

State Format, Shape of Government and Democratic Performance

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Abstract

Representative government can be considered as the 'engine room' of any democracy. It is the political executive transforming societal needs and preferences into public policy. In this paper we focus on 44 democracies across the world. First, we discuss the institutional format and shape of democratic government and ask to what extent cross-system differences affect policy performance as regards welfare services. We find that both the format of the democratic polity and the organisation of government are relevant for policy performance. Second, we explore the question to what extent this performance is associated with degrees of 'democratic performance' and an enhanced 'quality of life' and what factors may hinder this. We find that parliamentary democracies within unitary states with a decentralised policy organisation show a positive relationship between public welfare and democratic performance.

Introduction

Government can be considered as the 'engine room' of any political system, here the democratic state. It is the executive that transforms societal needs and preferences into public policy (see also: Lijphart, 2008; Schmidt, 2002). In this paper we focus on a large variety of democracies (N = 44; see [Appendix](#)) that can be considered as democratic governments. The focus is mainly on the institutional context within which governments operate. More often than not this context is taken for granted if the policy performance of representative government is discussed. Obviously, political and societal actors are also relevant to understand variations in policy performance. Yet, we put forward that precisely the format and shape of a democratic polity and subsequently its organisation of governance is essential to understand the cross-national commonalities and differences in public policy formation and related effects in terms of political stability and social peace (Bingham Powell, 1982; Lijphart, 2012). Hence the research question is: to what extent do institutional variations within democratic polities and related features of the political executive make a difference as regards its eventual policy performance?

First, we shall discuss in the remainder the format and shape of democratic government from an institutional perspective and ask to what extent these cross-national differences affect their policy performance (indicated by means of functional public spending). In other words: what does representative government produce as regards public welfare (measured by social, educational and health care policies). The main finding is that the format of the polity and the organisation of government are both indeed relevant to understand the cross-national variation in public policy performance. Second, we explore the question to what extent this policy performance spills over in higher levels of 'democraticness' and 'societal welfare'. The concept of democraticness (Cf. Keman, 2002) represents the degree to which political rights and rules are effectively abided to by the state and allows the population to express its preferences by means of voting, on the one hand, and the extent to which the variation in democratic performance is associated with welfare, prosperity and (absence of) societal manifestations protest and public unrest, on the other hand.

As will be demonstrated, there is a positive relationship between higher levels of 'welfare statism' and lower levels of political trust and societal satisfaction [6]. This relationship is in turn to be understood as being related to the institutional format and shape of democratic governance. As Arend Lijphart [1] has put it: representative government is associated with a "better and kinder" society. However,

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this situation of 'good governance' is not confined to or explained by Lijphart's 'consensus' types of democracy *per se*, but appears to prevail in unitary states, if characterised by a decentralised organisation, on the one hand, and where responsible government is the ruling format [4,7]. Hence, this paper contends not only that democratic "institutions matter" but also that its actual design makes a difference in terms of 'good' governance of society.

Government: Format and Organisation

The main functions of any government are policy-making and policy-implementation. Obviously the way governments are organised is important. In addition, political leadership plays its role. With the *organisation* of government is meant the rules that determine the decision-making process within and between government and parliament. At the same time the policy-making capacity of government is influenced by the degree of *vertical* and *horizontal* organisation of the polity. This will be discussed below by discussing the comparative features of the state *format* in relation to the pivotal role of party government in democracies.

State formats and the shaping of Government

The powers of government or the executive are strongly related with the responsibility for the whole of a state's territory and those units of government concerned with only a part of it. In other words: the degree of *institutional autonomy* of government as the executive branch in terms of functional capacities, on the one hand, and in terms of geographic jurisdiction, on the other, is a vital part of the analysis of governments in terms of competencies. Hence, the state format has certain implications for the overall degree of democratic governance. The *state format* refers then to distinctions like federal and unitary, centralised and decentralised, and also to the degree of power sharing among the central and sub-national units (devolution) that make up the complexion of a national government and the related powers of decision-making [8]

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	Number	Percentage
Format:		
Unitary state	30	68.2
Semi-federal	5	11.4
Federal	9	20.5
Organisation:		
Centralised	17	38.6
Devolution	15	34.1
Decentralised	12	27.3

Table 1: State Format and Organisation in Liberal Democracies (N = 44).

Note: all variables – sources – computations are listed and explained in [Appendix](#).

Source: Woldendorp et al., 2000: 34-35 (and updates).

