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Review

Comparative politics: From Aristotle to the new millennium. What have we learned?

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It has been a long time since the days of Aristotle. In some respects, things have changed tremendously. Having gone through three waves, Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Norman: University of Oklahoma Press, 1991). democracy is now a global phenomenon, universal adult suffrage is now the norm, and most modern states are far too large and complex for direct democracy to be efficient. Therefore, democracy has adapted and grown to meet the new challenges of modernity. With these growing pains have come several learning experiences. What have we learned so far? The question immediately brings to mind the early survey research of Campbell et. al. Angus Campbell, Philip Converse, Warren Miller, and Donald Stokes, *The American Voter*, (New York: Wiley, 1960). concluding that the average voter lacked the sophistication to vote effectively. This elitist view was shared by many in this period, and it led to the classic *Civic Culture* reassuring us all that it was okay for some of us to be mere political simpletons, because if we were all political elites, nothing would get accomplished. This essay discusses the various insights that structural, cultural, and rational approaches provide for an understanding of liberal democracy. What have we learned since Aristotle? This is a tall order for any scholar. However, this essay focuses on the extent to which the various theoretical approaches utilize exogenous explanations. A common thread in comparative politics today is the growing number of scholars employing institutional analyses. Therefore, this essay concludes that each of the theoretical lenses is useful in explaining political phenomena. Though each theoretical approach focuses on different independent variables with their own consequent level of analysis, each approach is both equally useful and equally dependent upon institutional explanations. As Schmitter and Karl Philippe C. Schmitter and Terry Lynn Karl, "What Democracy Is. . . and Is Not," *Journal of Democracy* 2:3 (1991), 75-88. maintain, democracy does not exist in an institutional vacuum. It is largely dependent upon the structures and socioeconomic conditions surrounding it. This essay argues that the opposite is true as well.

Keywords: Politics, Aristotle and millennium

INTRODUCTION

In order to properly address this question, one must first discuss acceptable criteria for what constitutes "democracy." Second, since consolidation is also an important part of the equation, we should also narrow down an understanding of what is meant by the term "consolidation." Finally, this essay considers a variety of well-known theoretical arguments and demonstrates that they employ exogenous factors into their models.

Definitions of Democracy

Schumpeter Joseph A. Schumpeter, *Capitalism, Socialism, and Democracy* (New York: Harper and Brothers, 1942). employed a minimal and procedural definition of democracy, focusing exclusively on the electoral process alone. Schumpeter's is a dichotomous definition against which non-democracies may be easily

compared. Others that share in this parsimonious definition include Sartori, Giovanni Sartori, *The Theory of Democracy Revisited* (Chatham: Chatham House Publishers, 1987). Huntington, Huntington, 1991. and Przeworski, et. al. [1] Adam Przeworski, Michael M. Alvarez, Jose Antonio Cheibub, and Fernando Papaterra Limongi Neto, "What Makes Democracies Endure?" *Journal of Democracy* 7:1 (1996), 39-55.

While Dahl's Robert A. Dahl, Polyarchy (New Haven: Yale University Press, 1971). definition is procedural, it is not dichotomous. His continuous 4-part typology includes polyarchy, closed hegemony, competitive oligarchy, and inclusive hegemony. Polyarchies include both contestation and participation. Closed hegemonies possess neither. Competitive oligarchies feature competition among elite participants. Finally, inclusive hegemonies allow for competition but lack participation.

Dahl uses this typology to trace three different paths to democracy. (1) Competition followed by participation (Dahl argues this is the most stable and the most enduring). (2) Participation followed by competition (Dahl argues this path is the least stable and the least enduring). (3) Competition and participation occur simultaneously (Dahl argues that this path is also likely to be unstable).

Schmitter and Karl's definition is neither procedural nor dichotomous. They define democracy as a system for organizing the relations between the rulers and the ruled in which norms both govern how rulers come to office and hold them accountable to the public. Therefore, democracy cannot be reduced to elections alone. The institutions surrounding elections and public office matter.

O'Donnell's Guillermo O'Donnell, "Delegative Democracy," *Journal of Democracy* 5 (January 1994). definition is likewise more complex than Schumpeter's. While O'Donnell claimed to have found a "new species" of democracy which he labeled delegative democracy (DD), he was really dissecting democratization into two stages. The first transition is basically the incorporation of the electoral process. The second transition is democratic consolidation. DD possessed the basic attributes of Dahl's polyarchy, but did not make the transition into democratic consolidation. O'Donnell maintains that while perhaps enduring (no serious threat of authoritarian reversal), DD's lack of institutionalization also means that it is not progressing toward true representative democracy. In other words, DD is an electoral democracy but not a liberal democracy. Elections are free and fair, but winning candidates govern without any serious opposition and without any institutional constraints (e.g. Garcia and Fujimori in Peru, and Menem in Argentina).

