "it also increases the likelihood of ideological polarization," and 3) it makes coalition-building "more difficult and less stable than in parliamentary systems" (Mainwaring 1993, 212-213). Emphasizing the role of electoral systems in creating viable forms of presidentialism, Mark Jones similarly pointed out that "if the goal of a presidential system is to provide for an effective, stable, and democratic form of government that will survive for more than a few elections, then the system must typically provide the president with a legislative majority or near-majority" (Jones 1995, 160).

Przeworski and his collaborators found that presidential democracies are less durable than parliamentary ones, noting that they "appear particularly vulnerable in situations in which the largest legislative party controls more than one-third but less than one-half of the seats..." They speculated with two explanations for this finding: executive-legislative deadlock (as the president may be unable to get policy passed while congress is unable to override his veto), and "the difficulty of forming legislative coalitions when there are a few parties with similar strengths" (Przeworski et al. 2000, 134-35).¹

In turn, Shugart and Carey (1992) noticed that among Third World countries, parliamentary regimes have been more prone to breakdown than presidential ones, and argued that "it is the balance of presidential-congressional powers, more than presidentialism per se, what has hampered democratization in many countries" (Shugart and Carey 1992, 37-38). In their view, presidents with strong legislative powers are more likely to clash with congress and less willing to compromise. Their data confirmed that presidential systems hosting powerful presidents are more likely to break down (Shugart and Carey 1992, chapter 8).² Tsebelis (1995) explained Shugart and Carey's finding arguing that strong presidential powers create an additional veto player in the system.

Summarizing those ideas, Mainwaring and Shugart (1997) emphasized the role of the legislative powers of the president and the size and cohesion of the president's party in congress as the key institutional factors with a potential impact on the stability of presidential regimes:

We believe that presidential systems tend to function better with limited executive powers over legislation, mainly because a weaker executive means that the congress has more opportunity for debating and logrolling on controversial matters. Having weaker executive powers also means that cases in which presidents lack reliable majorities are less likely to be crisis-ridden, since the president has fewer tools with which to try to do an end run around the congress. Finally, we have stressed that presidentialism usually functions better when presidents have at least a reasonable large bloc of reliable legislative seats (Mainwaring and Shugart 1997, 436)

More recently, a well-documented study by José Antonio Cheibub has challenged the connection between executive-legislative deadlock and democratic survivability. After analyzing the hazard rates of 38 presidential democracies between 1946 and 1996, Cheibub concluded with surprise that

...contrary to all expectations, minority presidents, minority governments, and deadlocks have no negative effects on the survival of presidential regimes. (...) Whereas 1 in every 31 presidential democracies dies when there is no deadlock, 1 in every 26 dies when there is deadlock. This difference does not seem to warrant the level of concern with deadlock that is often expressed in the comparative literature on presidentialism (Cheibub 2002, 301).

Policy Stability. On the other hand, the separation of purpose between the executive and congress has been presented as a source of *policy stability*, since the enactment of any changes to the status quo is more difficult when the president and the median legislator have conflicting preferences over policy. As Kent Eaton has pointed out, “when the executive and legislative branches are controlled by different parties, either may veto policy changes initiated in the other branch, and irreconcilable policy disagreements between the branches cannot be institutionally resolved by any means short of impeachment” (Eaton 2000, 359).³

The classic formulation of this argument corresponds to Tsebelis (1995) who argued that “as the number of veto players who are required to agree for a movement of the status quo increases, the winset of the status quo does not increase (i.e., policy stability does not decrease)” (Tsebelis 1995, 297). In a similar vein, Cox and McCubbins (2001) distinguished between “separation of powers” and “separation of purpose” arguing that the combination of both generates a greater number of veto gates. With a larger number of veto gates, the capacity to implement new policy (decisiveness) declines, while the ability to commit to existing policy (resoluteness) increases, in part as a result of inter-branch stalemate or gridlock. “As the effective number of vetoes increases, the polity becomes more resolute and less decisive” (Cox and McCubbins 2001, 27).⁴

The policy implications of the deadlock thesis have inspired several corollaries (for some examples, see Eaton 2000). Barry Ames showed that “Brazil’s institutional structure (...) inherently produces a large number of veto players. As a result, its central government has enormous difficulty producing innovative policies” (Ames 2001, 12). Recent work in development economics has claimed that “countries with a large district magnitude, a large number of effective parties represented in the legislature, and weak support for the governing party in the legislature tend to be associated with higher levels of government expenditures, larger fiscal deficits, and a more procyclical response to the business cycle” (Stein, Talvi, and Grisanti 1999, 128-129; see also World Bank 2002, 103).

The Paradox

How can we reconcile the expectations of policy stability and regime instability embedded in the deadlock thesis? I explore two alternatives. The first possibility is that

policy and regime stability are orthogonal, and therefore the effects of executive-legislative conflict over policy are unrelated to its effects over the regime. This argument is easy to eliminate. Although it is possible to conceive an enduring regime being “too decisive,” it is hard to believe that policy consistency may exist in the absence of regime stability. After all, the leaders of successful coups or revolutionary movements must call for major policy changes at least in some key dimensions in order to justify their deeds. We shall conclude that *regime stability is a necessary (but not sufficient) condition for policy resoluteness*.⁵ This proposition can be restated by saying that the probability of stable policy in the absence of stable politics is virtually nil:

$$[1] \quad P(S_p | \sim S_R) = 0$$

Where S indicates stability, $\sim S$ indicates the absence of stability, and subscripts P and R refer to policy outcomes, and the regime, respectively. For the sake of simplicity, I assume strict necessity but the reader could think of necessity (or sufficiency, for that matter) in a probabilistic rather than a deterministic way (Dion 1998; Ragin 2000; Seawright 2002). In such case, the probability of stable policy in the absence of a stable regime would be *close to zero*.