It is clear from this table that 31.9 per cent of all nations under review have a federal or a semi-federal state format. Secondly, it should be observed that many of these countries are characterised by a large territory (e.g. Australia, Canada, India and the USA), or by a history of ethnic, religious or linguistic divisions (e.g. Belgium, India and Switzerland). However, this is not by definition the sole reason for establishing a federal government [9]. As has been put forward in the ‘Federalist Papers’ – a political debate in the USA preceding the formulation of its constitution – another important argument has been the principle of local sovereignty and self-government (like in Switzerland). It is important therefore to distinguish between the need for effective government given the ‘tyranny of distance’ and the wish of self-regulation or local autonomy. The latter principle is often laid down in the constitution in a detailed fashion, whereas the former justification is hardly ever mentioned. However, for instance in Australia and India, the executive powers of the federal government tend to become stronger over time [10].

The stricter and more elaborated, however, the federal constitution is, the stronger the institutional *autonomy* of the constituting parts will be. In a truly federal system, the changing of the distribution of executive and legislative powers cannot be undertaken arbitrarily by the national government but must involve the non-central units either by overcoming their ‘blocking powers’, or by finding consent through political compromise [5,11]. Hence, a federal state is mostly characterised by an elaborate constitution or set of ‘basic laws’, which are difficult to alter and are quite specific concerning the balance of power between the centre and the constituting geographic parts of the realm. Some authors have therefore called the central government within a federal polity the ‘semi-sovereign state’ [2]. Of course, this has implications for the room for action of national government. Parallel to the national government the non-central layers of government have considerable powers of decision-making and policy-implementation (and often of taxation). Like with semi-presidential government it is a system of *co-existent* governance: power sharing between the centre and the sub-national political units. In most federal polities this situation can easily lead to gridlocks, in particular this is the case if certain policy competencies are overlapping or, conversely, are completely separated. It is therefore a matter of dispute whether or not the policy performance of federalism equals that of a unitary state [4,8,10].

The reason is of course, and quite logically, that a federal state is characterised by a decentralised organisation. Yet, it should be noticed that in many unitary states similar provisions are made or have over time developed. One can surmise a number of institutional arrangements that allow for institutional autonomy of specific minorities or regions within the unitary state. This, again, influences the structure of government. On the one hand, this is brought about by means of geographic decentralisation, on the other hand, through functional decentralisation (i.e. leaving implementation of certain policies to governmental or semi-public bodies; an example is the Netherlands) [12]. A good example of functional *and* geographic decentralisation is Scandinavia: in the Scandinavian countries the local communities have extensive powers of regulation and taxation. This type of state format is often considered as ‘decentralised’ and concern 27.3 per cent of the states under review. In the United Kingdom the government has recently given some form of ‘Home Rule’ or devolution to the Welsh and Scottish regions. In South Africa the constitution has been amended to give greater autonomy to the Provinces, whereas regionalisation has been extended and institutionalised in Spain and Italy. Hence, in addition to the formal division between federal and unitary states, one should take into account that the institutional format and organisation of the state in terms of federalism and decentralisation may well have an impact on the policy performance of representative government.

In conclusion: the powers of government can in part be derived by the institutional arrangement in terms of its state format and organisation. The distribution of power in unitary states can also be divided geographically and organised functionally in degrees of institutional autonomy. It depends therefore in an equal measure, on how the constitution provides for the extent to which the government is constrained in its exercise and implementation by extant degrees of decentralisation, regardless whether it concerns a federal or unitary system. This kind of formal arrangement of multi-level governance influences, of course, the working of representative government and its policy performance [13]. Below we shall discuss the decision-making powers of representative government per se. As stated, we consider government as the central agency within the institutional fabric that shapes its capacities to make policy.

The Organisation of Representative Government

Contrary to presidential systems parliamentary governments are different regarding the balance between the party composition of (coalition) government, the role of the Prime Minister and position of ministers. The executive involves a particular tension between collegiality and hierarchy between a pre-eminent chief minister and a ministerial college of *political equals*. In most presidential systems ministers are merely dependent on the leadership of the Head of State, if not in fact subservient.

The principle of ‘collegiality’ involves not only equality in rank-and-file within government, but also the idea that all decisions are made *collectively*. That is to say: an individual minister must abide to the collective responsibility *vis-à-vis* parliament. If not, than the minister is expected to resign. If it concerns a *coalition* government – and in reality this is often the case – this is almost a fixed but informal rule. The reason is that the parties in government do not allow for upsetting of the delicate inter-party balance established among the participating parties [14,15]. This type of organisation of cabinet-government is almost exclusively West European and affects political performance since maintaining consensus requires compromises

within the cabinet on the basis of collegiality. However, there are two other types of cabinet-government: Prime Ministerial cabinets and Ministerial governance.