Unlike Schmitter and Karl who focus on the political norms of the preceding regime, or Dahl who focuses on the transition to democracy itself, O'Donnell is more concerned with the long-term historical and socioeconomic factors impacting newly democratizing states.

Mainwaring, et. al. Scott Mainwaring, Daniel Brinks and Aníbal Pérez-Liñán, "Classifying Political Regimes in Latin America," *Studies in Comparative International Development* 36:1 (2001), 37-65.

argue that any useful definition of democracy must be continuous. They define democracy as having free and fair elections, inclusive adult citizenship, the protection of civil liberties and political rights, governments in which elected officials actually govern, and civilian control of the military. Mainwaring, et. al. claim theirs is a minimalist and procedural definition, as compared to the subminimal and procedural definition of Schumpeter or Przeworski et. al. Yet the authors also contend that classification necessarily involves both subjective judgments and a continuous definition.

Finally, Smith Peter H. Smith, *Democracy in Latin America: Political Change in Comparative Perspective,* (New York: Oxford University Press, 2005). broadly defines democracy as marked by participation, competition, and accountability. He further differentiates liberal democracy, in which civil liberties are protected, from electoral democracy which includes free and fair elections but no accountability once elected. Smith (2005) further defines semi-democracy as having either (1) free and fair elections but power does not go to the winner, or (2) elections that are free but not fair, so the electoral system is rigged to favor the incumbent). Smith defines oligarchy as having free and fair elections but with restricted participation.

The many and various definitions of democracy could easily fills volumes. However, since the topic of this essay is what we've learned about "liberal democracy," Smith's definition of democracy marked by participation, competition, and accountability is relevant.

Definitions of Consolidation

Beyond that of democracy itself, perhaps the next most highly contested definition is that of democratic consolidation. The consolidation literature has expanded greatly over the last 60 years. Schedler attributes this "consolidology" to the explosion of newly independent states and the efforts of scholars to adapt their specific definition of consolidation (e.g. avoiding democratic breakdown, avoiding democratic erosion, completing democracy, deepening democracy, etc…) to the particular variety of democracy they are referring to (electoral democracy, semidemocracy, delegative democracy, liberal democracy, etc…). Schedler discusses the conceptual quagmire these scholars have created and argues that these scholars are confusing democratic consolidation with other conceptual terms. Reminding us that the term originally meant that democracy is the only game in town, Juan J. Linz and Alfred Stepan, *Problems of Democratic Transition and Consolidation*, (Baltimore: Johns Hopkins University

Press, 1996).

Schedler suggests that scholars return to the original meaning of consolidation and stop creating so much confusion.

Other scholars that uphold this definition of democratic consolidation are Schmitter and Karl Philippe C. Schmitter and Terry Lynn Karl, 1991. and Valenzuela (1992) who argue that democratic consolidation requires the removal of non-democratic behavior such as authoritarianism, a politicized military, and the abuse of human right and civil liberties. In short, democratic consolidation entails broad acceptance among both the elite and the masses that democracy is the only game in town.

Consolidation literature also suggests that democratic consolidation largely depends upon an institutionalized party system. [1] Scott Mainwaring, "Political Parties and Democratization in Brazil and the Southern Cone," *Comparative Politics,* 21: 1 (1988), 91-120; Larry Diamond and Juan J. Linz, "Introduction: Politics, Society, and democracy in Latin America," In Larry Diamond, Juan J. Linz, and Seymour Martin Lipset, eds., *Latin America*, vol. 4 of *Democracy in Developing Countries*, (Boulder: Lynne Rienner, 1989); Scott Mainwaring and Timothy R.. Scully, eds., *Party Systems in Latin America*, (Stanford: Stanford University Press, 1995). According to Huntington, Samuel Huntington, *Political Order In Changing Societies*, (New Haven: Yale University Press, 1968). institutionalization refers to the capacity of a system to function, a continuity of ideology, and a stable base of support.

Mainwaring Scott Mainwaring, "Party Systems in the Third Wave," *Journal of Democracy*, 9:3 (1998), 67-81. Suggests that the lack of democratic consolidation in third-wave democracies is due to poorly institutionalized party systems. Therefore, this article employs Schedler's minimum definition of democratic consolidation (democracy is the only game in town) while also considering the relative institutionalization of the party system. Also, since the topic of this essay concerns what we've learned about "liberal democracy," the article employs Smith's definition of democracy marked by participation, competition, and accountability. We now turn to theoretical explanations.

