

Executive Cabinets and the Performance of Presidential Democracies in Latin America

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The “third wave” of democratization in Latin America, starting with the Dominican Republic’s transition in 1978, was accompanied by a vigorous academic debate on the working of presidential systems. This debate started with an initial generation of studies framed by Linz’s (1994) pessimistic argument on the perils of presidentialism, and was soon followed by a second generation of studies emphasising the diversity of institutional formats and party systems in presidentialist countries and, more importantly, how this diversity had a relevant impact on the performance of new Latin American democracies (Shugart and Carey 1992; Mainwaring and Shugart 1997).

With the turn of the century, a third generation of studies joined the fray. These studies depart from earlier ones in relation to two key issues, among others. The first is the way in which the idea of performance is addressed, shifting from the overwhelming emphasis on democratic stability to alternative dimensions such as government stability (Pérez-Liñan 2007), rule of law (Andrews and Montinola 2004), fiscal and budgetary policy (Mejía Acosta and Coppedge 2001; Figueiredo and Limongi 2002; Pereira and Mueller 2004; Amorim Neto and Borsani 2004) or accountability (Mainwaring and Welna 2003; Samuels 2004). The second point of departure is going beyond institutional and party system variations in order to deal with variations in presidential strategies for policy-making, which led to a debate about a neglected issue: the building of coalitions in presidential democracies (Deheza 1997; Amorim Neto 1998; Altman 2000; Zelaznik 2001; Cheibub 2007; Chasquetti 2008).

Amorim Neto's *Presidencialismo e governabilidade nas Américas* is, without any doubt, a first class academic contribution to this ongoing debate on the workings of presidential democracies. Its main focus is on the executive cabinet, trying to grasp the determinants of its party composition, as well as some of its political and economic consequences. To this end, Amorim Neto makes use of a variety of analytical tools: from deductive decision-theory models to inductive reasoning; from empirical testing to interpretive analysis; from qualitative one-case study to quantitative cross-sectional analysis. Over seven chapters, Amorim Neto conducts a deep and sharp inquiry, where one can find not only insights about the problems of governability in presidential democracies but also — and more importantly — a rigorous academic analysis on the way presidentialism is actually working.

Besides some basic definition, the first chapter develops a justification of the relevance of executive cabinets as a research subject. The central idea is that ministerial posts are a crucial strategic resource at presidents' disposal to get their policy agendas enacted and control the bureaucracy. Hence, it is worth analysing the link between presidents' decision-making strategies and patterns of cabinet formation, as well as its consequences for cabinet stability and macroeconomic performance.

Chapter 2 constitutes the core of the book. By means of a decision-theory model, Amorim Neto deductively generates hypotheses that attempt to show how presidents build different kinds of executive cabinets in order to further their strategies. According to this model, presidents seeking to get their policies enacted by Congress would appoint a different kind of cabinet in comparison with presidents seeking to get their policy agenda enacted through executive prerogatives (i.e., decree power). The former would appoint ministers in such a way as to ensure majority legislative support, selecting mostly party members, and distributing the posts among coalition partners in proportion to their legislative representation. In contrast, the latter would not care about securing majority legislative support, leading to minority cabinets, with more technocrats and cronies than party politicians, and with little attention to a proportional distribution of posts. Thus, presidents would use their strong appointment powers to balance the weakness of their legislative powers.

The decision-theory model allows Amorim Neto to obtain some variables that would affect the policy-making strategy presidents would choose and, as a consequence, the type of cabinets they would appoint. These variables are decree authority, electoral timing, presidential legislative contingent, strength of veto power, ideological extremism of the president, party discipline and economic crisis. In order to test these hypotheses, Amorim Neto develops appropriate measures to grasp the differences in cabinet composition (the dependent variables of the analysis) according to their legislative status (majority or minority), level of partisanship and coalescence (or level of proportionality), and runs econometric models using data from 13 Latin American countries from the late 1970s to 2004.

The econometric analyses provide mixed support for the hypotheses. The size of the legislative contingent of the president's party is an important variable for all the three dependent variables, while the interaction between decree power and extremist presidents is significant for both partisanship and congruence. Yet, decree power is not a significant explanatory variable of the legislative status of the cabinet, meaning that having strong legislative powers does not deter presidents from building cabinets with majority support. Amorim Neto accounts for this incongruence between the theoretical expectations of the model and the empirical findings by means of a relevant distinction between nominal majority cabinets and effective majority cabinets. If this were true, the finding would partially validate the traditional pessimistic view about the lack of political relevance of coalition building in presidential democracies (Valenzuela 1993; Stepan and Skach 1994).

