
by

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1. Introduction

As democracy has swept the world, the euphoria of freedom has given way to more practical concerns. The ones we hear about most are economic, as nations try to make the transition from state-controlled to market economies. But there are also far-reaching concerns about democracy itself. What should democratic government look like? What institutions will work best?

While economists have little experience in advising governments how to move from state-controlled to market economies, they at least have a strong theoretical base for arguing that the latter is more efficient than the former. The consequences of each system are reasonably well known, and there are clear grounds for choosing one over the other.

The same cannot be said about systems of government. While the last decade or so has seen a surge of new work on political institutions, the state of the art remains rather underdeveloped by comparison to economics. Thanks to a sophisticated social choice literature, legislatures and other voting bodies are fairly well understood (Shepsle [1986]; Krehbiel [1991]), but the bulk of modern government – executive leadership, bureaucracy, civil service – has been dealt with far less successfully (Moe [1990a], [1990b]). Most everyone believes that institutions matter. But exactly how they matter, and thus how one might choose among them, remains something of a mystery.

Consider the issue that has doubtless been the most enduring focus of institutional attention since democracy first became prevalent among Western nations: is a separation of powers system or a parliamentary system somehow better? It is difficult to get more basic than this. Historically, these are far-and-away the most common forms democracies have assumed, and they are the usual starting points when designers begin thinking about what kind of democracy they want to build for themselves. An educated choice, however, turns on just how these institutions matter for the structure and performance of government. And even after all this time, not much is known about these things.

It is telling that the most widely cited analyses are Woodrow Wilson's Congressional Government [1885] and Walter Bagehot's The English Constitution [1873], both a century old. In these classic works, Wilson and Bagehot complain about the fragmentation, ineffectiveness, and parochialism under
separation of powers, and they argue that a parliamentary system, by fusing legislative and executive authority in a single leadership group, promotes effective, responsible government.

The modern literature has echoed these same themes, while growing more diverse and empirically informed. The view these days is that each system has its advantages and disadvantages (LIJPHART [1984], [1992]). It is often argued, for example, that a separation of powers system does have the problems Wilson and Bagehot point to – but is also likely to be more stable (because the executive has a fixed term), more democratic (because the executive is directly elected), and more protective of minority interests (because government is limited). Parliamentary systems, moreover, may share the problems attached to separation of powers; faced with multiple parties, for example, parliamentary governments may promote coalitional arrangements that produce much the same sort of deadlock and incoherence.

Some of the central themes of this literature, particularly those struck by Wilson and Bagehot, are probably accurate, and they obviously address issues that bear importantly on the nature and quality of democracy. But in the end they don’t have much to say about the broader range of consequences associated with presidential and parliamentary systems, and little is known, as a result, about exactly what the contours of democratic government would look life if one or the other were chosen (WEAVER and ROCKMAN [1993]).

Take bureaucracy. Would a parliamentary system tend to generate a bureaucracy that is markedly different – in structure, performance, accountability – from what we should find under separation of powers? Is it possible that a certain type of bureaucracy comes along as part of the package when either a parliamentary or presidential system is chosen – and that it too is implicitly being chosen, whether or not the chooser is aware of it? If so, might the same be said for other properties of government as well, so that the initial choice of institutional form actually programs a whole array of system features that, on the surface, would appear to be independently chosen?

In our view, this is precisely what happens. Choices about institutional form have pervasive consequences for virtually all the building block of democratic government. When nations choose a presidential or parliamentary form, they are choosing a whole system, whose various properties arise endogenously – whether they like it or not – out of the political dynamics that their adopted form sets in motion. Attractive structures of government may be impossible to achieve, unattractive ones impossible to avoid. Presidential and parliamentary systems come with their own baggage. They are package deals.

In this paper, we will lay out a simple theoretical perspective that, while more suggestive than definitive at this stage, provides a clear basis for thinking that this is so.\(^1\) We will then take a look at how this theory seems to square with the facts of government organization, focusing on the two nations most paradigmatic of each system: the United States and Britain.

\(^1\) The theory to follow is a summary and extension of arguments developed in Moe [1990b] (and other articles).
2. Separation of Powers

In all democracies, the formal structures of government arise out of politics, just as public policies do. There is no practical way of separating the two, for all political actors know that structure is the means by which policies are carried out or subverted, and that different structures can have enormously different consequences. As a result, there is inevitably a "politics of structural choice" (Moe [1990a]) in which various actors representing various interests try to use public authority to shape the organization of government.

While the rules prescribing how all this works are democratic, public authority is inherently coercive. The winners get to use public authority to design new structures for the polity as a whole, and the losers have to accept what the winners impose, even if it makes them works off. Because this is so, the standard economic ways of thinking about institutions – in terms of voluntary exchange, contracting, gains from trade, and the like (e.g., Williamson [1985]; Milgrom and Roberts [1992]) – can tell only part of the story. These are important for the coalitional processes behind structural choice, and quite necessary for understanding differences between presidential and parliamentary systems. But the driving force of politics is rooted in the coercive power of public authority (Moe [1990b]).

Who are the major players? In the American separation of powers system, presidents and legislators make the official decisions about structure, but they are not always or even usually the prime movers. As elected officials, they have incentives (legislators especially) to be responsive to voters and organized interest groups – and on issues of structure virtually all pressures come from the groups, who are the only ones that know or care much about structure. Structural politics is interest group politics.

As a foundation for understanding how presidents and legislators approach the politics of structure, therefore, it makes sense to start with the groups. What kinds of bureaucratic structures do interest groups want?2

A useful baseline is effective organization. A winning group would like to create the most effective agency it can, favoring whatever forms of organization, discretion, staffing, and the like that seem most conducive to agency performance. In complex policy areas with changing social and technical environments – which is typical of modern society – this usually calls for expert organizations that are granted much discretion and held accountable through oversight. Politics, however, won't allow winners the luxury of building the kinds of agencies that would serve them best. Indeed, there are several very basic political forces at work here, all of them anchored in public authority and all of them working against effective organization.

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2 For a much more detailed treatment of how interest groups approach issues of structural choice, see Moe [1990a]. For empirical evidence on these scores, see Moe [1989].
The first is political uncertainty. Winning groups that capture authority today can structure agencies as they like. But tomorrow their opponents may gain the authority to control and undermine what they have created. Recognizing this political uncertainty from the outset, today's winners need not leave their agencies unprotected. They can fashion structures to insulate them from future democratic control by others, exercising most of their own control ex ante (via structural design) rather than ex post. The most direct method is to narrow the discretion of bureaucrats and future authorities by specifying in great detail what agencies are to do—through decision criteria, procedures, timetables, personnel rules, and other restrictive rules.