Structuralism

Viewing individuals as embedded in socio-economic forces, structuralists look for causal mechanisms in large socio-economic forces rather than in the preferences of individual actors. Ira Katznelson, "Structure and Configuration in Comparative Politics," In Mark I. Lichback and Alan S. Zuckerman, eds., *Comparative Politics: Rationality, Culture, and Structure*, (Cambridge: Cambridge University Press, 1997), 81-112. That said, one main weakness of structuralism is that it tends to be overly deterministic. By paying close attention to critical junctures and historical processes that constrain human agency, it overlooks the importance of individual strategic behavior itself. Ruth Berins Collier and David Collier, *Shaping the Political Arena: Critical Junctures, the Labor Movement, and Regime Dynamics in Latin America*, (Princeton: Princeton University Press, 1991); Mark I. Lichback and Alan S. Zuckerman, "Research Traditions and Theory in Comparative Politics: An Introduction," In Mark I. Lichback and Alan S. Zuckerman, eds., *Comparative Politics: Rationality, Culture, and Structure*, (Cambridge: Cambridge University Press, 1997), 3-16. Another weakness is that by striving to understand political outcomes as the product of large-scale socio-economic forces, structuralists often lose sight of more immediate political causes. Because of structuralism's theoretical focus on large-scale phenomena, it produced works such as Moore's famous class-based argument, "No bourgeoisie, no democracy," which was later challenged by Rueschemeyer, Stephens, and Stephens [1] Dietrich Rueschemeyer, Evelyne Huber Stephens, and John D. Stephens, *Capitalist Development and Democracy*, Cambridge: Polity Press, 1992). who argue instead that it is the working class that are critical to liberal democracy, rather than the bourgeoisie. Moore's work was also later confirmed by Sidel [1] John T. Sidel, "Social Origins of Dictatorship and Democracy Revisited: Colonial State and Chinese Immigrant in the Making of Modern Southeast Asia," *Comparative Politics*, 40:2 (2008), 127-147.

John T. Sidel, "Social Origins of Dictatorship and Democracy Revisited: Colonial State and Chinese Immigrant in the Making of Modern Southeast Asia," *Comparative Politics*, 40:2 (2008), 127-147. who reproduced his study in Southeast Asia and found that the structural relationship held. Structuralism also produced Lipset's well-known modernization argument which suggests that developing states should develop along the same trajectory as developed states did, and that the more economically advanced a state becomes the more democratic it will also be. Modernization theory is still largely debated today. [1] See for example, Przeworsky et al. (1996) who conclude that democracies with a GDP under $1,000 USD are extremely vulnerable to reversal.

Both the class-based arguments and the modernization argument have been challenged, defended and challenged again.

An interesting intersection occurs between these two structural arguments (the class-based arguments and modernization theory) and the new institutionalist argument of North and Weingast. [1] Douglass C. North and Barry R. Weingast, "Constitutions and Commitment: The Evolution of Institutional Governing Public Choice in Seventeenth Century England," *The Journal of Economic History*, 49:4 (1989), 803-832.

While arguing somewhat different causal mechanisms,

North and Weingast (discussed below) seem to agree that, without specific structural relationships in place, very different outcomes may have occurred.

This leads us to one important thing that we've learned (more recently than Aristotle, but important nonetheless). The new institutionalism helps compensate for structuralism's shortcomings. While there is plenty of overlap between the two (both focus on how structures/institutions limit individual actors), the main differences between them include institutionalism's ability to account for rapid change and human agency. Also, new institutionalism's theoretical focus is primarily within the state rather than beyond it. Finally, new institutionalism emphasizes path dependency rather than historical determinism (e.g. while history does matter, it's also affected by the choices individuals and collectivities make). Therefore new institutionalism is less teleological than structuralism in that it is sensitive to alternative outcomes. Immergut, 1998.

Once the seed was planted and political representation took root, what factors shaped the emergence of modern-day political parties? Lipset and Rokkan Seymour Martin Lipset and Stein Rokkan, *Party Systems and Voter Alignments: Cross-National Perspectives*, (New York: The Free Press, 1967). argued that social cleavages arose out of two revolutions. The national revolution produced the center/periphery and church/state cleavages, while the industrial revolution produced the rural/urban and owner/worker cleavages. The authors claim that as the franchise was extended, political representation flowed from the interests of these social cleavages. Political parties eventually coalesced around whichever cleavages were most salient in any given polity.

Lipset and Rokkan also recognized that the party systems of the 1960s largely still reflected the cleavage structures of the 1920s. They asserted their freezing hypothesis which posits that most modern parties have long-established ties with existing social groups. These alignments have become frozen or self-perpetuating as over the decades voters developed loyalties and interest groups established party ties. Since the party system left little electoral space for new parties, new groups tended to align with existing parties. Hence, political parties hadn't changed that much, if at all (until recently).

What's interesting is that Lipset and Rokkan are making a structural argument (emerging political parties align with existing social cleavages) and yet their freezing hypothesis argues in the other causal direction (new social groups align with existing political parties). Therefore, their freezing hypothesis could also be viewed from an institutional perspective.