Chapter 3 turns from the determinants of cabinet formation to its consequences, focusing on the impact of cabinet legislative status, partisanship and coalescence (i.e., proportionality) on cabinet durability and ministerial stability, in the presence of other relevant variables that the literature has identified as significant (Altman 2000; Martinez-Gallardo 2005; Kellam 2007; Chasquetti 2008). By means of econometric analyses with data from the same countries studied in the previous chapter, Amorim Neto finds that the patterns of cabinet formation have a significant statistical and political impact, though the evidence is once again mixed. Cabinet partisanship is relevant for both cabinet durability and ministerial stability, while cabinet legislative status is relevant only for cabinet durability, and coalescence only for ministerial stability. Even though most of this chapter's findings are not counterintuitive, they show that for cabinet durability, majority legislative status and a partisan pattern of ministerial appointments foster cabinet survival, something usually regarded as potentially beneficial to the ability to enforce policies.

Chapter 4 focuses on policies, and more specifically on macroeconomics policies. To this end, it carries out an econometric test on the same set of countries of previous chapters over the 1980-1998 period. The aim is to assess the impact of patterns of cabinet formation — among other variables deemed significant in the literature — on the fiscal deficit. The tests confirm the impact of variables usually included in this kind of study, but also provide fresh evidence on the impact of cabinet formation: according to Amorim Neto, coalition cabinets have a negative effect on fiscal performance (vis-à-vis one-party cabinets). However, the detrimental impact of coalition building is eased when the distribution of cabinet posts among coalition partners is proportional to their share of legislative seats. Hence, patterns of cabinet formation appear to be relevant for macroeconomic performance.

Chapter 5 constitutes a different kind of academic inquiry. It is not a large N study in which some hypotheses are tested by means of econometric models, but a discussion of some of the most important contributions on the workings of the Brazilian political system.

In so doing, it tries to provide a bridge between those who find that Brazil has a pattern of governance similar to that found in European parliamentary democracies (Figueiredo and Limongi 1999), and those worried about its poor and erratic performance (Mainwaring 1999; Ames 2001). In this sense, Amorim Neto argues that both threads of the literature shed light on different patterns of governance actually coexisting in the Brazilian political system. Cabinet formation is the trigger leading either to an erratic or consistent policymaking process, but here again, the distinction between nominal and effective majorities is brought to the fore in order to reconcile the disparate findings of the literature.

Chapter 6 turns back to empirical analysis, but in this case, Amorim Neto conducts a qualitative study of a single case, Venezuela 1959-1994, trying to grasp the impact of coalition formation on decision-making strategy. Although Venezuelan presidents do not have the power to unilaterally issue legislative measures by means of decrees without previous legislative delegation, they are constitutionally granted powers to issue administrative decrees that under some conditions stand as laws. The evidence presented by Amorim Neto seems to support the main argument of the book: firstly, majority presidents have higher rates of legislative success than minority presidents; secondly, variations in the legislative basis of cabinet over a presidential term seem to have some impact on the presidential disposition to issue administrative decrees.

The last chapter summarizes the main findings, contributes to the setting of a research agenda on the subject and speculates on the impact that a change from presidentialism to semi-presidentialism would have on the overall performance of Latin American political systems.

Though it would not do justice to the richness of Amorim Neto's contribution, three main points could be emphasised. First, the diversity of patterns of cabinet formation discussed throughout the book shows that presidents have more alternatives than prime ministers in parliamentary systems. Second, these different patterns of cabinet formation are relevant for many dimensions of performance, such as cabinet durability, policy-making strategy and macroeconomic policy. Third, the legislative status of the cabinet should not be taken at face value, since a relevant distinction should be made between nominal and effective majorities.

Across almost 200 pages of main text, Amorim Neto offers a systematic, rigorous and sophisticated contribution to the ongoing debate on the functioning of presidentialism in Latin America. *Presidencialismo e governabilidade nas américas* is a book that should be read by anybody interested in Latin America, democratic performance and political institutions, as well as those seeking a contribution of Political Science at its best.

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