Obviously, this is not a formula for effective organization. In the interests of political protection, agencies are knowingly burdened with cumbersome, technically inappropriate structures that undermine their capacity to do their jobs well. Nor is this a formula for effective democratic control. Agencies are insulated precisely because those who create them do not want them held accountable by tomorrow's authorities.

A second basic force is political compromise. This sounds benign enough, and in private transactions it usually is. For as economic actors engage in voluntary exchange, make compromises, and hammer out contracts to create their own structures, all involved expect to benefit and are free to leave if they don't. In these contexts, organizations are designed by people who want them to succeed (Williamson [1985]).

Not so in American politics. Public authority guarantees that there are losers— but checks and balances also guarantee that extensive compromise is necessary for political victory. The result is that, if the winners want to shift the status quo, they will usually have to let the losers help design any organization being created. And the losers will often press for structures that undermine its performance. Because American politics is unavoidably a process of compromise, then, public agencies will be designed in part by their enemies, who want them to fail. ³

A third basic force is fear of the state, which arises because groups don't exercise public authority directly and can't perfectly control the politicians who do. This profoundly shapes their strategies. For while they fear opposing groups, they separately fear public officials—who have their own interests at heart, a measure of autonomy to pursue them, and the right to use public authority in ways that may be devastating to the groups. When groups press for new laws and agencies, then, they will try to protect themselves through structure. As with political uncertainty, the most direct solution is to narrow discretion through an array of detailed formal rules and requirements.

³ Labor had to compromise with business, for instance, in creating the Occupational Safety and Health Administration (OSHA), and business demanded—and got—bizarre structural arrangements that made it virtually impossible for OSHA to do its job effectively. See Moe [1989].
All this tells us a great deal about the bureaucracy American interest groups would build if they could: one buried in formal restrictions that undermine effectiveness and insulate against democratic control. But what about the legislators and presidents who actually make the authoritative decisions about structure? Do they go along with these group pressures, and thus willingly create an unworkable bureaucracy? The short answer is that legislators do and presidents don’t—which is one of the keys to understanding the American system.

Legislators are not in the business of creating effective, accountable government. They are in the business of making themselves popular and their jobs secure (Mayhew [1974]). And because broad voter influences are largely absent on structural issues, this means they are likely to be highly responsive to organized groups. If these groups happen to demand structures that prevent agencies from performing well, or that insulate them from political— including legislative—control, then legislators will have strong incentives to do what the groups want.

As in any principal-agent relationship, the incentive and monitoring mechanisms available to groups are imperfect, and they cannot exact total compliance. On occasion, legislators may insist on reserving a measure of general control for themselves, despite group demands for insulation. They may exercise a degree of autonomy, in other words. But this is likely to be important only at the margin. The groups can impose heavy costs for such defiance, and legislators may have little to gain; for real policy control is expensive and difficult to do well. More typically, legislators want the particularistic kinds of control that groups want them to have anyway: the ability to intervene quickly, behind the scenes, and in ad hoc ways to aid particular clients (McCubbins and Schwartz [1984]).

Congress is thus an ideal breeding ground for the kind of bureaucracy the groups want. Legislators are driven by parochial pressures and are not given to flights of autonomy. Most certainly, they are not bound by overarching notions of coherence, efficiency, coordination, or any other design criteria that might limit what they can accept. They do not even insist on retaining true policy control for themselves. For the most part, they willingly build, piece by piece, whatever sort of bureaucratic monstrosity makes the groups happy. The whole is an accident of aggregation. Only the pieces are important.

Presidents take a very different approach. Their broad national constituency leads them to think in grander terms about social problems and to resist the specialized appeals of groups. Unlike legislators, moreover, they are held responsible by the public for virtually every aspect of national performance. When the economy declines, an agency falters, or a social problem goes unaddressed, presidents get the blame. To be judged successful in the eyes of history, they must be seen as leading and governing effectively. This is the driving force behind presidential behavior.

Groups and their legislative allies are thereby faced with two serious problems. First, presidents are highly autonomous: they are leaders, not followers
– which means that, as far as the groups are concerned, they are out of control and dangerous. Second, presidents want to build their own institutional capacity for strong leadership and effective governance, and this prompts them to push for a unified, coordinated, centrally directed bureaucratic system that they can control from above (Moe [1985]).

While winning groups fear the state, then, they do not fear all state actors equally. They fear presidents much more than legislators. And as they build their agencies, they seek special protections against presidential control. There are various ways of doing this. They may favor independent commissions, increased insulation through civil service, and reduced roles for political appointees. And of course they can push for all the usual formal restrictions (on procedures, etc.) that, by reducing discretion, insulate their agencies from anyone's ex post control, including the president’s.4

Presidents are driven to do something about this. Most obviously, they can wade aggressively into the legislative politics of structure, pushing for organizations better suited to presidential control. But they can go well beyond this too: for presidents, as chief executives, have the power to make lots of important structural choices unilaterally. Without going through the legislative process at all, they can often reorganize, coordinate, impose rules, review decisions, and otherwise put their structural stamps on government. Thus, even when groups and legislators succeed in building structures much to their own liking, presidents can later add on new structures that, in qualifying how these arrangements work, are conducive to presidential interests (see Moe and Wilson [1994]).

While much more could be said about all this, these are the basic elements, and they add up to an organizational nightmare for American government. Winning groups and legislators would like to create agencies that are effective and accountable, but two forces inherent in politics itself – political uncertainty and fear of the state – prompt them to bury their agencies in bureaucracy and insulate them from ongoing control. The losers, meantime, usually must be accommodated through compromises over structure, and they demand structures fully intended to hobble agency performance. And then there is the president, who is the system’s only champion of effective, responsible government – but whose efforts, in context, create still more bureaucracy and heighten the complexities and internal contradictions of the American administrative system. Not a pretty picture.

3. Parliamentary Systems

The basic forces at work are generic. In all democracies, the struggle to exercise and control public authority gives rise to political uncertainty, political com-

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4 Losing groups see things differently, and may often support structures of presidential control as a way of disrupting capture by the other side. But they are, after all, the losers.
promise, and fear of the state, which in turn shape the strategies of all the major players in the politics of structure. How these forces work themselves out, however, and what they entail for government, depends a great deal on their institutional setting.