The second, and usually accepted, way of reconciling the two predictions of the deadlock thesis is by arguing that policy stability in fact *leads to* regime instability (Cheibub 2002). To the extent that scholars have been aware of the underlying theoretical tension between the two, they have solved it by treating the latter as the natural consequence of the former. “In regimes where government change is impossible (except for fixed intervals like in presidential regimes), policy immobilism may lead to the replacement of the leadership through extra-constitutional means (regime instability)” (Tsebelis 1995, 321-22). This conventional wisdom suggests that too much *policy resoluteness may be a sufficient (but not necessary) condition for regime instability*.⁶

Although this belief has dominated the interpretation of the deadlock thesis, it is hard to accept it without qualifications. It is just implausible that too much policy consistency will promote regime instability under *every* circumstance. After all, as Tsebelis himself noted, “decisiveness in changing the status quo is good when the status quo is undesirable (...) or when an exogenous shock disturbs a desirable process. Commitment to non-interference may be preferable when the status quo is desirable (as when civil rights are established), or if an exogenous shock is beneficial.” (Tsebelis 1995, 294-95).

Since the literature has not established the specific conditions that make this hypothesis work, I will postpone this issue until the next section. Let us just express the common wisdom by arguing that the probability of observing an unstable presidential regime in the presence of policy deadlock should be significantly greater than zero (and greater than the probability of breakdown in the absence of such deadlock). Strictly speaking, the probability of breakdown should be 1.0 if we accept a deterministic thesis of sufficiency, or approach that value if we assume stochastic quasi-sufficiency. Given the (unknown) conditions that seem to constrain this hypothesis, let us state for the moment a more conservative version:⁷

$$[2] \quad 0 \leq P(\sim S_R | \sim S_p) < P(\sim S_R | S_p) \leq 1$$

It follows from propositions [1] and [2] that the deadlock thesis involves an inherent contradiction. If excessive policy resoluteness fosters regime instability, and regime stability is potentially necessary for policy resoluteness, we must conclude that, in equilibrium, the two predictions of the deadlock thesis are not compatible. That is, extreme levels of executive-legislative deadlock are likely to breed regime breakdown, or policy immobilism, but they are unlikely to breed both in the long run.

Formal proof of the existence of this paradox can be easily achieved. From Bayes's rule, we know that:

$$[3] \quad P(\sim S_R | S_P) = \frac{P(\sim S_R)P(S_P | \sim S_R)}{P(\sim S_R)P(S_P | \sim S_R) + P(S_R)P(S_P | S_R)}$$

And from proposition [1], by substitution:

$$[4] \quad P(\sim S_R | S_P) = \frac{0}{P(S_R)P(S_P | S_R)}$$

Therefore, [1] and [2] cannot be simultaneously true unless $0 < P(\sim S_R | S_P) = 0$.

How can we account for this paradox? Any attempt to deal with this issue by introducing a distinction between consolidated and non-consolidated presidential democracies—the former presumably facing policy stability while the latter are subject to regime instability—simply leads to a tautology. The theory predicts weak institutionalization as the *product* of inter-branch confrontation and such distinction is therefore of little help.

A Model of Endogenous Institutions

The fact that the paradox described in the previous section has been ignored by the institutional literature for so long suggests that political scientists working on those issues have implicitly relied on assumptions that they never cared to state. Most political scientists would concur on the idea that only under certain circumstances will policy deadlock represent a threat to democratic stability. The problem is that the existing literature has failed to specify the nature of such preconditions.

In order to address this problem, it is important to realize that the two corollaries of the deadlock thesis rely on different assumptions regarding the preference structure of political actors confronting a tradeoff between the policy status-quo and the regime status-quo, between pursuing substantive outcomes and the preservation of the rules that constrain decision-making. The argument about the perils of presidentialism has assumed that among veto players, policy preferences drive preferences over institutions (i.e., regime type). In the absence of policy change, frustration is expected to induce key actors to jettison the existing rules and procedures, which they perceive as mere constraints created by the constitution, in order to achieve their substantive goals. In contrast, the argument about policy stability has taken for granted that institutions are

exogenous and fixed. No policy issue is assumed to be significant enough to transform constitutional rules into an endogenous variable, because policy preferences do not drive preferences over regime types.

The contradictory nature of these two assumptions lies at the origin the deadlock paradox documented in the previous section. In my view, the question is not whether one assumption is correct and the other is misleading, it is rather how to transform these assumptions into the subject of empirical inquiry. We must understand why some policy disputes contaminate pre-existing agreements over institutional choices, while in other cases the choices about institutions remain shielded from policy disputes.

