## Legislator Success in Fragmented Congresses in Argentina

Plurality-led congresses are among the most pervasive and least-studied phenomena in presidential systems around the world. Often conflated with divided government, where an organized opposition controls a majority of seats in congress, plurality-led congresses are characterized by a party with fewer than 50 percent of the seats still in control of the legislative gates. Extensive gatekeeping authority without plenary majorities, this book shows, leads to policy outcomes that are substantially different from those observed in majority-led congresses. Through detailed analyses of legislative success in Argentina and Uruguay, this book explores the determinants of law enactment in fragmented congresses. It describes in detail how the lack of majority support explains legislative success in standing committees, the chamber directorate, and the plenary floor.

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## *Plurality Cartels, Minority Presidents, and Lawmaking*

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*For Isabella, Camilo, and Violeta*

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# Preface

Plurality-led congresses are among the most pervasive and less-studied phenomena in presidential systems in Latin America. Often conflated with divided government, where an organized opposition controls a majority of seats in congress, plurality-led congresses are characterized by a party with fewer than 50 percent of the seats still in control of the legislative gates. Extensive gatekeeping authority without plenary majorities, this book shows, leads to policy outcomes that are substantially different from those observed in majority-led congresses.

My interest in plurality-led congresses was triggered by concerns with legislative gridlock in one particular case, Argentina, over a decade ago. At the time, I was convinced that the lack of support in the Argentine Congress was the catalyst for the presidential crisis of 2001 and an important constraint on policymaking. Such concerns would eventually prove empirically unfounded and theoretically baffling, the perfect point of departure for this research program. Let me then describe in greater detail both the origins of my interest in legislative success and the lessons learned over the course of this research.

In December 1999, while the Y2K bug was still a credible computer threat and Argentines prepared to celebrate the advent of the new millennium, newly-elected President Fernando de la Rua (UCR) and Vice-President Carlos "Chacho" Álvarez (*Frente Pais Solidario*, FREPASO) of the *Alianza* coalition were sworn into office. Popular among Argentine voters, the coalition candidates cruised to a comfortable ten-point victory over Peronist runners-up Eduardo Duhalde and Ramón "Palito" Ortega, promising an end to the corruption and economic mismanagement of the Carlos S. Menem (1989–1999) years. High expectations, however, quickly gave way to widespread disappointment. The first coalition government democratically elected in Argentina would stutter, decay, and collapse just two years later.

The story is well known. As Argentina fell deeper into a recession, a run against the currency dried up credit markets and depleted international reserves. The *Alianza* administration, in order to shield the fixed-exchange rate program from speculative attacks, sought to secure large credit lines from international lenders. Access to credit lines, however, depended critically on the government's ability to demonstrate that tough reforms could be enacted by Congress. As a coalition government with only a plurality of seats in the House and a Peronist majority in the Senate, de la Rua resorted to "selective incentives" to buy the vote of a few opposition senators on a critical labor initiative.

It would be hard to overstate the deleterious consequences of the Senate scandal that ensued. As evidence of side payments came to light, Vice-President "Chacho" Álvarez publicly denounced President de la Rua and resigned from his post, effectively ending the coalition experiment. Less than a year later, after a lopsided electoral defeat in midterm elections and massive protests against the political establishment, de la Rua resigned, leaving the economy in shambles and the government in the hands of the Peronist opposition.

At the time, I had little doubt that the side payments in the Senate were key to the unfolding of the political crisis in 2000 and the collapse of the *Alianza* administration in 2001. While finishing my doctoral degree at Northwestern University and heading a political reform program at the National Institute of Public Administration, I was in a privileged position to observe the crisis unfold from within.

Common knowledge among local experts was that the coalition government was unsustainable long before the scandal, and that both de la Rua and Álvarez were simply waiting for the right moment to file the divorce papers. The Senate affair then, was just one possible trigger rather than a determining factor. Still, common sense indicated that if the *Alianza* had controlled a majority of the seats, side payments would have been unnecessary. The coalition government might not have collapsed and, ultimately, a less traumatic political and economic solution may have been possible.

While working with Juan Manuel Abal Medina (h), Marcelo Escolar, Ana Maria Mustapic, and Juan Carlos Torres on several inter-related projects, I began data collection efforts in 2001 with the goal of assessing the effect of congressional minority status on legislative success. The objective was straightforward: build a database of all legislative initiatives proposed to Congress and estimate the extent to which changes in the partisan environment in Congress shape the legislators' success.

Data collection efforts improved dramatically as I moved to the *Dirección de Modernización* of the City of Buenos Aires, headed by my colleague Marcelo Escolar who shares similar obsessive-compulsive disorders in all matters related to empirical research. By 2004 I had a working dataset of bill initiatives that included close to 70,000 projects proposed to Congress by deputies, senators, and the president, from democratization in 1984 to the end of the *Alianza* administration in 2001. Eventually, Iñaki Sagarzazu, now at the University of

Glasgow, put his programming skills to excellent use and fixed hundreds of bugs in the dataset at the core of this project. As I complete this project, the dataset includes all 170,000+ projects proposed between 1983 and 2008.