The causal direction reversed again as the 1970s witnessed a thaw of voter alignments (de-alignment) marked by (1) a decline in class-based party identification, (2) a decrease in voting, (3) an increase in other types of political mobilization (protests, boycotts, etc.), and (4) the emergence of new parties. This change in the electorate impacted party systems by either: (1) altering the overall number of parties in the system by creating new parties, (2) changing the number of relevant parties in the system by shifting support for existing parties, or (3) changing the ideological distance between the parties in the system. Russell J. Dalton, *Citizen Politics: Public Opinion and Political Parties in Advanced Western Democracies*, (Chatham, NJ: Chatham House, 1996).

Once again, the take away here (what we've learned) is that while Lipset and Rokkan's focus is on the structural origins of political parties (the social cleavages from which their various interests were derived), a more complete picture is obtained through the understanding that parties themselves are institutions. And as Immergut argues, institutions not only shape individual preferences (by limiting the choices available), they also shape how human agency is expressed (by limiting the range of possible outcomes). What is more, we've learned that the door swings both ways in that individuals also shape institutions.

Culturalism

Culturalists strive to understand the social context from which values, norms, and identities that govern human behavior emerge. Therefore, culturalists argue that an understanding of political processes requires an understanding of cultural factors such as national culture, values, norms, and identities. Mark I. Lichback and Alan S. Zuckerman, 1997.

There is a certain body of literature on political culture suggesting that interpersonal trust and life satisfaction are correlated with democracy and more effective democratic institutions. Most scholars in this vein tend to agree that democracy flourishes when accompanied by a strong, pluralistic, autonomously organized civil society. This position has been defended since Toqueville, and has been reiterated by Almond and Verba, Putnam, and Inglehart to name a few. [1] Alex de Tocqueville, Democracy in America, 1835; Gabriel A. Almond and Sidney Verba, *The Civic Culture: Political Attitudes and Democracy in Five Nations*, (Boston: Little, Brown, 1963); Robert D. Putnam, *Making Democracy Work: Civic Traditions in Modern Italy*, (Princeton: Princeton University Press, 1993); Ronald Inglehart, *Modernization and Postmodernization: Cultural, Economic and Political Change in 43 Societies*, (Princeton: Princeton University Press, 1997).

For instance, Putnam conducted a famous 20-year study of various subnational governments in Italy during the 1970s and 1980s in which he concluded that democracy is not a product of democratic institutions alone. He reported that the subnational governments in the northern regions of Italy were more effective than

those of the southern regions. Given that these entities were all institutionally very similar, Putnam looked for another explanation. He found that the horizontal, voluntary associations common in the north tended to correlate with higher levels of trust than in the southern regions that relied on more vertical, patron-client relationships. Therefore, Putnam reasoned that a healthy civil society builds up levels of interpersonal trust and subjective well-being (social capital) which are critical to the functioning of a democratic society.

Inglehart Inglehart, 1997. largely agrees with Putnam that democracy is not a product of democratic institutions alone. However rather than looking to social capital to explain democratic deepening, Inglehart contends that it is the social and cultural changes brought about through modernization that make democratic institutions viable in the first place.

Noting that advanced industrial societies have largely overcome the economic challenges of their formative years, Inglehart suggests that the political will for ever-increasing income equality begins to diminish at a certain threshold. Based on extensive survey data, Inglehart concludes that when average income per capita exceeds this threshold (about $2,000 in 1980s valuation), concerns among the general population over economic scarcity and survival are replaced with other concerns—higher-order values such as individual freedoms, self-expression, concern for the environment, political participation, equal rights, etc. Attainment of these higher-order values leads to higher levels of subjective well-being, and Inglehart Ronald Inglehart, "Globalization and Postmodern Values," *The Washington Quarterly*, 23:1 (2000), 215–228. finds a strong correlation between high levels of subjective well-being and stable democracies.

But just as with the structural perspective, we find some interesting intersections occurring. For instance, while Inglehart agrees with Putnam that democracy requires more than mere democratic institutions, neither Putnam nor Inglehart are looking at cultural factors alone. In fact one could make the argument that for both researchers, culture (measured as either social capital or subjective well-being) is an intermediary variable. While Putnam ultimately explains the higher levels of social capital in Northern Italy by its more horizontal social structure (i.e. the lack of a hierarchical class structure), Inglehart contends that it is the social and cultural changes brought about through modernization that make democratic institutions viable in the first place. Hence, both are ultimately incorporating a structural analysis into their theoretical models. Putnam is using a version of the class-based argument, and Inglehart is using a version of modernization theory (albeit Inglehart's use of the theory is much more in line with Przeworky and Limongi's Adam Przeworski and Fernando Limongi, "Modernization: Theories and Facts," *World Politics*, 49 (1997), 155-83. exogenous variation in that both establish threshold's of per capita GDP at which democracy becomes more sustainable).

