1

Elections, Mandates, and Representation

Neoliberalism by Surprise

Latin American governments undertook a revolutionary reorientation of their economies in the final decades of the twentieth century, from statist to market-oriented models. They demolished tariff barriers, privatized hundreds of state-owned enterprises, deregulated product, capital, and labor markets, and slashed state employment. What distinguished these from earlier drives toward economic liberalization is that they were carried out by governments that had to win elections before coming to office and knew they would face new elections at the end of their term.

The marriage of economic liberalization and democracy, first considered doomed, has endured. It has not always been smooth. Not all governments promoting liberalization have survived to the next election. Venezuela's Carlos Andrés Pérez (1989–1993) was shaken by two coup attempts by military officers angry about reforms and was later impeached on corruption charges. Austerity measures under President Abdalá Bucaram (1996) in Ecuador set off street protests and were the backdrop to his impeachment less than seven months after he assumed office. Liberalization and its aftermath set off riots and strikes from the Dominican Republic to Argentina. Yet on the whole, what stands out is the endurance of democratic governments. During these revolutionary decades, only two coups d'etat brought down elected governments.[1]

[1] The coups were in Peru in 1992 and in Ecuador in 2000. In the Peruvian case the phrase is perhaps not apt, because the Peruvian coup of 1992 was orchestrated by the president against congress.

It would be a mistake, however, to infer that the elected governments that liberalized their economies were simply enacting the people's will. The timing, priorities, magnitude, content, style, and sequencing of economic reform programs are controversial, their distributional impact is potentially powerful, and their public support is mixed. And although this was the era of economic liberalization and democracy, it was not always the era of economic liberalization via democracy. In many countries the neoliberal economic revolution was not approved ex ante by popular mandate. Carlos Menem of Argentina hinted at a moratorium on payments of the foreign debt and, once in office, sent his former right-wing opponent, who had advocated full repayment, to Washington as his chief debt negotiator. Alberto Fujimori of Peru pounded away in his campaign on the theme of "*el anti-shock*" – no surprise price increases – only to institute the largest price adjustment in recent memory 10 days after taking office. And Carlos Andrés Pérez of Venezuela promised an across-the-board wage increase and, once in office, assembled leaders of the private sector to reassure them that no increase was in store. These are just three of a dozen examples that could be mentioned, and they suggest that nowhere was inconsistency more evident than in economic policy.

Figure 1.1 gives a sense of the frequency of divergence of campaign promises on economic policy and the direction of divergence. The horizontal axis locates campaign *messages* of presidential candidates along a continuum, from what I call, following Elster (1995), *efficiency-oriented policies* of market competition to *security-oriented policies* of state intervention. The vertical axis locates early government *policies* along this same continuum. If campaign messages reliably predicted policy, all cases would fall on the 45-degree line. The Latin American cases cluster around this line and in the off-diagonal southeastern region of the figure, indicating a strong thrust toward security-to-efficiency violations of mandate.

The phenomenon of policy switches is broader than Latin America and broader than economic policy. Governments in the advanced industrial democracies usually follow through on campaign pledges; when they don't, they run the risk of stirring controversy. When George Bush in 1990 reneged on his histrionically made "read my lips, no new taxes" pledge, his own partisans were outraged; some claim that his reversal contributed to his failure to win reelection in 1992. A West German social-liberal coalition government reneged in 1976 on a campaign commitment to increase old-age pensions. Governments in New Zealand and Australia in the 1980s