Like most of my colleagues, my theoretical lenses were directed toward understanding the legislative behavior of the national executive; all hypotheses were carefully presented to explain final passage on the plenary floor; all covariates were lined up to measure executive success. It would not take long, however, to notice that common sense is a poor guide for theory building and quickly crumbles when confronted with sufficient empirical evidence.

As I ran a wide variety of statistical models, results consistently showed null findings when trying to assess how changes in the partisan composition in the Argentine Congress affect the legislative success of the president.[1] These results, published in the *British Journal of Political Science* (Calvo 2007), sent my research program in a very different direction. For the next five years, I searched for the mechanisms that explained legislative success, slowly moving away from executive bills and plenary floor behavior, studying in detail the agenda-setting mechanisms that drive success in committee for bills sponsored by members of Congress and the president.

In-depth interviews with elected members of Congress, advisors, congressional staffers, as well as collaborative research with Eduardo Alemán, Iñaki Sagarzazu, and Andres Tow, allowed me to set the foundations of a congressional research agenda that painted a very different picture of the Argentine Congress. Congress slowly emerged as an institution in which public strife was subordinate to private consent, where individual legislators and the president faced very different legislative constraints, and where minority acquiescence and support was considerably more important than I anticipated. Furthermore, as I redirected my research agenda from executive-sponsored initiatives to those of individual legislators, I discovered that the partisan composition of the House and Senate played a different role when explaining the relative success of each institutional actor.

As said before, to explain the determinants of legislative success I shifted my attention away from the plenary floor to the committee stage, away from Mayhew (1991) and deeper into the *Legislative Leviathan* agenda spearheaded by Cox and McCubbins (1993). Given that almost no legislation proposed to the Argentine Congress is voted down on the plenary floor, my research efforts were directed towards explaining why legislative initiatives die in two critical legislative stages: the standing committees and the drafting of the plenary schedule. Findings from these research efforts were published in 2011 in the *American Journal of Political Science* (Calvo and Sagarzazu 2011). They are

[1] To be fair, I found that divided government has no effect on overall legislative success, but other significant results deserve to be explained and are presented in Chapter 8. In particular, the loss of minority support has statistically significant and substantively important effects on the degree to which bills are amended by Congress.

also expanded and augmented in Chapters 5 through 7 of this book, describing in detail how the loss of majority support affects the legislative behavior of committee chairs, the drafting of the plenary schedule, and final passage on the plenary floor. In all, results show that the loss of majority support fosters more permissive reporting strategies by committee chairs and the delegation of further gatekeeping responsibilities onto the Chamber Directorate. Ultimately, the loss of majority control results in substantive changes in the partisan makeup of the legislation reported from committee, scheduled for debate, and approved on the plenary floor.

To explain these empirical observations, a formal treatment of success in committee is presented in Chapter 2. In this chapter, I propose a family-relative of the dual-veto system in the pre-Reed's Rules United States House (Cox and McCubbins 2005) to argue that the strategic use of quorum rules explains consensual gatekeeping strategies that alter the success rate of majority, plurality, and minority parties.[2] The formal treatment of legislative success provides the theoretical backbone of a plurality cartel model, where a party is endowed with the authority to restrict the set of bills reported from committee but lacks the votes to approve bills on the plenary floor. The lack of plenary majorities with gatekeeping authority, I show, explains different reporting strategies by plurality parties. These findings, I argue, extend beyond the Argentina case and illuminate much of the current empirical findings observed in multi-party congresses.

In Chapter 3, I present a statistical design to test the proposed plurality cartel model. Drawing from Chapter 2, I build a spatial model with two key variables measuring each legislator's distance to the median voters of the chamber and the median voter of the majority party. As it will become clear, I expect the median voter of the chamber to become more important in plurality-led congresses. Chapter 4 provides background information about overall party competition in Argentina as well as information describing the partisan composition of Congress. These contextual changes in the composition of Congress, I will show, are critical for explaining how majority and plurality parties exercise their agenda setting prerogatives.

Chapter 5 provides an in-depth look at the committee system in Argentina, a legislative environment where rational anticipation by committee chairs is restricted by the allocation of committee chairmanships to majority, plurality, and minority parties. After analyzing how quorum rules and committee chair prerogatives affect success in committee, I focus on explaining the scheduling of bills on the plenary floor as determined by two critical institutions: the pre-floor party meeting and the Chamber Directorate. As shown in Chapter 5, the loss of majority support results in an increase in the amount of legislation reported under

[2] A streamlined version of the theoretical model, co-authored with Iñaki Sagarzazu, was published in the *American Journal of Political Science* (2011).

unanimous consent rules and a specialization on legislative initiatives approved by super-majorities. Such findings inform also the behavior of the United States Senate, also subject to unanimous consent rules and super-majority mechanisms that restrict the gatekeeping prerogatives of the majority party.