Prime Ministerial cabinets have either developed as a practice, which is a consequence of the division of the party system. In most Anglo-Saxon countries, due to their ‘First-past-the-Post’ electoral system, there is (almost) always a majority party in parliament. Hence, this party is government and the party leader forms his or her government and is in a position to dismiss and to appoint ministers (i.e. reshuffling). Yet, *Prime Ministerial government* also exists in parliamentary systems where a coalition is necessary to govern. Here the Prime Minister derives his or her dominant position from the *formal* relations between the executive and legislative: the Prime Minister is often less vulnerable because of the ‘constructive vote of no confidence’. In this type of cabinet government, as in Germany and Spain, it is the ‘Chancellor’ who deals with parliament primarily and controls the individual ministers (and thus to a certain extent the related policies). In a sense, the chancellor is the ‘conductor’ and supervisor with respect to policy co-ordination. The power division between the president and prime minister in semi-presidential systems is similar to this: the prime minister is in fact the policy coordinator, whereas the president is supervisor and has re-shuffling powers.

Finally, there is the ministerial cabinet-government. Here, the ministers have no collegial obligations, nor is the Prime Minister a supremo, but rather a *primus-inter-pares* [16]. Each and every minister is responsible for his or her policy area and, consequently, there is little policy co-ordination. In fact, the Prime Minister is basically a power broker, who is involved in two arenas: within government and vis-à-vis parliament. It will not come as a big surprise that ministerial cabinet-governments are seen as less efficient in decision-making compared with other types of representative government. It is obvious that ministerial cabinet-government is the least hierarchical of the three parliamentary forms of government. Finally government organisation is strongly influenced by the constitutional rules, conventions and by the working of the party system [14].

Political Performance and Democratic Governance

We define government as those institutional ‘mechanisms’ that allow for public decision-making (under conditions of rule of law, i.e. *Rechtsstaatlichkeit*) maintaining a democratic performance, on the one hand, and are the machinery for implementing and enforcing collective decisions by means of public policies, on the other hand. The idea is that government is the *core* of the political system and that it (re)acts in order to promote the public welfare and prosperity. The extent, to which government is indeed functionally capable of doing this, depends on the ‘structure induced equilibrium’: achieving an optimal balance between parties in parliament and in government. We contend that both the state format and the decision-making rules within government are driving the eventual policy performance [17]. The stronger the equilibrium, the better a political system performs, i.e. its *political performance*. Yet, this form of stability in itself is not enough to assess the democratic performance of government through state action.

For empirical-analytical purposes Lane and Ersson [18] have made a useful distinction between policy performance, on the one hand, and democratic performance, on the other. Policy performance refers to the extent to which government is indeed capable of developing

fiscal means and regulative measures to enhance public welfare for its citizens. Democratic performance refers to the extent to which government, according to the existing institutions, is responsible to society as well as accountable for its publicly enforced actions. Both concepts can be considered as indicators of political performance in terms of democratic governance. Below the relationship between the features of the democratic state and representative government and the two dimensions of political performance are examined. The guiding question being, of course, whether or not there is a relation between political performance and democratic governance [2,19].

The Policy Performance within Democracies

The core business of government is to rule to ensure stability through the exercise of authority. This in turn requires that the structure and activities government is fit to perpetuate its own existence and ensure the survival of the democratic system as a whole. Hence, the longevity and endurance of a regime and the related shape of governance indicates the ability of a system to contain or reconcile societal conflicts. According to Heywood legitimate government is based upon consensus and consent. This would mean that democratic state and its government in particular, must be *responsive* to popular demands and pressures. Conversely, if this would not be the case then it can be expected that the support for government is inadequate for its survival. It is expected that representative democratic government is more capable of coping with conflict and turmoil than most other (not or less democratic) governmental structures [20]. However, the caveat regarding democracy and stability is that it is founded upon a delicate balance between responsive policy-making and the need for effective policy *implementation*. This is the art of steering the ship of state through problematic social and economic ‘problems’, and thereby enhancing public welfare and with it policy and democratic performance [10,21].

