

Introduction

Imagine the following puzzle: A formally democratic nation confronts, over many years, crises of inflation, government waste and corruption, pension system deficits, inadequate social services, violence, and social inequality. Substantial majorities of the population support proposals dealing with these crises. In the legislature, few parliamentarians oppose the proposals because of principles or voter pressure. And yet these proposals rarely emerge unscathed from the legislative process. Many, because they have no chance of passage, never arrive at the Congress's door. Others die in committees. Some proposals ultimately win approval, but long delays and substantive concessions weaken their impact. Rarely can the president avoid paying a high price, in pork and patronage, for legislative support.

This puzzle characterizes the past fifteen years of politics and policy-making in Brazil, Latin America's largest democracy. Brazil is often described as a nation where governability is a permanent problem. *Governability* is the sort of hot topic whose meaning is hard to pin down, but at its core lie two political processes. One involves the efficiency of a nation's executive and legislative branches in the making of programs and policies; the other relates to the government's ability to implement these programs and policies. This book addresses the policy-making aspects of governability in Brazil. More precisely, the book explores the relationship between Brazil's national political institutions, especially the rules and practices of electoral and legislative politics, and the probability that the central government will adopt new programs and policies. Although the empirical analysis centers on the past fifteen years of Brazilian politics along with the last years of military rule, the explanatory ideas and theories come from the broader literature of contemporary political science, and the results of the investigation have implications for developed and developing countries alike.

To comprehend more concretely Brazil's governability crisis, consider just the most recent presidential administration. When Fernando Henrique Cardoso assumed Brazil's presidency in early 1995, his prospects seemed extremely fa-

avorable. The new president was credited with authoring the Plano Real, an economic program that had stabilized the economy and lifted millions out of poverty. The five parties backing Cardoso's election (some only in the second round) included more than 400 deputies, easily sufficient to pass regular legislation and even enough to amend the Constitution. Leftist opposition to the administration was in disarray, utterly demoralized and with no credible alternative program. And the president himself was no lightweight; indeed, a distinguished foreign historian claimed that Cardoso would "arguably be the most intellectually sophisticated head of any contemporary state" (Anderson 1994, 3). With such an auspicious—and unusual—beginning, Cardoso's program should sail through the Congress, and Brazil could begin an assault on its central problems: an oppressive and costly state apparatus, economic inefficiency, and widespread poverty.¹

Has the Cardoso administration, now six years in office, lived up to its heady prospects? Policy successes, mainly in the area of economic reform, surely exist. Liberalization, following the path of Cardoso's predecessor, Fernando Collor de Mello, has proceeded apace, with significant areas of the economy opened to foreign investment, major state enterprises sold, and trade liberalized (Kingstone 1999). In other policy areas, however, progress has been slow and uneven. Congress approved a constitutional amendment allowing reelection for presidents, governors, and mayors. Congressional assent, however, came only after the executive branch doled out pork-barrel inducements and patronage to significant numbers of deputies. In addition, revelations about vote buying suggested that some governors had literally bribed deputies to support reelection in exchange for control over crucial executive appointments in their states (Kramer 1997). By the end of 1998, pension and administrative reform had been approved, but both had languished in the Congress for years, and neither passed without substantial concessions from the administration. Tax reform, long regarded as a centerpiece of economic modernization, had disappeared from the executive agenda. The slow progress of pension and administrative reforms, coupled with the absence of anything resembling a new tax policy, had real consequences. In the massive withdrawals of foreign capital triggered by the Asian crisis in the late summer of 1998, foreign investors and bankers used these policy failures to justify their concerns over Brazil's economic program, and their contribution to the public sector deficit forced the government into an even harsher and more recessionary stabilization program.