Chapter 6 provides evidence that the loss of House majorities affects how the schedule is drafted by the Chamber Directorate and the use of special motions to amend the schedule once plenary proceedings begin. While the loss of majority support alters the composition of legislation reported from committee, it also strengthens the gatekeeping role played by the Chamber Directorate and the President of the House. Once majority control is lost, I show, special motions to amend the plenary schedule are no longer a coordination device servicing the needs of the majority party. Instead, majority and minority parties restrict the use of special motions, which serve to validate prior inter-bloc agreements and to prevent the collapse of plenary sessions that are very sensitive to quorum threats.

As I studied in detail the approval of initiatives sponsored by the president and by individual legislators, it became increasingly clear that the determinants of legislative success differ for each institutional actor. While the legislative success of initiatives sponsored by the president is impervious to changes in the partisan composition of the House and the Senate, the same cannot be said in regards to the success of legislation sponsored by members of Congress. The different sensitivity of presidential- and legislator-sponsored initiatives to changes in the partisan composition in Congress gave way to an article with Eduardo Alemán, published in *Comparative Political Studies*.

Finally, Chapter 9 uses data on the Uruguayan Congress, collected by my colleague Daniel Chasquetti from the *Universidad de la República*, to analyze plurality-led congresses where the largest party lacks the authority to regulate the flow of legislation to the plenary floor. As in the Argentine case, I show the increased importance of the median voter of the chamber when majority support is lost. However, the lack of gatekeeping authority also depletes committee and plenary time more rapidly, reducing overall legislative success and providing an interesting contrast with congresses in which the plurality party has significant gatekeeping prerogatives.

Almost a decade after the collapse of Argentina's coalition government presided by de la Rua and Álvarez, my view of the events that led to the dissolution of the *Alianza* has changed significantly. As I conducted interviews with representatives, advisors, staffers, colleagues, and bureaucrats, I was unable to find any evidence that side payments were more common in plurality-led congresses. Nor was I able to show that the legislative success of the president is sensitive to changes in the partisan composition of congress or to changes in the partisan control of the House and the Senate. However, evidence does show that plurality-led congresses amend presidential initiatives to a much larger extent than in congresses where the party of the presidents holds clear majorities. In other words, while executive success does not

decline sharply when majority support is lost, the content of the initiatives approved by MCs is markedly different.

Contrary to my initial expectations, using the venerable "debit card" to win the support of senators and deputies seems to be a politically marginal but routine practice in both plurality and majority-led congresses. The collapse of the coalition government may have been framed by the Argentine Senate scandal, but there is no evidence that the lack of majority support in Congress actually explains the need for side payments, the use of side payments, the coalition crisis in 2000, or the political meltdown of 2001. Results consistently show that Fernando de la Rua enjoyed higher legislative success than Carlos S. Menem in his first two years in office (1989 –1990), despite having fewer partisans in Congress. Similarly, there is no evidence that plurality-led governments and/or divided government makes legislative governance more difficult.

While both the public and the media perceive the Argentine Congress as an institution rife with partisan conflict and gridlock, results show that most legislation is approved under unanimous consent rules, with minority success rates that are consistently higher than those observed in comparable legislatures (including the United States House and Senate). Explaining these key empirical regularities requires the development of new theories and statistical instruments to account for success at each different legislative stage, e.g., the committee, the floor, the alternate chamber. Such are the empirical and theoretical goals pursued in the following chapters. To conclude, I revisit commonly held misconceptions by the public and congressional experts in Chapter 10.

After almost a decade of research on the Argentine Congress, I have accumulated a very large number of intellectual and personal debts. Much of this research was carried out in collaboration with Eduardo Alemán, Juan Pablo Micozzi, Iñaki Sagarzazu, and Andres Tow, with whom I have discussed and published many of the hypotheses of this book. The initial impulse to collect the congressional data came from conversations with Marcelo Escolar, Juan Manuel Abal Medina (h), and Ana Maria Mustapic, while still working at the Secretary of Modernization and the Program of Political Reform of the City of Buenos Aires. They remain intellectual partners of this project, even as our research agendas moved in different directions. Colleagues at the Program of Political Reform and at the INAP discussed many of the early ideas that guided this project. In particular, I have to thank Sandra Minvielle, Julia Pomares, Christian Scaramella, Julieta Suarez Cao, and Mariela Szwarcberg, all of whom have since moved on to greater professional careers.

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Above all, this book is dedicated to Isabella, Camilo, and Violeta, who make research interesting and life meaningful.