A comparison of Inglehart to Przeworky and Limongi demonstrates culturalism's primary strength, which is Geertz's thick description. Clifford Geertz, "Thick Description: Toward an Interpretive Theory of Culture," in *The Interpretation*

of Cultures: Selected Essays, (New York: Basic Books, 1973), 3-30. While both use a quantitative approach, Inglehart offers a more human explanation, namely why the threshold is so important (it is the pivotal point between obsession with survival and higher-order values). Even more interesting is that Inglehart's conclusion is very generalizable, which is not normally listed among the strengths of the cultural approach. Perhaps this external validity is the result of the structural influence embedded within Inglehart's theory.

Inglehart's theory of value formation posits not only the source of value change in postmaterial societies, but it also suggests some far-reaching consequences for democracy overall. He asserts that while the old authoritarian regimes could consolidate power via force, democracies are dependent upon their level of legitimacy to survive. Inglehart points to Weimar Germany as an example of what can happen when democratic legitimacy is absent due to low levels of subjective well-being among the citizenry.

As a more recent example, Inglehart also directs our attention to the 1990 World Values Survey which reports extremely low levels of subjective well-being for many former Soviet citizens. Pointing to the lack of democratic consolidation in most former Soviet states, Inglehart contends that democracy takes more than democratic institutions alone.

Meanwhile Nelson Joan M. Nelson, *Understanding Political Development*, (Boston: Little, Brown, 1987).

has challenged the very institutions themselves. The two pillars of Dahl's polyarchy are contestation and participation. The traditional view of participation was normative. Participation included voting and other benign activities. [1] Myron Weiner, "Political Participation: Crisis of the Political Process," In Leonard Binder et al. *Crises and Sequences in Political Development* (Princeton University Press, 1971), 159-74.

However, Nelson differentiates participation from contestation. Participation is no longer normative. Now participation includes protests, boycotts, and even violence.

What have we learned so far? Thus far, we have learned that while each theoretical approach offers a valuable perspective, theoretical frameworks are only models–mere simplifications of much more complex phenomena. Our analysis of the structural approach revealed that institutional explanations greatly improved our perspective. Likewise, our discussion of the cultural approach has taught us that structural elements can also be salient. Additionally, while Inglehart points beyond

institutions to explain democracy, Nelson (like Samson) separates the two long-standing pillars of (Dahl's) polyarchy and brings our traditional, normative understanding of participation down on our heads. We will now turn our attention to the rational-choice approach.

Rational Choice

Rational choice scholars analyze individual strategic interactions as the primary causal factors of political outcomes. Juan J. Linz, *The Breakdown of Democratic Regimes: Crisis, Breakdown and Reequilibration*, (Baltimore: Johns Hopkins University Press, 1978); Adam Przeworski, *Democracy and the Market*, (Cambridge University Press, 1991); Philippe C. Schmitter and Terry Lynn Karl, 1991.

Rationalist approach political problems deductively, that is they are more interested in broad generalization than deep understanding. Mark I. Lichback and Alan S. Zuckerman, 1997. The fundamental assumptions of the rational-choice approach are three-fold: (1) Individuals have fixed and perfectly ranked preferences. (2) Individuals are self-interested and strive to maximize their preferences. (3) Individuals are interdependent so they act strategically based on expectations of what others will do. Margaret Levi, "A Model, a Method, and a Map: Rational Choice in Comparative and Historical Analysis," In Mark Irving Lichbach, and Alan S. Zuckerman, eds., *Comparative Politics: Rationality, Culture, and Structure*, (New York: Cambridge University Press, 1997). Therefore, the rationalist camp in this body of literature attempts to understand democratic transition and consolidation via the preferences, incentives, and choices of individual actors.

Writing in the wane of the Behavioral Period, Rustow Dankwart A. Rustow, "Transitions to Democracy: Toward a Dynamic Model," *Comparative Politics,* 2:3 (1970), 337-363. argues that rather than modernization's socioeconomic prerequisites, democratic transition depends rather on national unity and agreement over the rules of the game. Contrary to Rustow, Boix Carles Boix, *Democracy and Redistribution*, (New York: Cambridge University Press, 2003). argues that democracy is the outcome of a cost/benefit analysis. When the cost of resisting democracy becomes more than the cost of supporting it (through taxes), then the elite will accept democracy. The relative mobility of capital is also a factor. If capital is immobile, elites will resist longer. If capital is mobile, elites will simply leave.