A crucial thing to know about a separation of powers system is that it does just what the founding fathers intended: its multiple veto points ensure that making new laws is extremely difficult. The flip-side is that anything fortunate enough to become law is securely protected against reversal in the future. While fragile bargains and logrolls may be needed to put these initiatives over the top, once embedded in law their survival – and the durability of the deals on which they are based – is virtually guaranteed. There is no long-term commitment problem that must be overcome, no delicate cooperation that needs to be sustained. Whatever is formalized will tend to endure.

In the politics of structural choice, then, formalization is an extremely attractive strategy of protection. Winners know they are hindering agency performance when they impose detailed formal restrictions, but they know these protections have staying power – and for this they are willing to pay a price. Similarly, losers know that, when political compromise gives them the opportunity, any formal structures they sink into law will protect their interests for years to come. These pressures for formalization are intensified by the independent roles of president and Congress. Groups and legislators formalize to protect their agencies from troublesome presidents. And presidents add their own formal mechanisms in response, knowing they can only be reversed (if at all) by affirmative acts of legislation, which are highly unlikely. In general, the theme running throughout a separation of powers system is that everyone seeks protection, and formal structure works to provide it.

In drawing comparisons to parliamentary systems, it is useful to keep things simple by focusing on the classic Westminster system. Here, two parties compete in the electorate, and the one gaining a majority in parliament forms a government. Through cohesive voting on policy, the governing party is then in a position to pass its own program at will. Similarly, should the other party gain majority status down the road, it would be able to pass its own program at will, and, if it wants, to subvert or destroy everything the first party put in place.

The classic parliamentary model, therefore, drastically heightens the dangers of political uncertainty: if the other side comes to power, it can pass whatever laws it wants. Worse, the governing party itself has full authority to renege at any time on any political deals it has second thoughts about. In a system of unchecked authority, then, there is no built-in protection for the legal status quo, and nothing to be gained from formalizing.

The upshot is that, in the parliamentary politics of structural choice, formal structure does not work as a protective mechanism, at least not in the simple, direct way it works under separation of powers. Agencies and programs cannot be insulated from opponents and future authorities by embedding an intricate ex ante control structure in the law. And this, in turn, affects everyone's
strategies. There is no point in burying agencies in formal restrictions, hobbling their performance, and obstructing accountability if these maneuvers serve no protective purpose.

Structural choice is also shaped by another property of parliamentary government: the executive arises out of the legislature and both are controlled by the majority party. Thus, unlike in the United States, the executive and the legislature do not struggle over the design and control of public agencies, and they do not push for structures that protect against the other's political influence. The executive is the leadership of the majority party, and thus the leadership of the legislature itself. What the executive wants, it gets.

What the executive wants in a parliamentary system is virtually the same as what the president wants in a separation of powers system. They are analogous actors in the politics of structural choice. The majority party, like the president, has a broad constituency, is held responsible for addressing a vast array of social problems, and is strongly motivated by leadership and governance. Like the president, it too wants the most effective, responsive bureaucracy it can get, and it seeks a rational system of executive control for taking charge of government. There is one great difference between the two: the party has the unchallenged authority to build the kind of system it wants, while the president, to say the least, does not.

These comparisons are simple enough, but they have profound consequences for the secondary institutions that emerge within the two systems. Among other things, we would expect a parliamentary system to give rise to

1) public agencies that are less encumbered by externally imposed rules, regulations, timetables, and other trappings of protective bureaucracy that might hobble effective performance and undermine democratic accountability; and

2) a bureaucratic system that is centrally controlled by political leaders and, taken as a whole, more closely resembles a simple, coherent, rationally designed hierarchy of administration.

These baseline expectations capture the essence of how governmental structures ought to vary across the two systems. In a more complete account, they would introduce a story that rapidly gets rather complicated. We cannot pursue all of this here, partly for reasons of space and partly because, at this early stage, it would be a distraction. First things first. But we do want to suggest what some of the story might look like.

A parliamentary system, by concentrating all power in the governing party, creates a commitment problem of profound importance for its political life. The party needs political support to gain office and govern effectively, but its supreme authority actually undermines its ability to cement mutually beneficial deals. For the groups know that the party has the power to renege on any deals it makes. And they also know that it cannot commit future (opposing) governments to whatever deals are struck. So while both the party and the groups would benefit from durable deals that exchanged government largess (agencies,
policies, programs) for political support (votes, money, publicity), the party's promises will lack credibility. And the groups, accordingly, will be reluctant to cooperate unless some way out of their collective dilemma is found.

In a separation of powers system, these commitment problems are automatically solved through formal structure. Any deal that gets embedded in the law will be durable. Some participants may want to renge later on, and opponents will plot to use future authority to overturn it; but the deal will live on, protected by the minority vetoes built into separation of powers. The parties and groups in a parliamentary system do not have such a simple, workable solution available to them. Formalization doesn't work. So they have to find other means - typically informal means - of solving their commitment problems as best they can.

Underlying all this is another basic feature of parliamentary politics: undivided authority breeds extreme fear of the state. Its groups fear the majority party for the same reasons American groups fear the president. The party has its own agenda, its own views about bureaucracy, a strong drive to assert control, and real autonomy to act in ways contrary to group interests. But groups have much more to fear in this kind of system, because the party has a monopoly of public authority. It is far more powerful than the president and can do much more damage through its unchallenged hold on the coercive powers of government. Indeed, in a parliamentary system it may well be the party, rather than opposing interest groups, that stands out as the most fearsome political force; for other groups cannot wreak the kind of havoc the government can, should it really get out of control. The upshot is that groups in a parliamentary system are much more concerned with protecting themselves from the state than groups in a separation of powers system are - and they have no simple way to strike the kinds of durable deals that would actually protect them.

Both the party and the groups have strong incentives to find ways around their commitment problems so that valuable political deals can be struck and maintained. But what can they do? Because their dilemma is rooted in supreme authority, solutions ultimately turn on their ability to tie the party's hands, so that it either cannot or will not subvert whatever agreements are arrived at (Shepsle [1989]; North and Weingast [1989]).

The most obvious way to do this is by rejecting the pure Westminster model and introducing constitutional changes - e.g., a powerful second house of parliament, an independent judiciary, federalism - that divide and internally check government authority. There are reasons, of course, why the party would not be eager to move very far in this direction, and indeed, given the fragmentation and incoherence long identified with separated powers, why many citizens and groups might not want to either. Yet there are clearly advantages to at least some movement along this path, which suggests that even a classic parliamentary system naturally gives rise to pressures for precisely the kinds of checks and balances it so distinctly lacks. If so, the pure form of the Westminster system may itself not be an equilibrium.
Even if the pure Westminster system is maintained, however, other means of tying the party's hands can help resolve the commitment problem. We will discuss three of these very briefly.