The Model

Consider a society with an N number of parties—groups of citizens organized to pursue different policies—which compete in order to control two branches of government, the executive and the legislature. The composition of the branches is determined by an institutional mechanism (e.g., free elections, rigged elections, a lottery) that selects the head of the executive and the members of the collective congress from those partisan groups at regular intervals (or rounds). If the executive and (the majority of) congress agree on their partisan outlook, policy coordination is achieved and the proposal of the ruling party is implemented. If not, deadlock ensues and a reversionary policy prevails. We shall assume for the moment that each party prefers its own policy to the reversionary point, and the reversionary point to its opponents' policies.

If they are dissatisfied with the policy outcome, parties can adopt one of two strategies: i) they can wait until the next round, hoping that the new composition of the two branches will favor their own, or ii) they can revolt against the system, transforming the dispute over policy into a broader conflict to redefine the existing selection mechanism. Echoing Dahl, I will refer to the first strategy as “tolerance” (of the existing institutions) or simply as “waiting,” and to the second strategy as a “revolt,” a “coup,” or an attempt to suppress the existing institutional order (Dahl 1971). It is assumed that success in a revolt can be achieved with a known probability and it guarantees the implementation of the most desired policy, while defeat in a revolt will lead to the imposition of some other party's (and thus a least desired) policy.

Any partisan player can thus be described by a vector of probability values $\mathbf{Z}_{i,m}=[p_{i,m}, q_{i,m}, c_i]$, where i identifies the i -th party, m refers to the selection mechanism currently employed, p represents the probability that the party will control the executive branch in any given round, q , the probability that the same party will control congress, and c , the probability of the party's success in a revolt. Note that while both the sum of p and the sum of q across parties equal one, the value of c is independent for every i (and presumably does not vary with the selection mechanism, although it could).

This model introduces the main elements discussed in the previous section in stylized form: the parties integrate two branches of government in ways that create unity of purpose and policy change ($\sim S_P$) or separation of purpose and deadlock (S_P). In turn, they may react against any of those outcomes by respecting the existing institutions (thus creating regime stability, S_R) or by launching a coup ($\sim S_R$). Given this setup, under any given selection process m party i can expect to implement its preferred policy with

probability $p_i q_i$, and the probability of policy deadlock during any round is $P(S_P) = 1 - \sum p_i q_i$. Regime instability will take place whenever the expected utility of waiting is lower than the expected utility of revolt for at least one partisan player.

The model provides some important insights on the causes of regime stability. I will argue that tolerance will be less likely to become a dominant strategy when: a) the players are unilaterally impatient; b) the existing institutions are systematically biased in favor of one sector, c) the number of partisan players grows, or d) the probability of success in case of revolt is high.

Impatience. Impatience takes place when the discount factor for policies implemented in future rounds is great, making the cost of inaction in the present too high. Note, however, that impatience may have two opposite effects. “Neutral” impatience will lead parties to the conclusion that any policy today is better than their preferred policy tomorrow. This situation reverses the structure of preferences described above, making a good policy better than a bad policy, and the latter better than the reversionary point. In this context the coordination problem is solved by the agenda setter; the initiating institution simply imposes its preferred policy (Tsebelis and Money 1997). On the other hand, “unilateral” impatience will lead players to conclude that inaction is as bad as an undesired policy. In this case, the structure of preferences is simply dichotomous because deadlock spells policy defeat. The unilaterally impatient party will try to induce a change of mind (a reshuffle in the composition) in the stubborn institution, or otherwise attempt to alter the underlying selection process as soon as possible.

Open vs. Close Institutions (“Random” vs. Systematic Losers). I hypothesize that a “closed” selection mechanism (a process overtly biased in favor of one sector) will create an institutional setting that is less prone to deadlock but, paradoxically, more likely to collapse. Open institutions will complicate the realization of major gains for any party, but will certainly protect all parties from major losses in the long run. For illustration, consider the previous model with only two parties. Under a perfectly open selection process (based on flipping a coin, for instance) coordination on new policies will happen in the long run fifty percent of the times and each of the two groups will see its preferred option realized with a probability of 0.25. In contrast, if rigged elections allow proponents of one policy to win presidential and legislative elections with a fixed probability of .90, policy deadlock will be avoided 82 percent of the times, but the preference of the dominant party will prevail in 99 percent of those instances. Proponents of the conflicting policy will be able to block implementation in 19 percent of the cases and will be lucky to achieve their preferred option in only one percent of the instances in which policy-making is possible. For this party, policy deadlock is not the main problem. Systematic losers deem the underlying institutional structure as unacceptable, and because of this reason they will challenge institutions as a way to address major conflicts over policy.

Multipartyism. The idea that open institutions (e.g., fair elections) prevent policy disputes from becoming disputes over the nature of the regime introduces a new twist to the claim that multiparty systems are more prone to deadlock and thus to regime breakdown (Mainwaring 1993). On one hand, executive-legislative deadlock is more likely when the party system is fragmented and the president is unable to control a legislative majority (Cheibub 2002). In terms of the model discussed above, multipartyism would reduce the values of p and q , thus lowering the expected utility of

tolerance and creating incentives for revolt. On the other hand, hegemonic party systems typically indicate a manipulation of the electoral process, which facilitates the transformation of any policy dispute into a crisis of institutional legitimacy. Thus, unless we control for the nature of the regime, multipartyism may have inconsistent effects on presidential stability because it serves as a proxy for two variables with opposite effects: the propensity to deadlock and the openness of the selection process.