1. For a summary of Cardoso's career and political ideas, see Resende-Santos 1997.

Cardoso's inability to move his program quickly through the Congress cannot be blamed either on a lack of solid public support or on principled legislative opposition. In all these policy areas (with the possible exception of the reelection amendment), substantial majorities of the population supported the president's reforms. And as political scientist Bolivar Lamounier pointed out, no alternative proposals competed for the Congress's support ("Soltando as Amarras" 1997).

If Cardoso, playing such favorable cards, has had this much trouble advancing his legislative agenda, imagine the situation confronting a "typical" president. Brazilian executives usually lack even nominal congressional majorities but instead depend on deputies mainly interested in their own fortunes, in local pork, or in the defense of narrow interests, and they face publics dramatically dissatisfied with governmental performance at all levels.

The past fifteen years of Brazilian democratic politics, coupled with the pluralist experience of 1946–64, indicate that the nation's political institutions create a permanent crisis of governability, devastating in normal times and debilitating even for presidents like Cardoso, who seem to hold all the cards. I conclude from this experience that Brazil's political institutions simply work badly.

What does it mean to claim that a nation's political institutions work badly? Badly for whom? Do they serve only the rich, the economic elite? The people who design political institutions belong to the elite, and institutions can hardly be faulted for serving their creators. The tragedy of the Brazilian system is not that it benefits elites; the problem is that it primarily benefits itself—that is, the politicians and civil servants who operate within it. All institutions are biased against change, but Brazil's institutional matrix makes it particularly difficult to adopt policies deviating from the status quo. While policymakers have been able to adopt, at least since 1990, macroeconomic programs facilitating the nation's participation in the global economy, they have been unable to push through fiscal reforms that would consolidate stabilization. Policymakers have also been unable to design and implement educational and social programs that could raise the population's productivity and capacity or ameliorate the effects of global competition, and leaders have made little progress in reducing the cost of government itself.

The argument that a state apparatus can benefit mainly those occupying places within it does not imply—contrary to the rhetoric of antigovernment conservatives—that politicians are intrinsically thieves. To the contrary, many Brazilian politicians and civil servants work long hours and sacrifice private

gain to serve the public good. Rather, the argument begins with the idea that political institutions generate incentives for politicians. These incentives motivate actions that either facilitate or hinder the adoption of public policies likely to improve life for the average citizen. In the Brazilian case, the nation's political institutions generate incentives that encourage politicians to maximize their own personal gain and to concentrate on delivering pork-barrel programs to narrow groups of constituents or political benefactors. Some politicians, resisting these incentives, struggle to legislate on national issues, but they face an uphill and usually unsuccessful battle.

It is necessary to put some substance in the claim that Brazil's political institutions function poorly. In terms of formal powers, the country's presidents rank among Latin America's most powerful. What they need most, however, is support from a political party commanding a congressional majority, and only rarely do Brazil's chief executives enjoy such support. Instead, presidential authority—even, at times, presidential survival itself—depends on the distribution of construction projects and political jobs to crucial governors, mayors, deputies, and senators. Presidents begin their terms with high-minded pieties about avoiding the *troca de favores* (exchange of favors) that their predecessors so scandalously pursued. But political necessity soon rears its ugly head. Unfortunately, even after liberally spreading the pork, the most presidents can expect from the Congress—and perhaps the most presidents want—is a limited acquiescence rather than active participation in the legislative process.

Because the legislature cannot respond nimbly to presidential initiatives, some Brazilian presidents have ruled mainly through emergency decrees (*medidas provisórias*). Since 1988 more than one thousand emergency decrees have arrived at Congress's door. Constitutionally, these decrees take immediate effect, but after thirty days they lapse unless Congress approves them. Since the presidency has no monopoly on either wisdom or virtue, the light of day quickly reveals serious legal or substantive flaws in many emergency decrees, and they are simply allowed to die. In many other cases, the Congress fails to act, and the president simply reissues the decree. Some emergency measures do become permanent laws, but rarely do they survive their legislative voyage unscathed. Typically, final versions of these bills include major compromises, sometimes reflecting the pork-barrel demands of particular legislators or parties, sometimes reflecting the power of deputies beholden to economic interests. Overall, emergency decrees are a way of circumventing congressional obstructionism, but they also put up one more roadblock keeping the Congress from meaningful participation in policy-making.