Among others, Bingham Powell [3] and Lane and Ersson [18] have attempted to measure the performance of political systems across the world by means of comparative data on the level of democracy, the number of years of the present constitution and uninterrupted democratic rule, on the one hand, and rates of protest and violence over the last 30 years, on the other hand. We replicate this descriptive analysis by relating the features of 44 democratic polities by two indicators of ‘democraticness’: degree of *pluralism* (i.e. participation of parties and organised interests) and level of *polyarchy* (derived from Dahl, 1971 – indicating the adherence to and maintenance of individual and collective rights of the population). Table 2 reports the outcome and shows to what extent representative governments have indeed established ‘stable’ if not ‘peaceful’ relations with society.

	Democraticness	Pluralism	Polyarchy
Constitutional Years	0.50	0.52	0.33*
Duration Undisturbed	0.74	0.71	0.48
Duration Disturbed	0.72	0.66	0.47
Protest	-0.41	-0.50	-0.25
Strikes	0.21*	0.11*	0.23*
Violence	-0.72	-0.81	-0.49

Table 2: Associations with. the Degree of Democraticness (N = 44).

Note: All correlations are Pearson product moment coefficients and all results are significant at the 0.01 level (one-tailed) unless they are flagged (*).

From Table 2 it is obvious that high levels of democraticness are associated with the period a country having had a constitution and experiencing an uninterrupted democratic polity. Conversely, this obviously coincides with an absence of high levels of protest and violence. In short, the more enduring a democracy is, the more 'peaceful' society appears to be. Alternatively, strikes are an accepted and legitimate form of protest. However, one may wonder, whether or not this is also the case if, for instance, the socio-economic situation is worsening (like in Greece and Spain recently), and – for instance – the levels of unemployment and inflation (also known as 'misery') are getting high(er)?

From regression-analysis these circumstances appear only to be relevant in terms of the effect produced by low(er) levels of economic growth, which is associated with higher levels of protest and having together a negative bearing on the level of democraticness [22]. Hence, it transpires that cyclical effects of economic misery are not directly affecting the democratic governance. It appears to be rather a matter of a structural deficiency, i.e. an economically poor nation is not only associated with less democraticness, but also government (apparently) has less 'room for manoeuvre' to remedy such a situation and thereby affecting the development of stable democratic governance [20,23].

This conclusion is in accordance with a large part of the literature that focuses on the determinants of democratisation and democratic development [24]: economic development is an important condition for democratic governance. Yet, as Manfred Schmidt [25] has demonstrated, there is more to it. Although 'economics' matters, it does not and cannot explain satisfactorily the comparative variation in the political performance of nations.

This can easily be demonstrated by replicating the so-called 'Zöllner Model'. The 'Zöllner Model' assumes that both demographic factors (like the level of the dependent population) and economic affluence (e.g. the level of GNPpC) determine the room for public expenditures and thus the provision of public welfare by governments. In other words: government, democratic and non-democratic alike, will produce policies – education, health care and social security - depending on the economic development of the society they rule. Yet, so it is argued, this may true to a certain extent, but it does not fully account for the cross-national variation in social policy provision. For example, all countries do need military forces to safeguard their sovereignty, in particular 'young' democracies. This tends to crowd out other functional expenditures and restricts the policy priorities by government. However, and that is the main point, the regression analysis reported in Table 3 demonstrates to what extent the 'Zöllner Model' explains the policy outputs of democratic government by other factors than the state format and government organisation of democracies [22,25].

The results demonstrate that demographic factors are hardly relevant, whereas economic circumstances are relevant for understanding the development of welfare policy outputs. At the same time it is also obvious that there is ample room for further explanation as the explained variance (Adjusted R²) is at best not higher than 65 per cent to 66.1 per cent (re. Defence and Social Security). It signifies that in most democracies policy performance depends only to a certain extent on the wealth of a nation and incremental forces over time (and may well be due to inertia within the state organisation). Second, it should be noted that the *size* of the public economy is hardly the result of the independent variables of the Zöllner Model (defying 'Wagner's Law'). Conversely, we observe that the *policy choices* made show a certain degree of priority: social welfare and health care are predominant, whereas this is less the case with education. Hence, there are other factors at work that direct the size and functional allocations of the public economy – at least in democratic states. Thirdly, the parameter, which is significant in all equations in Table 3, is the *original level* of expenditures (in the 1970s) and accounts for much of the explained variance. This policy legacy is not supporting the Zöllner Model, but rather demonstrating that the original choices made are quite stable over time and affect present levels of policy output by governments. Hence, political decisions made and put into effect have a strong tendency to be 'path dependent' [26]. In short: it is apparent that *non*-political developments alone do *not* account for policy making and related spending in democratic systems.