Probability of Suppression. The reason why a greater probability of military success will encourage a revolt is self-explanatory and does not deserve much discussion. It is worth noting that if revolts were costless, institutions would be unlikely to survive under any circumstance. Revolts, however, demand organization, and their failure may lead to the rebels' deaths, loss of freedom, or—more relevant for this model—to the victory of the opposite sector and the imposition of its preferred policy.

An Illustration. In this section I refine the assumptions to allow for a simple demonstration. Consider parties A and B, promoting policies *a* and *b*, respectively. Initial payoffs are set at 100, 50, and 0, for the preferred policy, the reversionary point, and the opponent's policy. In cases of (unilateral) impatience, the payoff for the reversionary point falls to 0. The existing selection process determines that the executive and legislative branches will be controlled by members of A with probabilities *p* and *q*, and by members of B with probabilities 1-*p* and 1-*q*. The probability of policy *a* being implemented at any given point in time is thus *pq*, with (1-*p*)(1-*q*) representing the probability of *b* being adopted and 1-[*pq*+(1-*p*)(1-*q*)] being the probability of deadlock. Under the payoffs presented above, for instance, the expected utility of tolerance for Party A is, in the absence of impatience, $pq*100+[1-pq+(1-p)(1-q)]*50$. If *c*(*a*) denotes the probability of a successful coup in support of policy *a*, the expected utility of revolt for Party A equals $c(a)*100+(1-c(a))*0$.

Figure 1 displays the relationship between expected payoffs and the nature of the selection process. For the purpose of this illustration I have assumed, unless indicated otherwise, that *p*=*q* and that the probability of a successful coup in support of any policy, *c*(*a*)=*c*(*b*), is fixed at 0.3. Values of *p* approaching .50 indicate uncertainty about the selection process, and thus institutional openness. Values of *p* approaching one indicate institutions biased in favor of A, values approaching zero, a bias in favor of B.

Figure 1

The two graphs illustrate the hypotheses discussed above. Figure 1.1 shows that a unilaterally impatient party (its expected payoff for tolerance represented by the upward curve) is less likely to respect the institutional order than a patient party (represented by the dotted diagonal).⁸ This Figure also suggests what would happen if a third party enters the congressional race and *q*=1/3 for all three parties. Multipartyism significantly reduces the expected benefit of institutional tolerance for A unless the selection mechanism is biased against the party (in which case a greater probability of deadlock serves as a protection against policy *b*, but the overall legitimacy of the existing institutions is still in question).

The second graph depicts the underlying relationship between institutional openness, incentives for tolerance, and policy deadlock. The diagonals reflect the expected payoffs for parties A and B when *p*=*q*. To the extent that the selection mechanism is biased in favor of one sector, its opponents are increasingly encouraged to challenge the institutional order. Mutual incentives to tolerate the existing institutions

meet at the point where the probability of policy deadlock (represented by the light curve in the background) is greater. This situation corresponds to a pure Rustowian equilibrium in which both sectors trade any ambitions of total success for institutional protection against total defeat (Rustow 1970). Both figures illustrate the independent role played by expectations of military success. Under expectations of success greater than 0.5, no institutional arrangement will survive because at least one sector will always have incentives to revolt.

Empirical Analysis

In order to test the hypotheses presented above, I analyze the performance of 19 presidential countries in the Western Hemisphere between 1950 and 2000.⁹ The units of analysis are presidential regime-years, defined as those years in which a president (an individual performing as head of state and government) and an elected congress coexist.

The measure of regime instability ($\sim S_R$) is a dummy indicating the occurrence of a military coup in any given year. I define as a coup any episode in which military intervention forces the president out of office, the closure of congress, or both. This definition includes 1) traditional military coups that shut down both branches of government; 2) military actions led by the president against congress; and 3) “moderating interventions” by military officers willing to oust the president but not to close the legislature. A total of 42 coups were coded for a total of 843 regime-years.

Impatience. I employ two proxies for impatience. The first one, corresponding to “neutral” impatience, is a dummy for critical economic situations in which inflation has surpassed the 100% mark. The threat of hyperinflation presumably drives most sectors into the “domain of loses” and encourages them to accept any policy in order to cope with the problem (Weyland 2002). The second proxy indicates cases of “unilateral” impatience by identifying presidential crises, or instances in which one of the two branches makes explicit its desire to reshuffle the other (Pérez-Liñán 2003). Presidential crises are coded as a dummy with a value of one for every year in which congressional leaders threatened to remove the president from office or the executive threatened with the dissolution of congress. Such episodes do not necessarily involve a threat of military intervention—congress may call for impeachment or the president may call for a constitutional reform—but they clearly indicate the unwillingness of one branch to coexist with the other. Of 41 crises in the sample, only 12 (29%) led to a military coup. To prevent problems of contamination with the dependent variable, I coded in this category only cases in which the historical record clearly showed that inter-branch confrontation preceded the coup (if any). Cases in which inter-branch conflict seemed to be endogenous to the coup itself (Argentina in 1962 and 1976, Brazil in 1955, Ecuador in 2000, Guatemala in 1957, Panama in 1988, Paraguay in 1954) have been coded as zero to favor the null hypothesis.¹⁰

Closed Institutions. Although the existing literature has focused on the survival presidential democracies for normative reasons, executive-legislative deadlock is possible in any regime in which the executive and legislative branches have enough autonomy to confront each other. Whether presidential democracies behave differently than presidential semi-democracies (or just non-democracies) is a matter of empirical research.