On its own initiative, the Congress has been too weak, either in the current

democratic experiment (post-1985) or in its earlier incarnation (1947–64), to legislate on issues of national concern.² The legislature's weakness was especially painful in 1988, when the Senate and the Chamber of Deputies joined together as the Constituent Assembly. The assembly produced a 160–page constitution that included such bizarre items as a grant of life tenure to bureaucrats and a ceiling on interest rates, but it left major issues in health care and education for resolution by future legislatures. These subsequent legislatures, to no one's surprise, resolved nothing, doing little more than react to the many emergency decrees of Presidents Collor de Mello, Franco, and Cardoso. In truth, though Brazil's social services are arguably the worst of any large Latin American country, the Congress has passed, on its own initiative, almost nothing affecting education, health, or housing since the new constitution went into effect in 1988.

Without question, macroeconomic stabilization has been the dominant economic problem in Latin America during the early 1990s. Brazil was the last Latin nation to adopt and stick to a workable stabilization program. It was long understood that inflation discouraged productive enterprise and foreign investment, but even when it became clear that inflation hurt the poor most (Cacciari 1997, "Um Choque na Desigualdade" 1996), Brazilian politicians found it impossible to reach an accord. Conservative and moderate legislators ultimately accepted Cardoso's program in 1994, but they refused to acquiesce until the only alternative was a victory by a truly leftist candidate, Luís Inácio Lula da Silva (Dimenstein and De Souza 1994). Even then, rural politicians in the Chamber of Deputies extracted major concessions in exchange for their votes. These concessions, worth billions of dollars, represented not policy compromises but personal financial payoffs.³

Why are Brazil's political institutions so ineffectual? Consider the party system and the legislature. Major, electorally successful parties fall all across the ideological spectrum. Some parties embrace distant, hostile points of view;

2. A number of analysts attempting to explain the military coup of 1964, notably Wanderley Guilherme dos Santos (1979), have stressed the Congress's legislative immobility at the end of the earlier pluralist period. Research on congressional elections or congressional behavior during the 1947–64 democratic period includes Amorim Neto and Santos 1997; Benevides 1976, 1981; Soares 1973; and M. Souza 1976.

3. Many of these reforms, including tariff reduction and the beginning of privatization, needed no congressional assent. Others required ordinary majorities rather than supermajorities. According to Peter Kingstone, in a personal communication, some northeastern deputies supported economic opening because it meant access to high quality goods previously restricted by *paulistas*. Kingstone also emphasized the large size of the coalition benefiting from reduction as opposed to the small group of losers, as in the highly protected computer industry.

others shelter deputies sharing no ideas at all. Party leaders have little control over their members, and many, perhaps most, deputies spend the bulk of their time arranging jobs and pork-barrel projects for their constituents.⁴ Parties in Brazil rarely organize around national-level questions; the Congress, as a result, seldom grapples with serious social and economic issues.

Brazil's presidents benefit little from Congress's programmatic weakness. With only a small chance of stable legislative support, the executive faces politically independent governors, a crowded electoral calendar, municipalities depending on federal largesse for their survival, and a substantial core of deputies caring about their personal incomes first, reelection second, and public policy a distant third.⁵ Because inflation has been the overriding problem since the end of military rule, new presidents often take office with elaborate macroeconomic plans but rarely with programs going much further. And because congressional support must be built on a very wide, multiparty base, the cabinet is likely to include ministers whose loyalties are tied more to their own political careers than to the president's program.