This conclusion is in accordance with an accepted point of view in the literature on 'new' institutionalism and public policy analysis: namely that the institutional design of political systems not only produce effects as incrementalism, inertia and path dependency, but also do directly affect the policy outcomes, and thus also political performance [24,27]. It appears valid therefore to pursue the examination of the central thesis of this paper: *institutional* factors do account for the political performance of representative government and can explain the cross-national variation in democratic performance. If proven tenable, it will shed light on the relationship between 'policy performance' and 'democraticness' of a society.

Types of Democratic Regime and Policy Performance

In the previous section we found that 'time' has an effect on policy performance (by means of path dependency and incremental developments). As the size of the public economy (total expenditures by government) is not really relevant within our universe of discourse (Table 3), we shall focus on those policy areas that represent the development of public welfare: Social Security, Education and Health Care. These areas represent the core of the 'welfare state'. The question

Dependent Variables	Independent Variables			
	Population	Level of affluence	Original Level	Explained variance
Gov. Expenditures	-0.07	0.04	0.46*	18.0%
Social Security	0.10	0.40*	0.57*	66.1%
Health Care	-0.04	0.57*	0.52*	51.5%
Education	0.21	0.24	0.43*	25.1%
Defence	-0.06	-0.17	0.87*	65.0%

Table 3: Application of the Zöllner Model (N=44).

we need to answer is then: to what extent both 'age of democracy' and 'type of democratic polity' is of influence on the policy choices made as is reflected in the allocated levels of expenditure. Hence: does it make a difference whether a democratic regime exists longer or not, and, whether it is a presidential, parliamentary or a semi-presidential system or not?

The results of this exercise show that the aging of democracy has an impact on the levels of expenditure for all policy areas, in particular on social policy. This reinforces the conclusions drawn from Table 3: the longer a democratic polity has been in operation, the more 'welfare statism' seems to be developed. The impact of universal suffrage can also be noticed, but to a lesser extent than is often thought. It has been argued that the introduction of universal suffrage would enhance the development of 'welfare statist' policy-making. However, as Castles has shown [28] one cannot expect a direct link between electoral laws and policy formation. Yet, at the same time it appears relevant whether constitutional government is presidential or not. Presidential regimes are hardly promoting the extension of a welfare state related policy performance, if and when compared with parliamentary and semi-presidential governance. Hence, the policy performance of power sharing governments is (positively) different from polities that are characterised by a strict separation of powers and strong presidentialism.

	Social Security	Education	Health Care
Intercept	-1.97	2.42	2.08
Duration of Democracy	0.42* (3.17)	0.31* (1.99)	0.22 (1.46)
Universal Suffrage	0.24 (1.73)	0.24 (1.66)	0.25 (1.60)
Parliamentary executive	0.51* (2.30)	0.21 (1.38)	0.19 (1.34)
Presidential Executive	-0.39* (-3.19)	-0.15 (-1.04)	-0.22 (-1.59)
Semi-Presidential Executive	0.42* (3.10)	0.22 (1.54)	0.17 (1.20)
Adj. R ²	39.3%	11.3%	12.3%

Table 4: Duration and Type of Democracy and Policy Performance.
Note: Based on OLS-regression technique; T-values between bracket; the coefficients are standardised.

The Impact of State Format and Government Organisation on Policy Performance

We expect that state format, on the one hand, and government organisation, on the other, will affect policy performance. The distinction between unitary or not and centralised or not, so it was argued, would make a difference as to public expenditure as well as to the effect in terms of societal performance. In addition, it was argued that the way (party) government is organised – more or less hierarchical, on the one hand, and more or less directly dependent on parliament – would affect policy performance. Below we present these ideas by means of regression analysis.