Based on their analysis of the third-wave of democratization, O'Donnell et al Guillermo O'Donnell, Philippe C. Schmitter, and Larry. Whitehead, *Transitions from Authoritarian Rule,* (Baltimore: Johns Hopkins University Press, 1986) demonstrate that when an authoritarian regime is faced with a legitimacy crisis, it needs to reach a negotiation with the liberal opposition in order to establish the rules of the game (i.e. the form of government, who the players are, the distribution of benefits, power, etc.). Olson Mancur Olson, "Democracy, Dictatorship, and Development," *American Political Science Review* 87 (1993), 567-76 argues that authoritarian rulers who face such critical junctures prefer to transition to democracy rather than forfeit power (democracy without democrats). O'Donnell and Schmitter argue that authoritarians do this out of a sense of uncertainty over the balance of power.

McFaul, Michael McFaul, "The Fourth Wave of Democracy and Dictatorship: Noncooperative Transitions in the Postcommunist World," *World Politics*, 54:2 (2002), 212-244. who analyzed the democratic transition of former Soviet states in what he calls the "Fourth Wave," argues that O'Donnell et al's cooperative agency-centric approach doesn't apply in most of Eastern and Central Europe. Instead McFaul suggests an uncooperative agency-centric approach, arguing that there were actually multiple patterns of democratic transition occurring in the Third Wave. In the former Soviet states, the quickest and most stable transitions from communist rule depended on which group was stronger. If the authoritarian group was stronger, a form of electoral authoritarianism emerged. If the liberal opposition was stronger, a more liberal form of democracy emerged. Therefore, it wasn't uncertainty regarding the balance of power between the two groups, but certainty that determined the outcome.

Weingast Barry Weingast, "The Political Foundations of Democracy and the Rule of Law," *American Political Science Review,* 91 (1997), 245-63. maintains that, once the transition to democracy is achieved, players who lose elections need assurance that they will not face retaliation. This assurance comes by way of self-enforcing agreements. These rules of the game are accepted and supported by social elites. The various political players all realize that they are better off making a deal with a suboptimal outcome rather than having no deal at all.

Weyland Kurt Weyland, "Neoliberalism and Democracy in Latin America: A Mixed Record," *Latin American Politics and Society,* 46:1 (2004), 135-157 offers a still more pointed explanation, suggesting that neoliberal reforms were a mixed bag for democracy in Latin America. On the one hand, participation in the international market has dramatically increased pressure on political elites to preserve democracy. It has also substantially weakened trade unions and leftist political parties, thereby decreasing pressure on political elites from the forces of the left. Weyland argues that this has effectively made democracy more sustainable. On the other hand, neoliberal economic constraints have also squeezed the resources of the state itself, thereby limiting political parties across the spectrum (not just on the left). Neoliberal economic constraints have also effectively limited the influence of interest groups and the range of

democratic participation overall. These economic constraints, Weyland argues, have greatly reduced the quality of democracy in Latin America.

Fujimori's autogolpe offers a good example of the pressure neoliberalism can wield. When Fujimori closed the Peruvian congress in 1992, not only did the U.S. intervene unilaterally, but the Organization of American States (OAS) pressured him to restore minimal, procedural democracy or face the consequences. At stake were Peru's debt schedule, good relations with the IMF, and the confidence of foreign investors. So Fujimori capitulated (De Soto 1996). A similar story can be told about Guatemala's Serrano in 1993. [1] Arturo Valenzuela, "Latin American Presidencies Interrupted," Journal of Democracy, 15:4 (2004), 5-19; Lisa L. Martin and Kathryn Sikkink (1993), "U.S. Policy and Human Rights in Argentina and Guatemala 1973-

1980," in Peter E. Evans, Harold K. Jacobson and Robert D. Putnam, eds., *Double-Edged Diplomacy: International Bargaining and Domestic Politics*, (Berkeley: University of California Press), 330-362; Valenzuela, 2004.

Other research also supports Weyland's position. Ryan [1] Jeffrey Ryan, "Painful Exit: Electoral Abstention and Neoliberal Reform in Latin America." Paper presented at the 22nd International Congress of the Latin American Studies Association, September 6-8, 2001.

and Payne et al. Mark J. Payne, Daniel G. Zovato, Fernando Carillo F1orez, and Andres Allamand Zavala. *Democracies in Development: Politics and Reform in Latin America, (*Washington, DC: Inter-American Development Bank, 2002).

both found that neoliberal reforms caused a decline in voter turnout over the last thirty years. Overall popular trust in politicians, democratic institutions, and democracy itself has also declined as a result of neoliberal constraints in the same period.

In summary, while Rustow argues that democratic transition depends on national unity and agreement over the rules of the game, Boix argues the opposite. Rather than agreement over the rules of the game, Boix argues that democracy is the outcome of a cost/benefit analysis. And while O'Donnell et al argue that democratic transition was most likely to occur as a result of uncertainty in the balance of power between the existing authoritarian regime and the liberal opposition leaders, McFaul insists that it wasn't uncertainty regarding the balance of power between the two groups, but certainty that determined the outcome. Finally, while Weingast looks to suboptimal, self-enforcing agreements to maintain a balance of power between political actors, Weyland investigates the exogenous forces of neoliberal economic reforms that both place pressure on political regimes to transition to and maintain democracy, and also limit its resources to do so.