First, repeated play may well give rise to norms and reputations that make credible commitment and durable deals possible. Parties and groups, as ongoing organizations, transact with one another again and again over time. All stand to benefit from informal norms and strategies of cooperation (like tit-for-tat) that protect political deals from subversion. Whatever the norms, moreover, all actors will develop reputations for how faithfully they live up to their promises; and good reputations, owing to their deal-making value, are investments that encourage trustworthy behavior even when players have short-term incentives to renege (KREPS [1990]; AXELROD [1984]).

It seems a safe bet that informal constraints are indeed important in promoting deals between the party and political groups. Reputation alone is highly potent, and the party surely has ample reason to develop a good one and protect it.\(^5\) It is also possible, although more problematic, that norms and reputations may fortify the relationship between the two parties: they may arrive at an understanding, for instance, that whatever one creates the other will not destroy later on (unless compelled to by extreme political pressure, etc.). This would greatly enhance the deal-making capacities of both parties, although the incentives to renege might make such a norm difficult to uphold.

In any event, there is good reason to think that normative structures may be especially important in parliamentary systems. Precisely because its actors cannot rely on formalization to solve their commitment problems, they have much greater need for norms and reputations than actors in a separation of powers system do; they will tend to place much greater value on them; and (other things being equal) they will have greater incentive to respect and enforce them. A normative structure probably cannot offer a reliable solution in itself, however, particularly in an uncertain, changing world (which generates myriad opportunities and excuses for reneging, while making monitoring more difficult). It needs bolstering. The other two mechanisms we want to discuss serve this purpose.

One is quite simple: new agencies and programs can be designed so that tampering with them produces a strong political backlash. For short-term protection, benefits can be frontloaded so that clients will immediately have much to lose if subversion takes place. For longer-term protection, benefits can be widely distributed so that as many people as possible have a material stake;

\(^5\) This raises another intriguing contrast with separation of powers that, at some point, needs to be pursued: the president is a person, not an organization, and he will retire from the scene permanently when his term is over. As a result, the president cannot use reputation as readily as parties can to make his promises credible. It is fortunate that formal structure works so well under separation of powers, because the president is inherently weak as a maker of political deals.
and efforts can even be made to get these clients organized, either by herding them into existing groups or creating new ones. When these strategies are followed, the governing party and (more importantly) its successors may often find that major changes in past political deals are unwise.  

The other mechanism — cooptation — is much more complex and, if pursued, more significant for the structure of bureaucracy. To protect their interests, groups need not accept a strict separation of public and private, whereby parties and bureaucrats govern and groups try to control them from the outside. They can demand to be taken into the bureaucracy and granted official roles in decisionmaking and implementation. Once on the inside, they could then shape government action directly, and, over time, try to develop an asset-specificity (job-specific expertise, experience, contacts) that promotes mutual dependence and protects them from party reneging (Williamson [1985]).

Cooptation cannot, however, grossly stack the deck. Were groups to bias cooptic structures egregiously against their opponents, the other side would radically alter them when it assumes power later on. If cooptation is to serve as a basis for durable deals, then, proponents need to include the losers in their design, and thus provide enough balance to avoid massive pressures for change in the future. It may even be beneficial, on occasion, to create totally balanced arrangements. For groups on both sides are highly fearful of the state, and, although truly consensual structures give them no advantage vis-a-vis one another, they do protect them from the coercive power of government. In a parliamentary system, that is worth a lot.

But would the majority party agree to cooptic structures? On the one hand, they help mitigate the commitment problem on which its leadership depends. On the other hand, it cannot lead if cooptation erodes the effectiveness of bureaucracy or its responsiveness to political control, as it surely would if pursued aggressively. The party is thus faced with a trade-off. Cooptation can only go so far without threatening its leadership, and it will refuse to rely too heavily upon it.

When all these partial solutions — norms and reputations, the strategic allocation of programmatic benefits, cooptation — are added together, along with the uncertainties associated with each, a parliamentary system may look rather complicated. But this describes its politics of structural choice, not the structures of government that emerge from it. In the final analysis, these structures

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6 This strategy inhibits outright subversion. But authorities can still use top-down control to shape the direction, staffing, and funding of agencies, and thus considerable changes may be possible without a huge political cost.

7 Because parties are always a fearsome threat, moreover, groups also have good reason to pursue a second cooptic strategy: to be taken into the parties themselves, and thus to become card-carrying participants in internal party decisionmaking. Parties want to make groups happy, as well as to mitigate their larger commitment problem, so they may agree to or even encourage a measure of cooptation — in which case the groups may then have implicit vetoes that would protect them in cases when parties otherwise might not be trusted.
are probably quite simple, and look very much like our baseline expectations suggest they should.

Because commitment problems cannot be solved through formal structure, the complex search for durable deals does not find its reflection in the formal structure of government. Norms and reputations are informal, providing "rules of the game" and grounds for trust. The strategic allocation of programmatic benefits is a political maneuver that offers protection through an expanded, motivated clientele, not through structures that interfere with performance or accountability. And cooptation, which could be threatening in these ways, is still essentially an informal means of accommodating group interests. It is not securely protected by law; it can be altered by the governing party if interference is extensive; and the party can be counted upon to resist aggressive cooptation schemes anyway.

Thus, despite all the complexities, the simple expectations we outlined earlier still seem to capture what essential about parliamentary government. Because protection through formal structure does not work, and because power is concentrated in a central actor motivated to lead and govern effectively, the politics of structure should not generate anything like the tangled bureaucratic mess that separation of powers does. Comparatively speaking: its public agencies should be designed to do their jobs well, to be held accountable, and to be integral parts of a coherent, centrally controlled system.

This applies for a pure Westminster system. For other types of parliamentary systems, the contrast to separation of powers might be less dramatic, or perhaps take other forms. As we suggested earlier, a parliamentary system whose constitution divides authority may well introduce multiple vetoes that invest formal structure with protective power. This would alter everyone's strategies in the politics of structural choice and lead to greater formalization — and the problems of performance and accountability that do along with it. Much the same would happen, even without formally divided authority, in a multiparty system with proportional representation. Here the likely result is a coalition government in which authority is effectively divided (among its members), party responsibility is weakened, turnover is limited, and changes in the status quo are difficult — all of which promote strategies of formalization. Separation of powers almost surely anchors the extreme end of the continuum, but some parliamentary systems may actually prove closer to that end than to the one occupied by the pure Westminster system.