It is immediately clear from Table 5 that the format of the state is of minor influence on the actual policy-performance of government. However, a closer inspection of the results also shows a paradox that is often disregarded: a unitary structure is not necessarily precluding

Independent Variables	Policy Performance	
	General Government	Social Policy
Intercept	13.33	22.91
Federalism	-0.45** (-2.48)	-0.71** (-2.52)
Decentralization	0.49*** (3.46)	0.75** (2.70)
Bi-cameralism	-0.35* (-2.27)	0.02 (0.13)
Adj. R ²	13.7%	15.4%

Table 5: Unitary-Centralized versus Federal-Decentralized States and Policy Performance (1990).
Note: See Table 4 for explanations.

identical mechanisms as are considered 'natural' for federalism [11,2]. Many unitary states have institutional equivalents, which produce similar effects on the policy performance. And, precisely this produces the paradox. Although federal states have lower levels of public expenditures, which seems to be reinforced if and when there is *symmetrical* bi-cameralism [29], this appears to be moderated by a decentralized organization of the state. And, so we argue, one should take into account whether or not the extent to which the state format is federal or not and genuinely decentralized or not (indicated by institutional autonomy [10,21]). Hence, the conclusion must be that although the state format is only indirectly relevant for policy performance, it seems that the degree of (de)centralization is important.

The same line of argument can be applied to the organization of national (or: central) government. As we have observed, there is a difference between presidentialism and the other types of democratic governance. We can, however, refine this statement by inspecting how the 'body' government is organized in terms of hierarchical features, on the one hand, and its relationship with the assembly or parliament, on the other hand. Two hypotheses can be formulated:

- The more hierarchical government is organized, the more presidential its style of leadership and related performance will be (regardless whether it is a presidential or parliamentary system).
- The stronger the dominance of government, in particular the Head of State and Head of Government, over parliament, the more presidential the style of leadership and related performance will be.

In other words: we expect that the *hierarchical* features of government have a bearing on the degree of power sharing and on political consensus and cooperation and thus on democratic performance.

Judging the results of Table 6 it appears that the first hypothesis is tenable. At the same time it is also obvious that a dominant position of the Prime Minister and a 'strong' parliament is not translated into an enhanced policy performance. It is therefore interesting to note that, whether a polity is presidential or not, that the position of the Head of State seems to be more influential than is often thought. If the prerogatives of the Head of State allow for (active) intervention the evidence points to the fact that it arrests higher levels of spending. Yet, in democracies where government is dominant over parliament or where the relations between the executive and legislative are balanced

Independent Variables	Policy Performance	
	General Government	Social Security
1. Intercept	39.03	28.19
PM dominant	-0.02 (-0.144)	-0.14 (-1.14)
HOS dominant	-0.39** (-2.59)	-0.65*** (-5.28)
Adj. R ²	15.3 %	38.9%
2. Intercept	28.0	19.0
Government dominant	0.35* (2.40)	0.56*** (4.40)
Parliament dominant	0.08 (0.40)	-0.35 (-1.82)
Balanced Relationship	0.32 (1.61)	0.74*** (3.97)
Adj. R ²	30.2%	43.6%

Table 6: The effects of hierarchical government and dominating executives on public expenditures.
Note: See Tables 4 for explanation.

it appears to promote (active) policy-making. Hence, the second hypothesis is not supported by our analysis. This can be understood by referring to the analyses of Arend Lijphart [1]. In a parliamentary systems the decision-making follows the game-theoretic logic of a win-win set for all involved (i.e. consensus) that is optimal, whereas in a system with a dominating player the outcome tends to be ‘winner-takes-all’, often meaning that under asymmetric executive – legislative relations policy performance is stalled.

We conclude therefore that the role of government is more central to policy performance than parliament is (unless in a balanced situation), if the Head of State or Prime Minister is institutionally strong, it will negatively affect active policy-making. If government is dominant, regardless of whether or not its ‘primus-inter-pares’ is powerful, this can enhance the policy-making capacity of government. The same inference can be made for democratic systems where the executive-legislative relations are balanced. Hence, there is not only a difference between parliamentarism and presidentialism *per se* [30], but also between democracies where the Head of State, on the one hand, and parliament, on the other, prevail in terms of prerogatives. This observation leads us to conclude that the way the constitutional powers are *distributed* is more important than the way they are separated or shared [1,31,32].

The overall conclusion of this section is therefore that the institutional design of the state in conjunction with the organization of government does matter. They both shape policy performance. Hence, the institutional fabric of democracy is relevant for effective policy formation.

Democratic Government and Democratic Performance

The question that is still begging for an answer is: are democratic institutions and policy performance significantly related to the features that represent democratic qualities in terms of a ‘good’ governance? Central to the comparative analysis of democratic politics is on the one hand – as Daalder and Lane and Errson have argued - that institutional devices as such may be important but do not unequivocally produce ‘good governance’ or a ‘good society’. On the other hand, Keman and Schmidt have shown

that particular institutional features produce better performances than others [3,22,27,28,33].