This article argues that in much the same way that Dalton's de-alignment and Inglehart's postmaterialism indicate that changes in the alignment and values of voters can lead to changes in political institutions, Weyland demonstrates that the preferences of voters and the rational decisions of political elites are equally subject to changes brought on by the political and socioeconomic institutions that both shape individual preferences and are also shaped by them. Immergut, 1998.

New Institutionalism

New Institutionalism emerged in reaction to the many problems associated with the behavioral approach. This section begins by discussing some of the basic differences between the two approaches and how new institutionalism sought to address the deficiencies of the behavioral approach. Next, the essay differentiates between historical and rational choice institutionalist approaches. Finally, it assesses the performance of the new institutionalist approaches and offers an overall assessment of what we've learned to date.

Because the new institutionalism incorporates aspects of the other theoretical approaches, it has been criticized for not having much theoretical rigor of its own. Immergut, 1998. made an effort to unify the various strands and defend the theoretical rigor of new institutionalism. She argues that the Behavioral Revolution was based on observable behavior rather than the scientific method. Immergut flatly rejects observable behavior as the basis of scientific analysis. She marks observable behavior as the point of the departure for new institutionalism. The distinction between revealed preferences and true preferences is a major focus for new institutionalists, but not for behaviorists. For instance, voters may vote strategically, Gary W. Cox, Making Votes Count: Strategic Coordination in the World's Electoral Systems, (Cambridge: Cambridge University Press, 1997). however there is no way of determining from their observable behavior alone what their true preferences are.

There are some basic differences between the behavioral and new institutionalist approaches. Behavioralism focused largely on non-political independent variables, such as economic and social factors, and treated politics as the dependent variable. Thus, the political process itself was treated as a black box. It was also very static in that it could not account for rapid change.

Another important difference is that while behavioral studies assume that individual preferences can be aggregated, new institutionalists dispute the notion. Immergut, 1998. Based on Arrow's Theorem, Kenneth J. Arrow, "A Difficulty in the Concept of Social Welfare," *Journal of Political Economy*, 58:4 (1950), 328–346. given at least three people with three different sets of preferences, it is not possible to translate individual

preferences into stable group preferences.

A third important difference is the new institutionalist understanding that institutions are biased. So even if revealed preferences did equate to real preferences and it was possible to aggregate individual preferences, the very decision-making institutions themselves greatly affect outcomes. Therefore, Immergut maintains that mechanisms for aggregating interests (institutions) do not merely sum but in fact reshape interests.

March and Olsen James G. March and Johan P. Olsen, "The New Institutionalism: Organizational Factors in Political Life," *American Political Science Review*, 78 (1984), 734-749.

James G. March and Johan P. Olsen, "The New Institutionalism: Organizational Factors in Political Life," *American Political Science Review*, 78 (1984), 734-749. also point out a few more important differences. While behaviorists saw change as evolutionary, the new institutionalists argue against this teleological view of change. Furthermore, March and Olsen point to behavioralism's Cartesian logic of reductionism, while countering that the state and society are in fact interdependent. Finally, while behaviorists concerned themselves primarily with how things worked, new institutionalists are concerned with why things work the way that they do.

Huntington [1] Samuel P. Huntington, "The Change to Change," in Roy C. Macridis and Bernard E. Brown, eds., *Comparative Politics: Notes and Readings* (Chicago: Dorsey Press, 1986); Huntington, 1968. not only criticized Modernization Theory for its treatment of traditional and nonwestern as residual categories (everything that wasn't modern or western), he also insisted that political scientists had to focus on the political process itself. In other words, change had to be incorporated into the model. Political factors (rather than socio-economic ones) were needed to explain political outcomes. Huntington's work would prove invaluable to the future direction of comparative politics. However, some of what Huntington had to say (particularly about authoritarian transitions and the institutional capacity of the Soviet Union) was very unpopular at the time, so behaviorists largely disregarded Huntington's work. The oil shocks of the 1970s and the Third Wave of Democracy (beginning in 1974) popularized dependency theory (a Marxist argument that focuses on states' relative position within the international economic order, and is highly critical of modernization theory's prediction that developing states should or even can develop along the same trajectory that developed states had). Even still, it was another two decades before comparativists began to seriously reconsider institutions.