4. Comparing the United States and Britain

So how does this theory seem to square with the facts? Quite well, as far as we know. Demonstrating as much is big job, though, made all the more difficult by the state of empirical work on comparative government, most of which is atheoretical and only tangentially related to the issues we raise here. Future
work, including research we plan to carry out ourselves (e.g., Caldwell [1993]), will hopefully provide a more solid basis for empirical evaluation.

For now, our aim is modest. As a first cut, we offer a brief discussion of how our basic expectations — about bureaucratic structure and executive control — find reflection in the governments of the United States and Britain, which, of course, are the paradigmatic cases of presidential and Westminster regimes. For the most part, we don’t think readers familiar with these nations will find the facts to be terribly controversial or surprising. The important thing is that they nicely fit the patterns we expect, and that, unlike the rest of the literature on comparative government, we have a theory to explain why this should be so.

To avoid untold complications, we will resist the temptation of casting our gaze at other parliamentary systems. Although there is good reason to believe they fall somewhere between the polar cases of Britain and the U.S., their institutional differences may be of great consequence for governmental structure, and we have yet to deal with these sorts of details explicitly. In what follows, however, we will occasionally make reference to other systems when doing so helps clarify or bolster our comparisons of Britain and the United States.

4.1 Regulatory Bureaucracy

We will explore issues of bureaucratic structure by focusing on agencies engaged in the regulation of business. Regulation is obviously a major function of all modern states, important to politicians, parties, and interest groups alike. So if there is something to our theory, it should certainly show up here.

The American separation of powers system, for reasons of political protection, should tend to bury its regulatory agencies in excessive bureaucracy and deny them the discretion they need to do their jobs well. Regulation should be relatively formal, legalistic, adversarial — and ineffective. The British parliamentary system, by contrast, should produce agencies that are relatively free from burdensome bureaucracy, and granted far more discretion to exercise their professional judgment in accommodating the complex contingencies that arise over time. By comparison to the American, British regulation should tend to be more informal, cooperative — and effective.

Good evidence on these counts is difficult to come by, but the studies we’ve seen suggest that our portrayal is on target. Some of the most relevant work is drawn from environmental regulation. Of these, perhaps the most instructive is carried out by Vogel [1986], who offers an extensive comparative analysis of American and British environmental agencies. Vogel notes that both nations developed policies with similar objectives at roughly the same time, backed by movements of roughly the same strength and producing similar outcomes in degree of pollution reduction. Yet their approaches to environmental regulation “differ from each other more than do those of any other two industrialized
democracies" (Vogel [1986, 21]). They represent polar cases of what he calls two national styles of regulation.

Specifically, Vogel finds that environmental regulation in the U.S. is rigid and rule-oriented, leaving little discretion for regulators. Congressional legislation makes heavy use of uniform emissions and quality standards, requires elaborate environmental impact statements, and specifies timetables for achievement of goals. Not coincidentally, the Environmental Protection Agency has little flexibility to take account of the special circumstances of individual firms, is prone to adversarial relations with them, and relies heavily on prosecution to enforce its standards. Firms use mechanisms for public access and judicial review to fight the EPA, and are continually disgruntled. Environmental groups, granted rights to information, participation, and access to the courts, push for action through the same mechanisms. Conflict is interminable.

British regulation looks strikingly different. Vogel finds that it is highly flexible, leaving more case-by-case discretion to bureaucrats than they have in any other Western nation. Legislation does not impose uniform standards for emissions and environmental quality, makes environmental impact statements optional, and specifies few timetables for regulators to meet. The Department of the Environment has highly informal, cooperative relations with regulated firms. It makes little use of prosecution, and firms are satisfied that they have been treated fairly, since their individual circumstances have been taken into account. Environmental groups have their views taken into account too, and they assist the DoE in implementation.

Both systems reduce pollution. But the British, Vogel [1986] finds, do so with lower costs, both to the government and to the private firms that bear the regulatory burden; they generate far less conflict; and they approach the issues involved in a more coherent, methodical way. The American regulatory system is a bureaucratic and political mess by comparison.

O’Riordan [1979], in an earlier but broader comparative study of emissions abatement, strikes the same themes. American regulation, he finds, is very different than in Europe: polluters are forced to meet fixed formal standards, and regulation is based on strict technical criteria rather than guided by economic principles or considerations of equity. British regulation, by contrast, takes what he calls a “cooperative gradualist” approach, with few fixed standards and more discretion for regulators. Similarly, Enloe [1975] compares pollution control in four countries and finds that Britain stands out as the country with the most coherent system of environmental regulation, offering the greatest capacity for coordination and long-range planning. The United States anchors the other end of the continuum, plagued by a fragmented, unwieldy system that saps resources and allows for little coordination or planning.

The regulation of hazardous chemicals looks much the same. Brickman, Jasonoff and Ilgen [1985] compare four countries, and once again the United States and Britain turn up at opposite poles. The U.S. system is characterized
by legal and procedural complexity, detailed statutes, formal rule-making procedures, requirements for elaborate economic and scientific analyses, and a great deal of legislative and judicial supervision, which collectively put "heavy burdens on the regulatory process" (Brickman, Jasonoff and Ilgen [1985, 52]). In Europe, especially in Britain, enabling legislation is written in schematic language, without complex standards or procedural requirements. Agencies take a case-by-case approach that demands a great deal of discretion. They prosecute firms far less often than their American counterparts. In the end, Britain achieves about the same degree of chemical control, but American industry bears heavier costs of compliance, and American agencies and proreregulation groups spend more time and money doing their jobs.

The American experience with emissions trading is also relevant here. This is an approach to pollution abatement that utilizes the market rather than bureaucratic command-and-control, and on the surface appears well-suited to a nation allegedly so fond of free enterprise and so opposed to governmental interference. Yet the fact is the United States has been extremely slow to move in this direction compared to the parliamentary democracies of Western Europe (Kneese and Schultze [1975]). This is just what we should expect, for emissions trading requires substantial discretion for the bureaucrats who oversee the workings of the market, and in a separation of powers system discretion is driven out in favor of formal controls.