I employ two indicators of closed institutions. The first one is a dummy variable showing the existence of a hegemonic party in the legislature. The dummy adopts a value of one when the effective number of parties in the lower (or only) chamber is smaller than 1.5. This situation corresponds to cases in which the ruling party controls more than 79% of the seats, a concentration of power that makes the electoral process suspicious and precludes any attempt to prevent policy change by the minority. In theory, the hegemonic party in congress could be different from the president's party, but no case in the sample corresponds to a situation of divided government. The second indicator measures the probability that partisan veto players will achieve their positions through an overtly rigged electoral process. This indicator adopts a value of 0 for all countries coded as democratic, and a value of 1 for all countries coded as authoritarian in the Mainwaring et al. scale (Mainwaring, Brinks, and Pérez-Liñán 2001). Semi-democratic countries with different degrees of uncertainty receive a value equivalent to their inverted Polity IV score recoded to range between 0 and 1.¹¹

Multipartyism. Multipartyism is defined as any party system with an effective number of parties larger than 3.0 in the lower (or only) chamber. The use of a dichotomous indicator is preferred over the use of the raw effective number of parties for three reasons. First, it does not assume that a unit-change from one to two parties will have the same effect as a unit-change from two to three parties, or from six to seven parties. Second, it allows us to distinguish the destabilizing effects created by too many parties (multipartyism) from the destabilizing effects created by too few parties (the case of hegemony discussed above). Third, it allows us to bypass the problem of the effective majorities needed to pass legislation. For instance, if three cohesive parties control one third of the legislative seats each, any bill must be actually approved by a two-thirds majority. If, in contrast, twenty cohesive parties control one-twentieth of the seats each, legislation can be passed with just 55% of the votes. Thus, a larger number of parties may increase the probability of deadlock by increasing the costs of coalition-building, but it may reduce the chances of deadlock by lowering the actual threshold needed to achieve a majority.¹²

Probability of Suppression. The probability of success of any revolt is always shaped by local conditions and it is difficult to anticipate even for the conspirators involved. It is true, however, that historical and international factors tend to constrain the overall chances of a military intervention. For example, between 1950 and 1977 seven percent of the cases in the sample suffered a military coup, but with the "third wave" of democratization started in 1978 this number dropped to three percent. I use two proxies to assess the overall historical propensity to institutional suppression. The first one focuses on the short run and measures the proportion of countries in the sample that suffered a military coup during the previous year. The second one measures long-term trends by looking at the democratic environment, the proportion of countries in the sample (except for the country being coded) being democratic during any given year. Both measures assume that players take into account the "signs of the times" when assessing the chances of a successful revolt.

The models also include a measure of per capita GDP (in 1995 US dollars) for the previous year, and of economic growth during the previous year as control variables.¹³ To control for unit effects, I run an additional fixed-effects model. Table 1 presents the results of the logistic analysis. The first two models include only democracies and semi-

democracies in the Mainwaring et al. classification (corresponding roughly to the set of democracies in the Przeworski et al. classification). The remaining models include other 300 cases of overtly non-democratic presidentialism. As expected, the presence of a presidential crisis is consistently related to the probability of regime instability, but extremely high levels of inflation have insignificant effects (alternative specifications with thresholds set at 50%, 300%, and 1000% yielded equivalent results). In turn, closed (i.e., less democratic) institutions are related to a greater probability of military rebellion. The hegemonic party dummy declines in significance after a measure of democratization is introduced, presumably because some authoritarian regimes allow for several token opposition parties to exist, and because predominant party systems (those in which one party controls the legislature but the electoral process is still deemed as open) will encourage more tolerance on the part of the disgruntled opposition. Once we control for the degree of openness of the selection process, the effect of multipartyism is positive and significant, showing that partisan players have lower incentives to tolerate the existing institutions when the chances of deadlock are greater. According to the results, the expectations of future success under open institutions may compensate for the effects of impatience and multipartyism. Thus, we shall expect policy deadlock to create a serious threat for any regime with weak democratic credentials, but less so for any regime based on transparent elections.

Table 1

Table 1 also suggests that economic variables are unrelated to presidential stability, confirming Przeworski's claim that the breakdown of presidentialism takes place "in wealthy as well as in poor countries, when the economy declines and when it expands" (Przeworski et al. 2000, 132). The international environment seems to be a significant factor constraining military coups (but not the experience of other countries in the immediate past), while unit effects are negligible.