Historical Institutionalism

Historical institutionalism stresses the importance of history and political context and asserts that institutions shape both the preferences of individuals as well as the acceptable means for achieving them (rules don't merely enforce desirable outcomes; they also determine what "desirable" is). Historical institutionalism's emphasis on path dependence means different institutions will create different outcomes. Douglass C. North, *Institutions, Institutional Change, and Economic Performance*, (New York: Cambridge University Press, 1990); Immergut, 1998.

An example of historical institutionalism is Steinmo's Swen H. Steinmo, "Political Institutions and Tax Policy in the United States, Sweden and Britain," *World Politics*, Vol. LXI, No. 4, (1989), 500-535. study of various tax systems in the United Kingdom, Sweden, and the United States. In accordance with the tenets of historical institutionalism, the different governing institutions in each state produced three very different tax systems. The tax system in the United Kingdom is unstable. Steinmo attributes this to party government. Centralization of power in the hands of the majority party has led to frequent reform of the tax policy. Just the opposite is true in the United States. The plurality of the American political system with multiple access points to government has left the tax system unwieldy and chocked with loopholes and compromises. Finally, Swedish corporatism, which allows for long-term bargaining between the government, capital, and labor, has produced a tax system that is stable and comprehensive.

Rational Choice Institutionalism

Arrow's Theorem Kenneth J. Arrow, 1950. demonstrates that the aggregation of preferences is problematic (the Condorcet Paradox). Therefore, rational choice institutionalism attempts to address this problem by limiting the choices available. Political institutions accomplish this by ordering political options. Citizens may then choose from the available alternatives, even if neither is their true preference. Immergut, 1998.

An example of rational choice institutionalism is North and Weingast's Douglass C. North and Barry R. Weingast, 1989.

Douglass C. North and Barry R. Weingast, 1989. study of the Glorious Revolution and its consequences for Great Britain. Prior to the Glorious Revolution of 1688, the king borrowed money and paid it back if and when he pleased. While the right of private property was established, the king's reckless financial policy was disastrous to investor confidence and economic growth. Parliament, which represented the wealthy, pressed for credible commitments from the king, but to no avail.

After the Glorious Revolution, while neither side received their true preference, a sub-optimal agreement was reached. In return for a steady flow of revenue, Parliament was able to gain a credible commitment from

the king. The sovereign, in turn, was allowed to remain on the throne in exchange for relinquishing the power of the purse to Parliament. The new political arrangement led to the creation of the Bank of England, which in turn, increased lending and borrowing and greatly aided both economic growth and political stability.

North and Weingast point to the importance of political factors that underpin economic growth and market development. One critical political factor is not only the existence of the rule of law, but also whether the regime is committed to and bound by the law. Economic growth depends on investor confidence. The North and Weingast study demonstrate that human agency both shapes, and is shaped by institutions, and that political factors are important to economic growth.

CONCLUSION

In conclusion, new institutionalism allows researchers the fluidity to approach problems from a variety of perspectives while still maintaining theoretical rigor and unity. We find a growing number of scholars utilizing the new institutional approach. For example, in his discussion of the economic crisis in Southeast Asia, MacIntyre [1] Andrew MacIntyre, "Institutions and Investors: The Politics of the Financial Crisis in Southeast Asia," *International Organization*, 55:1 (2001), 81-122.= also addresses how political factors impact economic outcomes. Stating that, especially in a crisis, investors want a balance between decisiveness and resoluteness. This is why democracies and free markets tend to go hand in hand: there are enough veto players to be resolute, yet (ideally) not too many veto players to be decisive.

Likewise, Haggard & Mccubbins [1] Stephan Haggard and Mathew D. McCubbins, eds., *Presidents, Parliaments, and Policy*, (Cambridge: Cambridge University Press, 2001). make a similar argument regarding the effects of political institutions on public policy, except they emphasize the details of institutional structure over the distinctions between macro institutions. Still, Haggard & Mccubbins make a similar observation concerning the trade-off between decisiveness (few veto players) and resoluteness (many veto players). Also, the more reactive powers a president possesses, the greater the resoluteness and the lesser the decisiveness. The more proactive power a president has the more decisive and less resolute will be the policymaking process. For example, US foreign policy has many veto players and therefore has low decisiveness and high resoluteness. This balance also leads to higher production of private goods, and less public (collective) goods.

This article has discussed the various insights that structural, cultural, and rational approaches provide for an understanding of liberal democracy. What have we learned since Aristotle? This is a tall order for any scholar. However, a focus on the extent to which the various theoretical approaches utilize exogenous explanations is a good place to start. A common thread in comparative politics today is the growing number of scholars employing institutional analyses. Though each theoretical approach focuses on different independent variables with their own consequent level of analysis, each approach is both equally useful and equally dependent upon institutional explanations. As Schmitter and Karl maintain, democracy does not exist in an institutional vacuum. It is largely dependent upon the structures and socioeconomic conditions surrounding it. This essay argues that the opposite is true as well.

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