In this section we shall inspect whether or not the various types of democracy are indeed conducive to democratic performance. Democratic governance is defined here as the level of democraticness achieved within the polity (recall Table 2). In the remainder of this section we shall review both indicators of democratic performance comparatively. In addition, we shall inspect to what extent a relative underperformance results in societal protest or political defection by citizens. This allows us to draw conclusions of the effects of democracy as an institutional system on both aspects of democratic governance: legitimate governance and the related quality of life as produced by policy performance [5,6].

State Format, Type of Government and Level of Democraticness

There are two normative lines of reasoning, which argue that differences of state format and government type have an impact on the level of democraticness. First, many ‘federalists’ argue that federal arrangements tend to be more democratic than unitary states [34]. The main advantage of federalism is considered to be that it is based on parallel power sharing and – following Jeffersonian ideas - enhances political control and redistributive justice and thus produces (more) democratic governance. The second line of thought concerns the debate on the deficiencies of presidentialism vis-à-vis parliamentary systems [30]. Although presidential systems are recognised for their separation of powers, they are also characterised by their tendency to be politically instable. On the one hand, this is due to the separation of powers, which can easily lead to gridlocks in decision-making (like ‘divided government’ in the USA). On the other hand, the fact that presidential government is dependent on one person, who often feels legitimised (e.g. due to his or her direct election) to deviate from standing procedures, or even to resort to unconstitutional practices. In summary: it is argued that both Federalism and Presidentialism have specific effects on the level of democraticness. The former a positive, and the latter a negative effect.

Indicators of Federalism and Presidentialism:	Democraticness	Polyarchy	Pluralism
Presidentialism	-0.62*	-0.63*	-0.46*
Federalism	-0.70*	0.02	0.01
Presidential Powers	-0.44*	-0.50*	-0.53*
Decentralization Index	0.30*	0.14	0.42*

Table 7 Bi-variate relations between indicators of democraticness and Federalism & Presidentialism.
All Pearson Product Moment Correlation; significant results (p≤0.01) are flagged (*); N=44

The correlations reported in Table 7 appear to be quite conclusive: presidential systems are strongly and significantly related to lower levels of democraticness, pluralism and polyarchy. The claim that federalist institutions of democracy are superior cannot be sustained. Yet, these results are to a certain extent misleading. If we control the bi-variate results for the levels of affluence of a country and the constitutional age of the polity, it appears that presidentialism is more vulnerable to abuse. However, the good news is, if and when socio-economic conditions are (becoming) favourable and democratic institutions prevail over time the negative relationship between

democratic performance and presidentialism is less significant. This will be even more the case if the state is more than less decentralized.

Democratic Performance and the Quality of Life

In much political science and economic literature the relationship between democracy and the quality of social and individual life is emphasized [1,3]. Some even suggest that after the fourth wave of democratisation (i.e. after the ending of the Cold War), that democracy was not only the sole option for organizing the polity and government in future, but also the natural course to enhancing public welfare and (thus) the quality of life [35]. This argument is in part derived from the idea that a democratically organized society will lead to not only a better policy performance, but also be conducive to more stable patterns of legitimate and democratic governance. Along this road of democratic consolidation it is expected that this development is expressed in an encompassing situation of 'democraticness'. At the same time the expectation is that such a development towards democratic governance is associated by improving material conditions for a society as a whole in terms of the 'quality of life'.

Political performance is thus the outcomes of institutional design and public policy outputs. It follows then that a positive relationship is reflected in an ordered, effective and legitimised rule by government. Conversely, if the performance is absent or below par this may well lead to protest, turmoil and defection. Such a situation could be characterised as leading to diminished democratic governance. As we have seen in Section 2 the relationship between the democratic organization of society and policy performance depends in part on how state and government are organized as well as to what extent the relations between the executive and legislature are shaped. With this in mind we present below evidence regarding the relationship between policy performance and democratic performance and material outcomes.

It is obvious that policy performance of democratic government is highly associated with all indicators of democratic and material performance. To some extent 'misery' is less consistently related to the different policy types because it strongly varies across our universe. In addition it should be noted that both the non-political factors (belonging to the Zöllner model) and the inter-relations between democratic and material performance are significant.