While there is less comparative research for other areas of regulation, the same themes appear to hold (Vogel [1986]). A study by Wilson [1985] of safety and health regulation suggests as much. He notes, for instance, that American regulators work under strict rules, and are even forbidden to give firms advice on compliance. At the same time, "the dominant feature of the politics of safety and health in the USA has been conflict" (Wilson [1985, 151]). The agency, the unions, and the firms all distrust one another; almost all major regulations are challenged in court; and Congress actively intervenes on behalf of the disaffected. Indeed, Wilson [1985, 158] argues, the rules that surround the Occupational Safety and Health Administration (OSHA) operate to guarantee conflict, because "those who framed the OSH Act took a series of decisions based on the assumption that they had to guard against control of the agency by industry." In our terms: they used formal rules as protection against political uncertainty.

By contrast, he finds that British regulators exercise wide discretion in an environment remarkably free of partisan or group conflict. Regulations issued by the Health and Safety Commission are rarely reviewed by parliament or the courts, and inspectors act as advisers to firms rather than as policemen. This is aided by the agency's corporatist structure: it consists of three members from the Confederation of British Industry (CBI), three from the Trades Union Congress (TUC), and two from the local authorities' association. It operates by consensus, and the TUC accepts the CBI's veto over regulation. Nevertheless,
Wilson finds that the British system has made more progress in reducing injury rates than the American, and at lower cost.

Finally, we should note two studies – one on environmental regulation, one on safety and health regulation – that make useful comparisons between the United States and Sweden. Although Sweden has a multiparty system and for many years was dominated by a single party, over the last few decades its parties have coalesced into two competitive blocs, and the system seems to have operated rather along Westminster lines. With so little comparative work on regulation to draw upon, we want to take advantage of good studies when they are available.

The first is by Lundquist (1980) on clean air regulation in the United States and Sweden. He finds that the U.S. “hare” moved rapidly but haphazardly: a legislature-centered process created strict, unrealistic timetables for emissions reductions, and when these could not be met the EPA eventually retreated. The Swedish “tortoise” moved slowly but methodically: an executive-centered process set realistic standards based on available technology and economic feasibility, it granted discretion to a central agency, and the standards were met. The US used administrative and judicial proceedings to institutionalize participation – and conflict. Sweden limited participation by environmentalists and firms to promote consistency and efficiency. Both systems reduced pollution, but the American was far more costly and contentious.

A Sweden-U.S. comparison of job safety and health regulation by Kelman [1981] is also relevant here, particularly given its parallels to the Wilson [1985] study. Kelman [1971] finds that American inspectors work with detailed formal standards, rely heavily on sanctions, regard advice as pointless, and take an adversarial stance towards employers. Regulation is formal and legalistic. Swedish inspectors are flexible in applying the law, make little use of sanctions, regard oral recommendations as effective, and cooperate with employers. Regulation is informal and discretionary. Sweden looks a lot like Britain on these scores – and both are poles apart from the United States.

All the evidence certainly is not in, and much remains to be learned about how regulation varies across nations. Nonetheless, from what we can tell so far there is good reason to believe that presidential and Westminster systems do indeed generate very different bureaucratic structures for the regulation of business, and these differences are what we would expect.

In these studies, and in the broader comparative literature, explanations tend to be idiosyncratic. Observed differences are attributed to culture, history, tradition, institutions, and how these factors vary across countries. Vogel [1986] emphasizes that in Britain business is more deferential to the state, civil servants have more prestige, and the public is less suspicious of business and government than in the U.S. Kelman [1981] and Lundquist [1980] account for U.S.-Sweden differences in much the same way. Others sometimes place greater emphasis on institutions, arguing that the fragmented American system promotes an adversarial regulatory style while the British concentration of power
promotes flexibility (e.g., Brickman, Jasonoff and Ilgen [1985]; Wilson [1985]). But even then, there is no real theory to connect institutions and the politics of structural choice; and history and culture always cloud the picture.

Our own view is not that history and culture are irrelevant, especially when it comes to details and nuances, but rather that an institutional theory can explain basic political structures and behaviors without reference to them – or by showing that, as with certain norms, they arise endogenously within the system.

4.2 Structures of Executive Control

In both presidential and parliamentary systems, executives want to be strong leaders and to govern effectively, and they seek an institutional capacity that enables them to do what they need to do. The structures they actually get, however, are likely to differ enormously across the two contexts.

To see this more clearly, let’s begin by elaborating our theory a bit. In both systems, executives would prize a control structure that takes in the full sweep of government, has the authority to coordinate and impose its will on all agencies, has the expertise and experience to do it wisely, and offers all this from the first day a new leader takes over. The simple solution is a centralized system staffed by seasoned careerists.

In a Westminster regime, the party has the power to create just such a system. The major issue is responsiveness: can careerists, given the information asymmetry in their favor, be counted on to do the party’s bidding? Precisely because the party’s authority is supreme, however, this problem is minimized, for the party has the right (whatever the existing rules) to unleash destruction on subversives – from firings and transfers to wholesale reorganizations – and to reward compliance. The upshot is that careerists have strong incentives to be responsive.8

To put all this in conventional jargon, the majority party is likely to favor a control structure built around “neutral competence” – experienced civil servants who serve the party in power. And the opposing party is likely to favor it as well, for they will want the same advantages for themselves when they assume power, beginning on day one. Such a structure ought to prove mutually agreeable, then, and thus stable over time.

We cannot expect anything of the sort under separation of powers. Presidents face a double bind: the bureaucracy is built to be insulated from them, and their efforts to control it will be resisted. They have to take their victories in bits and pieces, use (or ignore) whatever structures are thrust upon them, and, when possible, employ their unilateral powers to set up modest new structures for

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8 Compliance will not, of course, be perfect. As Weber [1921, part III, ch. 6] emphasized long ago, the very expertise and experience that make bureaucrats so valuable to their political masters also gives them a basis for shirking. But this is true in all bureaucracies. The point here is simply that British control problems pale by comparison to the American.
special purposes. In this way, successive presidents can cobble something together over time. But it is not a coherent system of control that anyone would purposely design. It is destined to be weak and fragmented.

It is also destined to lack neutral competence. The president values expertise and experience; but precisely because authority is divided, he can't rely on civil servants to do his bidding. There are too many competitors for their loyalty, too many insulating rules, too much advocacy built into government. To assure responsiveness, he has little choice but to rely heavily on his own appointees – to "politicize" (Moe [1985]). Legislators and groups cannot impose neutral competence on an unwilling president, and they don't want do anyway, for it threatens the parochialism and advocacy they seek to preserve throughout government. Overall, then, separation of powers is clearly an environment in which neutral competence and, more generally, coherent central control cannot develop or take root.