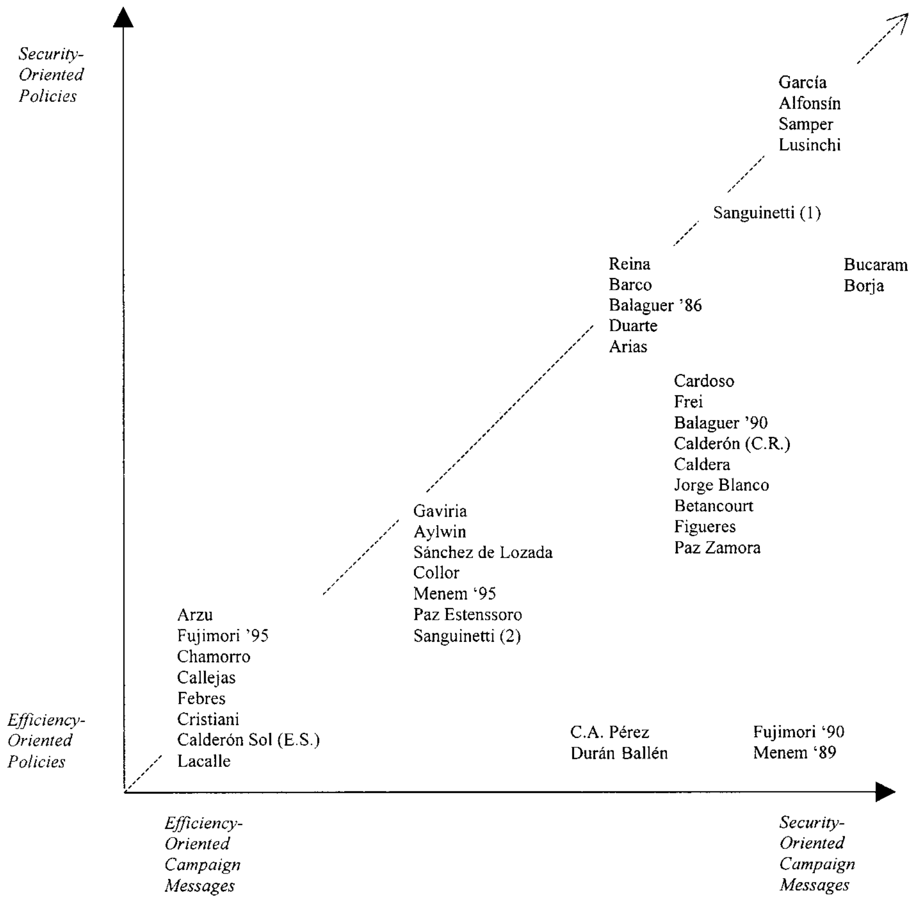

Figure 1.1 Campaign messages and economic policies of Latin American presidents, 1982–1996.

reversed their campaign economic pledges. The mother of a Cambridge, England, schoolgirl whose daughter's scholarship at a private school was phased out took the Blair government to court, citing the Labour Party's campaign pledge to protect the scholarships of current students. The judge in the case agreed with the government that, from a legal standpoint, "pre-election pledges are irrelevant" and that the secretary of state for education was "not bound by himself or others in opposition" and was "also entitled to change policy." But the judge chastised the government:

> It is a sorry state of affairs when [the Secretary] has to explain away his own letter as mistaken and unclear and a statement by the Prime Minister as an incorrect representation of policy, taken out of context. (Cited in *The Independent*, July 13, 1999)

Similarly, when Latin American governments pursued policies bearing little resemblance to their campaign pronouncements, they opened up a debate about mandates and democracy. By *mandates* I mean the expectations politicians create in campaigns about the actions they will take if they win. On one side of this debate, policy switches were just one more indication that something was seriously amiss in Latin America's democracies. The ideal of representative democracy, in which citizens choose leaders who are then constrained by the institutions of government and by the people's will, was caricatured by senators and deputies isolated from constituents, by courts subservient to the government of the day, and by presidents who ruled not in collaboration with parliaments but by decree, and not by pursuing the policies the people wanted but just the opposite ones. Some observers came to suspect that these were not democracies at all but some other kind of regime. "New Democracies, Which Democracies?" lamented the title of an essay by a Brazilian political scientist (Weffort, 1992); the mood elsewhere on the continent was equally grim.

Observing the violation of mandates, some scholars were driven to the view not, like Weffort's, that democracy in Latin America was an empty set, but that the internal logic of these systems differed fundamentally from that of the *representative* democracies of the advanced industrial world. Because they were fundamentally different they deserved a different name, and Guillermo O'Donnell (1994) gave them one: *delegative democracies*. In representative democracies politicians represent citizens, but in delegative democracies the people elect leaders who then do as they please.[2] "The president is taken to be the embodiment of the nation and the main custodian and definer of its interests. The policies of his government need bear no resemblance to the promises of his campaign – has not the president been authorized to govern as he (or she) thinks best?" (O'Donnell 1994:59–60).