Discussion

The results presented in Table 1 illuminate some of the anomalies that have challenged the interpretations of executive-legislative deadlock in the past. First, there is the issue of American exceptionalism (the U.S. being a presidential democracy with no propensity to political instability). Riggs (1988) argued that "para-constitutional" devices have allowed the survival of the American democracy *in spite of* its presidential design, and Linz similarly pointed out that "it would exceed the limits of this essay to explain the uniqueness of American political institutions and practices that have limited the impact of such [inter-branch] conflicts" (Linz 1994, 7). Interpretations of this sort typically took the form of ad-hoc explanations with little relevance for the general theoretical issue at stake. In contrast, the argument developed in previous pages helps explain the performance of U.S. presidentialism without pulling the rabbit of exceptionalism out of the analytical hat.

Only in two opportunities since 1950 (1974 and 1998) the threat of an inter-branch crisis was in sight in the U.S., and even when partisan issues encouraged one branch to challenge the survival of the other (as in late 1998 with the Clinton impeachment), the presence of open institutions prevented short-term disputes over

policy from contaminating long-term preferences over the regime. The empirical results reflect this situation: the average predicted probability of a coup for the United States for the 51 years under study is 0.0057, anticipating a revolt against the system every 176 years.¹⁴

A second, significant puzzle was created by the capacity of presidential regimes to endure inter-branch confrontation during the last decade. While in the early 1990s, Scott Mainwaring wrote that “only exceptionally is an executive displaced from office before the end of his/her term without a regime breakdown in presidential systems” (Mainwaring 1993, 208), late in the decade he would acknowledge that “Latin American cases have created a new model for how to deal with institutional crises in presidential systems. Impeachment is a costly path, but it is better than a coup...” (Mainwaring 1999, 110).

The recent proliferation of impeachments in Latin America suggests that, although constitutional crises continue to take place, political elites in presidential systems are increasingly finding ways to process these crises without challenging the basic rules of the game. A complete explanation of this phenomenon may be beyond the reach the model presented here, but this trend is consistent with the growing openness of Latin American institutions after the third wave of democratization. Executive-legislative crises preserve nowadays their potential to destabilize presidentialism (e.g., Peru in 1992 or Guatemala in 1993) but, like in the U.S., this potential is increasingly compensated by the belief that some partisan players have acquired a legal right to challenge the executive branch or veto its policies, and that their opponents will have a fair chance to take office in the future. Figure 1 (based on Model 4) illustrates how the predicted probability of a coup among presidential regimes in the Western Hemisphere has declined from a yearly average of 6.4% during 1950-1977, to 3.1% in the years following the third wave of democratization.

Figure 2

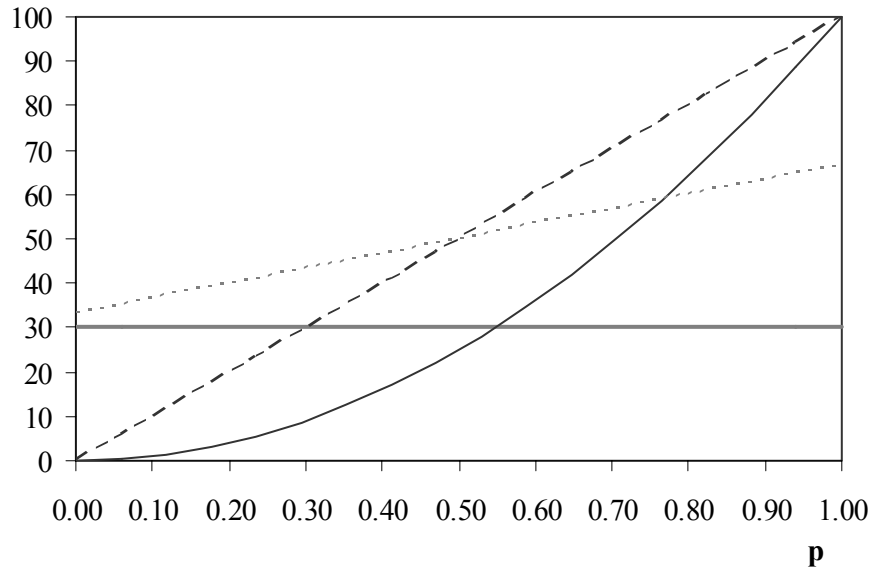
The results of this paper open three main lines of research. First, we may need to revise in a critical way the theoretical link between policy stability and regime instability. Second, it is necessary to identify further situations in which preferences over policy are likely to overrule the institutional status-quo. Third, it seems that studies of presidentialism need to focus on instances of democracy as well as cases of semi- or non-democratic presidential rule. To the extent that presidential constitutions create some “perils,” those may constitute a greater threat for regimes with weak electoral legitimacy than for working democracies in which vetoes are perceived as a legitimate result of the competition for power. Checks and balances may prove to be a danger for the survival of strongmen more than for the survival of democratic leaders.