This is what our theory leads us to expect from the two systems. Now let's turn to a brief overview of the facts. What is the reality of executive control in Britain and the U.S.?

Britain does indeed have the kind of system presidents can only dream of. It is built around two central bureaus: the Cabinet Office, directly responsible to the Prime Minister, and the Treasury, under the Chancellor of the Exchequer (the second figure in the Cabinet). The bureaus work closely together, as do their principals, and are staffed by civil servants with reputations for honesty, expertise, and neutral competence. Despite their small size, they wield enormous power over the bureaucracy (Browning [1986]; Kellner and Crowther-Hunt [1980]).

Episodic notions of creating competitors to these central bureaus have had little impact. For instance, the Central Policy Review Staff, created in 1970 to provide an alternate source of information for the Prime Minister, was quickly absorbed by the Cabinet Office and eventually abolished by the Thatcher government (Jordan and Richardson [1987]). The reason prime ministers do not make more use of bodies like these was neatly stated by Prime Minister Harold Wilson [1976]: "Everything [a Prime Minister] could expect to create is already there ... in the Cabinet Office."

The heart of the Cabinet Office, the secretariat, includes about 100 senior civil servants who serve as the Prime Minister's "intelligence agency" in government (Rush [1983]; Jones [1985]). It acts as staff for Cabinet and committee meetings, carries instructions and information between the Prime Minister and the bureaucracy, and provides policy analysis to the Prime Minister independent of individual departments. Its internal structure is fluid; bodies like the European Unit, the Devolution Unit, and the Economics Unit have been created and dismantled to reflect the changing concerns of Prime Ministers (Berrill [1985]). Although situated at the apex of political power and exercising control over the entirety of government, it is nonetheless headed by a civil servant, the Cabinet Secretary – who also acts as principal aide and adviser to
the Prime Minister, coordinator of intelligence and security matters, and (in the past) head of the civil service. This is neutral competence in the extreme.

The second arm of executive control is the Treasury, which, among other things, has central authority over Britain's taxing and spending policies. It sets types and rates of taxes, examines and sets departmental budgets, determines overall spending, and orchestrates the various strands of the budget to coordinate the nation's fiscal policy. The Treasury's control over taxes and budgets—subject to oversight by the Prime Minister and the Chancellor of the Exchequer—is so complete that parliament and the rest of the Cabinet are prohibited from intervening in, amending, or even being informed about its deliberations before legislation is submitted (BROWNING [1986]; JORDAN and RICHARDSON [1987]). Special-interest politics is virtually eliminated in favor of coherence, integration, and central control.

The Treasury's other duties involve a full array of executive control functions, among them: managing the public debt, managing the civil service, and preparing economic analyses. Monetary policy is largely the province of the Bank of England, but the latter has far less independence than its American and German equivalents, and it acts in concert with the Treasury. No wonder, then, that the Treasury is said to have "bureaucratic hegemony" (HALL [1986]), a hegemony that the parties in power have encouraged and supported. Ideas about doing things differently have not made much headway. An attempt to remove some of its functions in 1964, for instance, was soon reversed because it led to "rivalry", and another proposed split was shelved in 1977 for the same reason (BARNETT [1982]). In this respect, too, Britain occupies an extreme end of the continuum. Only France has an equally centralized economics bureaucracy (PLATZKY [1989]).

The United States has nothing even remotely comparable. The functions of the British Treasury are divided in the U.S. among a large number of bureaus under separate authorities. Management of the civil service is split between the Office of Personnel Management and the more insulated Merit Systems Protection Board. Control of the public debt and the money supply is shared by the Treasury Department and the Federal Reserve, where the latter is highly insulated compared to the Bank of England and goes its own way. For economic policy-making, presidents rely on the Council of Economic Advisers, the Treasury Department, the Office of Management and Budget (OMB), the U.S. Trade Representative, and the White House domestic policy staff, among others. The OMB is the president's central budget agency, but its powers are shared with, and significantly checked by, the Congressional Budget Office, the General Accounting Office, and the budget and appropriations committees of both houses of Congress. Tax policy, meantime, is shaped by the whole gamut of separate presidential agencies, and is jealously guarded and aggressively influenced by Congress, especially its House Ways and Means and Senate Finance committees (BURKE [1992]; HART [1987]).
Modern presidents have sought to overcome this fragmentation and provide themselves with a capacity for central control by building up— in whatever ways they can, given ever-present opposition— the institutional presidency. This has taken two forms: centralization and politicization (Moe [1985]).

Presidents have centralized by pulling issues and problems into the Executive Office of the President, particularly the White House Office, for analysis, resolution, and planning— much of which, in earlier days, was handled in the bureaucracy or by civil servants in the OMB. While the White House Office used to consist of the president’s most immediate staff, it is now a complex organization with a specialized array of units for handling everything from political appointments to congressional lobbying to public relations to domestic policy-making.

Its structures for domestic policy-making, which have evolved incrementally over the last twenty years or so, are especially important for executive control. Their job is to pull together key actors from across the bureaucracy, collect information, conduct debate, coordinate policy and implementation, and, most generally, give the president a basis for formulating a domestic agenda and imposing it on the rest of government. Increasingly, modern presidents have insisted that important decisions be made within the White House, not by “outsiders” in the permanent bureaucracy, whom they clearly do not trust.

Presidents have turned to the OMB in their quest for centralized power as well. This has obviously been so with regard to OMB’s bureaucracy-wide functions in budgeting, monitoring, and legislative clearance. But over the last few decades is has taken on more intrusive managerial roles. Of these, the most notable is regulatory review. Since the early 1970s, the OMB has been a central actor in new review procedures imposed by presidents (via executive order) on regulatory agencies in an effort to modify, reverse, or delay objectionable regulations. Much of this, however, has provoked resistance from Congress and interest groups, which has limited its scope and effectiveness (MOE and WILSON [1994]).

The other prong of presidential control is politicization. The White House Organization is staffed throughout by loyalists dedicated to the president’s leadership. With each new president comes a new army of appointees. The OMB, whose functions are more technical, is largely staffed by expert careerists; but its pivotal role has prompted modern presidents to politicize it as well through high-level appointments. And it doesn’t stop with the OMB and the White House. Presidents have moved aggressively to place their own people in agencies throughout government— which they view as a strategy of infiltrating enemy lines, gaining access to inside information, and controlling the levers of bureaucratic power (NATHAN [1983]). All of this they do, whether Republican or Democrat, because they have to.