[2] The term *delegation* is subject to some confusion. O'Donnell (1994) uses the term to denote politicians who are unconstrained by citizens or political institutions. The more traditional usage, as explained by Pitkin (1967), denotes representatives who are closely guided by the represented, such as delegates who are sent with a specific message or mission by those on whose behalf they are acting.

O'Donnell draws a link between mandates and representation. If the president governs "as he thinks best," voters must be delegating all power to him and negating any place for their views or preferences in the making of policy. If the policies of his government bear no resemblance to the promises of his campaign, he must not be representing.

But other writers have been less troubled by the violation of mandates and unwilling to declare democratic representation stillborn in Latin America. In a thoughtful essay on representation and Latin American politics, Carlota Jackisch enumerates reasons why a government's actions might not conform to the opinions of citizens:

> The impossibility that the electors should know the facts implicit in problems, the natural propensity for each individual to feel that the needs which are closest to him should be the highest priorities for the government, and in general the [citizens'] inability to visualize the conjunction of problems and to be aware of the impossibility of maximizing all values simultaneously, all of this argues in favor of a greater independence of those who have to make decisions in the field of politics. (1998:16; author's translation)

Jorge Domínguez (1998), in turn, finds that the damage done to democracy when politicians renege on campaign promises is mitigated by the electorate's ability to make ex post judgments. "Democracy malfunctions when politicians lie, but democracy is self-correcting: It allows the voters to render judgments iteratively" (1998:78–79). And, in his view, policy switchers have frequently passed the accountability test: "Voters later had opportunities to pass judgment on the liars and the relative merits of the programs eventually adopted. In the Dominican Republic and Venezuela, they punished the liar's party in the next presidential elections. In both Argentina and Peru, however, voters approved a change in the constitution to permit the incumbent president's immediate reelection, and then reelected him" (78).

Whereas O'Donnell stresses the fulfillment of mandates as a condition of democratic representation, Domínguez stresses accountability. On one side is the claim that when governments violate mandates, they necessarily fail to represent their constituents. On the other is the claim that the violation of mandates matters little as long as governments can be held accountable.

The argument I will develop in this book is that neither claim is right, although both contain some truth. Governments that want nothing more than to promote the welfare of their constituents may sometimes not only renege on campaign pronouncements, they may in fact dissimulate in campaigns and then switch to unpopular policies. But the fact that representative politicians may violate mandates should not induce complacence about the import of mandates to democracy. First, holding governments accountable is a tricky business, not always easy for voters to manage. Because it is tricky, bad governments as well as good may be tempted to violate mandates. Second, the violation of mandates may indicate that voters are ill informed about the choices they and their country face. Ultimately they cannot make good choices unless they are well informed, and governments that mislead them about these choices may perpetuate misperceptions.

The controversy over whether mandates matter is not new to democratic theory. European and American theorists of representative government in the eighteenth century developed skepticism about the role of citizen opinion as a guide to government policy, skepticism widely associated with the writings of Edmund Burke but shared by other thinkers as well. In Chapter 6, I critically examine the grounds for this skepticism, which relies heavily on ideas of the superior judgment of politicians in comparison to their constituents. This idea of superior judgment coexists uneasily with these thinkers' commitment to the *election* of government by voters.

In the remainder of this chapter, I show that mandate violations present an uncomfortable fact for democratic theory. From the perspective of spatial models of party competition the violation of mandates is puzzling. In these models, candidates who wish to win elections should campaign on popular policies; governments that wish to win reelection should govern with popular policies. The bulk of empirical research supports the prediction that politicians generally pursue policies that they pronounced in campaigns. Yet politicians do sometimes renege on important campaign promises, as the preceding examples suggest and as this book will amply show. In turn, what I call *rent-seeking* models of democracy assume that campaign pronouncements place no constraints, legal or political, on governments. Campaigns are therefore not predictive of governments' policies. Yet this view coexists uneasily with strong evidence that campaigns generally are predictive of policy. We need a deeper understanding of campaign pronouncements and their power to predict policy, and of the conditions under which this power wanes. In achieving such an understanding, we will gain a better grasp not only of mandates, but also of the broader dynamics of democracy.