Tables and Figures

Figure 1

Expected Utility for Parties Tolerating, or Attempting to Suppress,
Existing Institutions, Given p , q , and Expectations of Deadlock

1.1. Effects of Impatience and Multipartyism

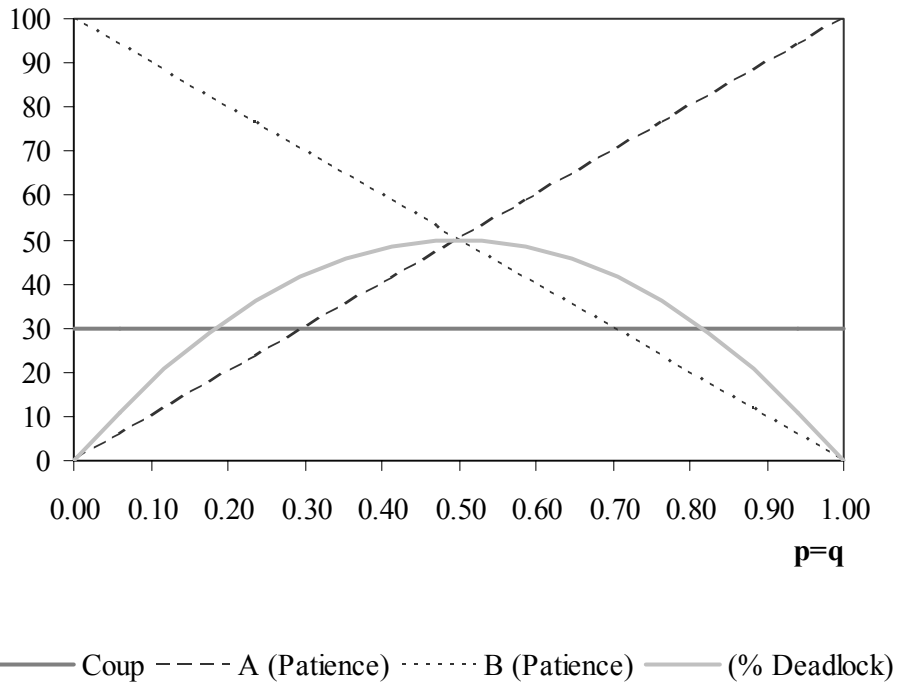


—— Coup - - - - A (Patience) ——— A (Impatience) ······ A with $q=1/3$

Figure 1 (continued)

Expected Utility for Parties Tolerating, or Attempting to Suppress,
Existing Institutions, Given p , q , and Expectations of Deadlock

1.2. Effects of Closed Institutions and Deadlock



Note: Payoffs are arbitrarily set as 100 units for the preferred policy, 50 for the reversionary point (0 in case of impatience), and 0 for rejected policy. Values for $c(a)=c(b)=.30$

Table 1
Logistic Regression Models of Regime Instability

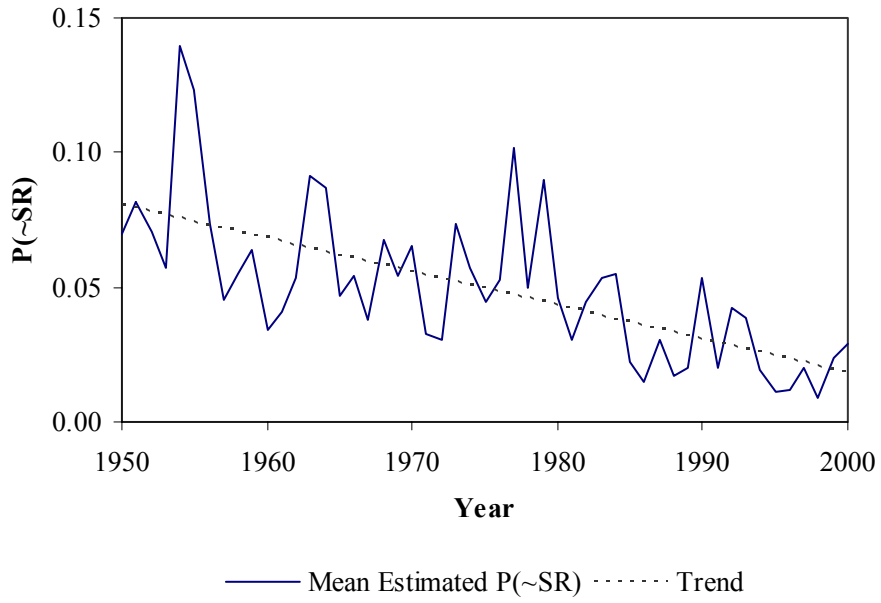
Model Predictor	Democracies and Semi-Democracies		All cases		Fixed Effects (All cases)
	1	2	3	4	5
<u>Impatience</u>					
Inflation>100%	0.500 (1.048)	0.882 (1.088)	-0.348 (0.865)	-0.175 (0.841)	-0.451 (0.922)
Presidential Crisis	3.127 *** (0.589)	3.698 *** (0.690)	2.507 *** (0.431)	2.777 *** (0.463)	2.898 *** (0.524)
<u>Closed Institutions</u>					
Hegemonic Party	2.377 ** (1.085)	0.283 (1.104)	1.427 *** (0.482)	0.916 * (0.492)	0.985 * (0.573)
Regime		4.835 *** (1.356)		1.450 *** (0.490)	1.058 * (0.606)
<u>Propensity to Revolt</u>					
Environment	-5.221 *** (2.013)	-5.810 ** (2.515)	-2.924 ** (1.433)	-1.984 (1.608)	-3.305 * (1.915)
Coups (t-1)		4.257 (4.494)		2.460 (2.807)	2.432 (2.967)
Multipartyism	1.478 ** (0.653)	1.745 *** (0.677)	1.233 *** (0.431)	1.476 *** (0.452)	1.302 ** (0.587)
Per Capita GDP (t-1)	-0.056 (0.097)	-0.026 (0.097)	-0.107 (0.101)	-0.046 (0.094)	0.219 (0.385)
Growth (t-1)	0.045 (0.071)	0.048 (0.066)	-0.037 (0.044)	-0.034 (0.043)	-0.012 (0.046)
Country dummies					...
Constant	-2.837 *** (0.971)	-4.051 *** (1.204)	-2.713 *** (0.670)	-4.171 *** (0.874)	-3.424 (2.371)
Nagelkerke R ²	.324	.413	.192	.226	.318
N	543	543	843	843	843

Logistic regression coefficients (standard errors). Dependent variable is military coup.