The British scheme is a model of rationality by comparison. The Prime Minister and her Cabinet rely upon two well integrated, professional, hugely powerful central bureaus to control the entire bureaucracy and see their agenda
implemented. The American scheme is not a scheme at all. It is a hodgepodge of presidential and bureaucratic units, overlapping in function and conflicting in perspective, that presidents have tried to weld together through strategies of centralization and politicization. They have enhanced their capacity for control in the process. But with a system so ill-designed, authority so limited, and opposition so formidable, their actual control is far less than they need to meet the responsibilities thrust upon them.

Political scientists are well aware that Britain and the U.S. have very different leadership structures, and they have long argued that the causes are at least partly institutional: most obviously, separation of powers promotes fragmentation, the Westminster system promotes concentration. But once again, there is little theory here, and the scope of institutional argument is limited. The notion that all the issues we have been discussing, from bureaucratic discretion to neutral competence to the institutional presidency are integral parts of the same theoretical whole, is foreign to the way these things are usually understood. Explanation is ad hoc and isolated.

A good illustration can be found in the literature on public administration, where presidents have been roundly vilified for politicizing the executive. Since the discipline’s early years, students of American bureaucracy have argued for an executive founded on neutral competence, taking the British model as their implicit ideal. When modern presidents began violating neutral competence with a vengeance, scholars reacted with dismay – arguing that politicization was a big mistake and telling them to stop (Mosher [1974]; Heclo [1975]; Seidman and Gilmour [1986]). Presidents, of course, didn’t see it this way and simply ignored the free advice, for they were doing what their institutional context gave them strong incentives to do. The problem was that scholars never really saw politicization as an institutional phenomenon. They had no theory linking it to presidential incentives and the larger institutional system – and no justification for thinking the British model could take root in the American setting. Which it can’t.

Another nice illustration can be found in familiar comparisons of leader power. A pervasive view on both sides of the Atlantic is that presidents are extraordinarily powerful compared to prime ministers – for Prime ministers rely on just a few central agencies staffed by civil servants, while presidents sit atop a huge, multifaceted institution staffed by hand-picked appointees dedicated to presidential leadership. The tendency, as Campbell [1983, 5] points out, is to “conjure up the image of immense capabilities on the part of the staffs on the White House and the Executive Office of the President,” and to think presidents are greatly advantaged by comparison to their British counterparts (see also Neustadt [1985]; Jones [1991]).

This gets it the wrong way around. And the misconception is due, again, to the absence of any theory to explain where these structures come from in the first place. It is true that their institutional apparatus makes presidents more powerful than they would otherwise be. But presidents have pushed and angled
for all this precisely because they are so weak. The "impressive" institutional presidency is but an effort to make up, if only partially, for their limited authority, the fragmentation and insulation of bureaucracy, and the opposition they face whatever they try to do. Prime ministers and their parties do not need such an enormous, politicized institution to see their will implemented by the bureaucracy. It is precisely because they are so powerful that their structures of executive control can be compact, neutrally competent, and highly responsive— a desirable combination that, for all intents and purposes, is flatly unavailable to American presidents.

5. Conclusion

The point of our paper is not just to compare presidential and parliamentary systems. It is to illustrate a general proposition: that every institutional form of democracy, whatever it might be, generates its own political dynamic— its own politics of structural choice— which in turn generates the basic structures that fill out the rest of government.

Each institutional form is a full-blown system in the making. It comes with a built-in genetic code that programs the kinds of bureaucracies, leadership structures, personnel arrangements, and other properties that will ultimately make up its government. Once the form is adopted, the other properties follow. They are chosen by participants in its politics of structural choice, but the choices are predictable and highly constrained. They simply give expression to the genetic code.

A comparison of separation of powers and Westminster systems illustrates this general point. Each system, by virtue of its institutional form alone, has a distinctive politics of structural choice that propels the development of government. Separation of powers gives rise to one set of structures, Westminster systems to another. Our theory, which begins from first principles, is an effort to map out and clarify the logic by which this occurs.

There is no simple way to sum all this up, but one central theme is most deserving of emphasis. In a separation of powers system, due largely to the way authority is divided and checked, formalization works exceedingly well to protect political interests. It solves commitment problems, ensures the durability of political victories, and, for all major players, is an extremely attractive strategy in the politics of structure. The result is a government buried in bureaucracy: its agencies denied the discretion they need for effective performance, hamstrung by restrictive rules and procedures, and insulated from meaningful democratic control.

In a parliamentary system, due largely to its concentration of power, formalization does not work to protect political interests or solve commitment problems, and it is not an attractive strategy in the politics of structure. Structural choice is driven instead by the majority party's concern for effective govern-
ment and strong leadership, and commitment problems are resolved in informal ways that guard performance and accountability. The result is a government whose agencies are granted lots of discretion, built to do their jobs well, and coordinated within a coherent system of democratic control.

Empirically, we think this comparative theory of the politics of structure holds up. The two paradigmatic cases, the United States and Britain, look much as we would expect them to look. We have only taken a first cut at the data, of course, and more extensive empirical work may ultimately present a somewhat different picture. But at this point we think the main thrust of our theory is on target. Indeed, we suspect that the U.S. and Britain probably represent polar cases among Western democratic nations, and that other parliamentary systems – which contain various forms of checks and balances – fall somewhere in-between, depending on the extent to which their institutions encourage strategies of formalization.

Obviously, much remains to be done. The theory we have set out here is embryonic. Even for separation of powers and Westminster systems, its logic needs to be more fully developed if we are to speak with genuine confidence about how institutions shape the politics of structure. Other parliamentary systems, whose institutions can depart radically from the Westminster model, also need to be brought within the scope of the theory and their politics of structural choice mapped out with care. And finally, of course, we simply need to know more about the substance of political institutions around the world. If we are to know the right things, this means that empirical research must pursue an institutional agenda that is truly theoretical, looking beyond the idiosyncrasies of history, culture, and tradition to explore the rational foundations of governmental structure.

Were all this to happen, our ideas about many of the specifics would doubtless change a great deal. That’s what progress is all about. But the fundamental argument, we have to believe, would stay the same: that the various political institutions in our world have distinctive genetic codes that program their structural development. It is the job of institutional theory to figure out the codes – a job that is both exciting and, as we see it, eminently doable.

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