The discussion that follows will also bring to light limitations of normative democratic theory with regard to mandates and their violation. The prevailing views can be summarized as follows. Either the democratic ideal is one of representatives who are responsive to constituents and hence bound by campaign positions, and democracy achieves this ideal. Or the democratic ideal is one of representatives who act independently of constituents' opinions and are hence unconstrained by campaign statements, and democracy achieves *this* ideal. Or the democratic ideal is one of responsive governments, but in actual practice constituents fail to induce governments to be responsive or to fulfill their promises. I argue, instead, that mandate violations and representation may not be as clearly at odds as these views suggest.

Spatial Models of Democracy and the Puzzle of Mandate Violations

Let us begin with some simple assumptions about politicians and voters. Politicians want to win office, which means that the incumbent party wishes to win reelection and the opposition wishes to win election. Each voter wants the government to act in his or her interest. When deciding whether to vote for the incumbent government or a party of the opposition, voters listen to campaign pronouncements and vote for the candidate whose positions are closest to their own. The party occupying the position closest to the one preferred by a majority of voters wins.

Hence, imagine an election at time t, in which we will assume, for convenience, that there is no incumbent. Parties A and B compete. Party A's policy pronouncements are more in line with a majority of voters' preferences, and A wins. A knows that the policies it campaigned on were popular with voters; that is why it won. Because this party, now in government, wishes to win again at the election that will take place at time $t + 1$, it follows through on its campaign pronouncements. It has no reason not to and, by the assumptions of the model, every reason to do so: this is the surest route to reelection.

Under some modifications that make the model more realistic, parties should still use campaigns to signal their intentions and then follow through on these intentions when they win. Even if voters choose whom to vote for by first evaluating the *performance* of the incumbent (as opposed to its proposals in the reelection campaign), and do so before they listen to the proposals of challengers, Anthony Downs (1957), to whom the model is due, claimed that campaign proposals – both of incumbents and of challengers – will still be predictive of the actions of governments and hence credible to voters.

Downs called the fulfillment of mandates *reliability*; "the absence of reliability means that voters cannot predict the behavior of parties from what the parties say they will do" (105). Reliability, he noted, is desirable. If parties were unreliable, voters would ignore their statements and pay attention only to their actions or the outcomes that they could observe during a government's term in office. But because the opposition may have been out of power for some time, voters will have no rational way to judge it. Therefore rational voting demands reliable parties. But what incentives do parties have to be reliable?

The answer, according to Downs, is that voters prefer reliable parties to unreliable ones. "They would rather vote for a party that can be relied upon to carry out its imperfect proposals than one whose behavior cannot be predicted at all" (107). Why might voters have such a preference for reliability? Downs suggested that reliability makes human relations predictable and hence comes to be valued per se (108). Hence the party that shows itself over time to be reliable will increase its share of the vote, and competition for votes will drive opposition parties to be reliable. And the incumbent party, even though judged more on performance than on pronouncements, may find itself out of office in the future. It therefore also has an interest in building a reputation for reliability by making campaign pronouncements that turn out to be predictive (see also Banks, 1990; Hinich and Munger, 1994).

Evidence that campaigns in the real world are predictive of the policies of governments supports the theory-derived conclusion that politicians in democracies have incentives to reveal their true intentions in campaigns and then follow through on these intentions. Research reveals, with perhaps surprising regularity, that campaign manifestos, slogans, ads, and speeches usually predict well what governments do in office. A number of studies of the advanced industrial democracies explore whether preelection party programs and politicians' campaign announcements accurately predict government policy. Fishel (1985) and Krukones (1984) examine campaign announcements made by presidential candidates in the United States and arrive at estimates of high congruence between announced positions and the policies of the administrations that the successful candidates go on to lead (see also Keeler, 1993; Mayhew, 1974). The Comparative Manifestos Project, a research project comparing the programs and performance of governments in 10 advanced industrial democracies in the post–World War II period, was an effort to answer the question "do party programs predict policy?" Specifically, do changes in party programs over time predict changing government priorities, and do differences between the programs of competing parties predict policy differences when the party in power changes? (see Budge, Robertson, and Hearl, 1987; Klingemann, Hofferbert, and Budge, 1994). Party manifestos predicted policy better in some countries than in others, but in general, governments did what their party manifestos promised. (For a methodological critique, see King and Laver, 1993.)