We can safely contend therefore that democraticness and quality of life in society do go together with both favourable conditions and

public policy outputs across the 44 democracies. This allows for the conclusion that if and when the material performance within a society is favourable it is associated with higher levels of democraticness. In turn, this apparently reflects a situation of more stable democratic governance by government. In particular welfare services and social security provisions appear relevant in promoting more income equality (as indicated by the GINI-index), reducing the effects of misery (Unemployment and Inflation). Hence, we contend that the redistributive impact of the policy performance by democratic government spills over in higher levels of democraticness, whether measured through polyarchy or plural representation.

Conclusions and Discussion

The central argument of this paper has been that the institutional design of democracy structures the role and position of government and its 'room for manoeuvre'. This idea has been elaborated theoretically and empirically in order to analyse and interpret the nexus between democratic governance and its related performance. It could be shown that various indices of democratic government produce different types of governance. The main distinctions used and elaborated are the existing format of the state, the type of government in terms of executive – legislative relations, and the organizational features of the 'body' government. The next question begging for an answer has been whether or not the cross-national variation in the institutional design of governance in democracies would lead to certain patterns of policy performance and subsequently to variations of democratic performance (material and procedural outcomes). The overall expectation throughout this paper was not only that 'institutions matter' but also would imply a differentiation in terms of more and less democratic governance of the polities under review. To this end we have brought together elements of theories of democracy and we have confronted these with empirical evidence by means of comparative methods of political analysis [36].

The cross-national empirical analysis presented in this paper has demonstrated not only that there is ample variation across the 44 democracies under review, but also that these differences in the structure of the state and the organization of government produce different policy outcomes and related performances. By and large the result has been that 'government matters' and this is for a large part due to its institutional position and concomitant organization within the polity. It appeared, for instance, that the distinction between federal and unitary states is not a crucial one, but rather the decentralized

Policy Performance	Democratic Performance					
	Human Dev. Index	Misery	Gini	Democraticness	Pluralism	Polyarchy
HDI	1.0	-0.28	-0.48*	0.57*	0.50*	0.51*
Misery	-0.28	1.0	0.15	-0.35*	-0.46*	-0.21
Gini	-0.48*	0.15	1.0	-0.71*	-0.53*	-0.70*
Change GDP	0.57*	-0.44*	-0.73*	0.66*	0.54*	0.60*
Dependent Population	-0.27	0.04	0.50*	-0.56*	-0.33*	-0.57*
Government Expenditures	0.35*	-0.14	-0.52*	0.56*	0.41*	0.55*
Social Security	0.63*	-0.26*	-0.65*	0.71*	0.53*	0.69*
Welfare Services	0.35*	-0.30*	-0.35*	0.48*	0.47*	0.34*

Table 8: Democratic Performance and Quality of Life in relation to Policy Performance.

Note: All Pearson Product Moment Correlation; significant results ($p \leq 0.01$) are flagged (*). Sources and computation: See [Appendix](#).

organization of the state. In addition, so it has been observed, there is indeed a difference between presidentialism and the other types of government in terms of policy performance and political stability. It is crucial therefore to analyse the combined effects of the shape of the state.

Another concern has been the development of empirically based 'middle range' theories on democratic politics and governance. In much literature, however, this is an underrated concern (of course, there are also examples that are not tarred with this brush!). In particular, the logical step to link the fabric of democracy in all its variations with the actual performance is still underdeveloped. Too much political science research is not examining the actual output and outcomes of democratic government, let alone the issue of 'good governance' [5,27]. In this paper this ambition has been highlighted by means of analysing comparatively the performance of democracies by looking into the achieved 'quality of life' in a society and the attainment of a positive level of 'democraticness'.

The analysis reveals that there is a positive relationship between public policies produced and democratic performance. Of course, non-political factors remain relevant as well (as has been discussed by means of the Zöllner model), but it appears equally clear that democratic politics matters with regard to their policy production and societal performance. This seems good news, or at least hopeful news. Yet, at the same time one can observe that the consolidation and extension of democraticness around the globe is a process that is often characterised by volatile patterns of interrupted democratization or even a regression to non-democratic regimes. Recent developments such as mass migration into Europe, violence in the Near East and economic underdevelopment in many parts of the world remain therefore important factors that impair not only for (further) democratisation, but are also problematic for extant democratic governments with respect to developing public welfare and enhancing the quality of life. If this is not the case, and this is not only a consequence for 'new comers' or less wealthy nations, the democratic performance is easily jeopardized and this will impair popular support and thus less legitimacy of government and concomitant policy performance of the state in terms of 'good governance' of society as a whole.

Competing Interests

The authors declare that they have no competing interests.

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