* Significant at .1 level; ** at .05 level; *** at .01 level.

... Country dummies omitted to save space. No term was significant at .1 level.

Figure 2
Mean Predicted Probability of Coup, $P(\sim S_R)$, by Year



Notes

¹ For a revision of this argument, see Cheibub and Limongi (2002, 151): “As to deadlock, the specter that supposedly haunts presidentialism, it is neither pervasive nor it is associated with regime breakdown.”

² Against this argument, Cheibub and Limongi (2002, 171-72), have recently pointed out that “once the possibility that the president and the majority [in congress] have overlapping preferences is considered, then [executive] legislative agenda powers need not imply paralysis, crisis, and eventual breakdown.”

³ Although executive-legislative conflict is presumably sufficient to create policy deadlock, gridlock may exist for reasons other than inter-branch confrontation. See Binder (1999), Tsebelis and Money (1997).

⁴ Cox and McCubbins (2001) did not directly assess the paradoxical effects of greater “resoluteness” in the stability of the regime, they rather interpreted military coups as the result of separation of powers and purpose between military and civilian leaders.

⁵ It is important to distinguish the meaning of the “status-quo” in the technical sense discussed here and in the broader, sociological sense. Admittedly, some coups take place to prevent a change in the status quo. But that usually means that conspirators seek to redress, for instance, a policy of change implemented by a left-wing president and opposed by a right-wing congress. The very reason that triggers the coup in this case is the fact that the president has altered the *policy* status-quo, thus challenging the *social* status-quo. The coup thus introduces policy instability in order to preserve the underlying social order.

⁶ Note that the term decisiveness makes little sense when applied to regimes.

⁷ Tsebelis (1995, 293) expressed proposition [2] by arguing that “they are inversely related: policy stability causes government or regime instability.”

⁸ It is tempting to interpret unilateral impatience in terms of risk-aversion. This can be misleading, however, because players in this model always take risks—they must choose between an institutional and a military lottery. Risk aversion only makes sense if we assume a guaranteed rent. Thus, if we intuitively deem the coup as a “gamble” but assume that institutions provide a fixed level of policy gain, an impatient player appears to be risk-prone. But if we assume certainty about the payoffs related to a military coup, the impatient player seems to be risk-averse.

⁹ Countries in the study are Argentina (for a total of 37 years), Bolivia (36), Brazil (50), Chile (35), Colombia (46), Costa Rica (51), Dominican Republic (49), Ecuador (41), El Salvador (48), Guatemala (48), Honduras (41), Mexico (51), Nicaragua (45), Panama (48), Paraguay (51), Peru (42), the United States (51), Uruguay (25), and Venezuela (48). Cuba (1950-59) was excluded due to the lack of macroeconomic data.

¹⁰ The typical situation is one in which military officers oust the president and congress legalizes the move by accepting the “resignation” of the chief executive and appointing a caretaker. From the historical record, it is hard to decide whether congressional leaders

in those cases were part of a civilian-military conspiracy—indicating that executive-legislative conflict actually preceded the coup—or they just joined the coup because they had little choice—indicating that inter-branch conflict was itself a by-product of regime instability.

¹¹ Any alternative operationalization of this variable (using the raw Polity IV scores, or treating the Mainwaring scale as a continuous variable) yielded equivalent results. This variable was always coded taking into account the value for the previous year, as values for the current year already reflect the effects of a military coup.

¹² The complex issue of coalition formation (not to speak about party discipline) is beyond the simple structure of the model presented here. Given our setup, if parties i and j agree on a common program they become a new player, c , increasing their legislative leverage to $q_c = q_i + q_j$ (and presumably their chances to control the presidency to $p_c = p_i + p_j$). Modeling the policy losses and the transaction costs related to such merger would demand additional complexity. Coalitions are an important factor in presidential regimes, however (see Altman 2000; Amorim Neto 2002), and some of the insights of this model suggest that they may be an effective force reducing the probability of regime instability.

¹³ Series from World Development Indicators, 2001. GDP values for 1950-1959 were estimated based on CEPAL data for Latin America and the Penn World Tables for the United States.

¹⁴ A similar puzzle has been Chilean exceptionalism prior to 1973, but for the opposite reason. Mainwaring (1993) noted that “only Chile had a true multiparty system among the stable presidential democracies” and concluded that “with this institutional combination, democratic stability hinges largely on the desire of elites and citizens to compromise and create enduring democratic institutions.” The predicted probability of coup for the 1950-72 period is 0.048 for Chile, as opposed to 0.066 for Argentina, and 0.106 for Brazil.

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