In addition to their power and simplicity, the attraction of spatial models of party competition lies in their normatively appealing implications. The reliability of parties is one such implication. Another is the *responsiveness* of governments to constituents. By responsiveness I mean the tendency of governments to pursue policies that a majority of voters prefers. If we agree provisionally that the fulfillment of citizens' wishes is an appropriate objective of elected governments, the model is normatively satisfying. As Brian Barry (1977) notes, the drive for power acts on politicians as the profit motive acts on entrepreneurs, keeping the one responsive to citizens and the others responsive to consumers.

From the vantage point of spatial models, governments that ignore their mandates therefore do not merely present a puzzle – what possible strategic considerations might induce such behavior? – they also set off normative alarms. If governments that we would consider "good" (responsive) pursue policies consistent with campaign messages, then inconsistent governments are probably "bad." O'Donnell's proposition, not Domínguez's, would seem to be supported.

Rent-Seeking and the Impossibility of Mandates

Spatial models, then, tend to underpredict policy switches. Rent-seeking models may predict such switches but connect them exclusively with failures of representation. Recall that in the spatial model sketched earlier, politicians are not selflessly public-spirited, but driven by the desire to win and retain office. They pay attention to constituents' opinions because doing so helps their chances of reelection. But what if holding office is more valuable to them when they can use it to do things that constituents would not want them to do? They may wish to shirk, applying themselves with less than full energy to the people's business (Austen-Smith and

Banks, 1989; Banks and Sundaram, 1993; Ferejohn, 1986). They may wish to steal public monies (Stigler, 1975; Tullock, 1988). They may wish to indulge their own ideological principles and pursue unpopular policies (Alesina and Speer, 1988; Banks, 1990; Calvert, 1985; Wittman, 1977). Or they may make concessions to special interests in exchange for campaign contributions (Becker, 1958; Stigler, 1975). I will call governments that pursue these kinds of objectives, at constituents' expense, *rent-seekers* (see Manin, Przeworski, and Stokes, 1999).

Theorists of democracy who emphasize the rent-seeking propensities of politicians tend to view campaign pronouncements as noncredible and therefore the electoral campaign as an unimportant phenomenon.[3] Ferejohn criticized the Downsian paradigm, which he calls the *pure theory of elections*, noting that "little attention is paid to the possibility that, once in office, the politician's preferences may diverge from those of his constituents and that he may therefore choose policies at variance from his platform" (1986:5). Why might rent-seeking governments send misleading signals in campaigns? To get elected, parties would pronounce themselves to be in favor of popular policies. To extract rents, the government might then switch to unpopular policies – say, ones that a special interest favored or ones that the president thought, against public opinion, were best. But doing so would undermine the governing party's credibility in future elections. Why should voters believe future pronouncements if past ones turned out to be misleading?

If voters infer from this experience that no parties' campaign pronouncements are credible, then making false promises won't work the next time around as a strategy to get elected and we no longer have an explanation of policy switches. Alesina (1988) and Alesina and Speer (1988) formally describe an equilibrium of this sort. Individual officeholders have policy preferences at odds with those of the median voter and are indifferent to reelection, and their parties, which have an interest in future electoral victories, lack any means to force them to pursue popular policies.[4] Under these conditions, whatever candidates say, voters always expect them to act according to their own, and not voters', preferences.

[3] For exceptions, see Harrington (1993a, 1993b; see Chapter 3) and Canes-Wrone, Herron, and Shotts (1999).

[4] According to Alesina and Speer (1988), officeholders are indifferent to reelection because they are at the end of their careers. These authors also vary their model to consider when parties are able to induce officeholders to pursue the preferences of the median voter.