An Institutional Perspective

What causes these political failures? How can we understand Brazilian politics? The focus of this book is institutional.⁶ Douglass North defines institutions broadly, as simply "the rules of the game in a society or, more formally . . . the humanly devised constraints that shape human interaction" (1990, 3). While op-

4. Students of the Brazilian legislative process hotly debate party leaders' degree of control over their backbenchers. Adherents to the "leadership predominance" thesis point to the relatively united behavior of Brazilian parties on roll-call votes (Figueiredo and Limongi 1997b; Limongi and Figueiredo 1995). In chapter 7, however, I will demonstrate that disciplined voting among Brazilian legislators results mainly from constituency pressures, electoral insecurity, and pork-barrel concessions to individual demands.

5. The claim that personal income is relatively more important for Brazilian deputies than for deputies in other systems is based only on my experience and on anecdotal evidence, not on empirical comparison. But the salaries of Brazilian federal and state parliamentarians are roughly equivalent to salaries in the House of Representatives, while per capita incomes in Brazil are a tiny fraction of those in the United States.

6. Examples of institutional analyses of Latin American politics include Michael Coppedge's study of Venezuelan parties (1994), Matthew Shugart and John Carey's cross-national examination of presidential and legislative power (1992), Mark Jones's work on Argentine electoral laws (1995), Barbara Geddes's game-theoretic treatment of presidential coalition building (1994a), Brian Crisp's study of Venezuelan institutional design (1999), studies of coups in Brazil and Chile by Wanderley Guilherme dos Santos (1979) and Youssef Cohen (1994), and Fabiano Guilherme Santos's treatment of the microfoundations of clientelism (1995).

erating within North's definition, I focus on institutions in a narrower sense—that is, I seek to illuminate the effects of the formal structures of politics on the behavior of politicians and on the outcomes of the political process. The central institutions of Brazilian national politics include the electoral system, the presidency, and the legislature.⁷ As this book will demonstrate, these institutions are inextricably linked: the electoral system influences—simultaneously—the kinds of candidates who compete in elections, their campaign strategies, and their behavior in office. Electoral rules also affect the number of viable political parties as well as their coherence and discipline. Deputies' preferences strongly influence legislative outcomes, of course, and the president must continually struggle to mobilize support within the legislature.

An institutional focus implies that institutions have a life of their own, that they are more than the intentions of the actors who created them. But institutions cannot arise from nothing; people must create them. If institutions are works of conscious creation, why not treat them simply as the agents of their creators? Why, for example, is the capitalist state, to employ Marx's famous remark, not merely the executive committee of the bourgeoisie?

The claim that institutions are more than agents of their creators finds support in a variety of research traditions. Scholars have viewed institutions both as organizations, with routinized operating procedures, and as arenas of bureaucratic struggle. The old saw "where you stand depends on where you sit" reflects the tendency of members of bureaucracies, legislatures, and judiciaries to defend purely organizational interests (Allison 1971). Another research tradition emphasizes the short time horizons of politicians. Elected politicians concern themselves mainly with the immediate consequences of their acts; failure to do so jeopardizes their future as politicians.⁸ New institutional arrangements have consequences that may become apparent only in the long run, even though such arrangements are the consequences of decisions taken to solve immediate political problems. Complex social processes also generate unanticipated outcomes. The more complex the institution and the larger the number of actors involved, the more likely it is that politicians simply have no way to predict ultimate outcomes.

Even when institutions produce results that diverge grossly from their founders' intentions, change is slow. Institutions exhibit path dependence. In North's terminology (1990, 94), *path dependence* means that "the consequence

7. *Federalism*, discussed subsequently as one of the major influences on the functioning of electoral and legislative politics, could itself be regarded as an institution. I treat federalism as a historical antecedent simply because its origins lie farther back in Brazilian history.

8. This theme is investigated intensively in Ames 1987.

of small events and chance circumstances can determine solutions that, once they prevail, lead one to a particular path.” Institutions may have built-in barriers to reform, barriers deliberately created by political actors who believed they could constrain their opponents only if they constrained themselves (Pierson 1996). Actors who benefited from earlier institutional change are likely to resist efforts at reform. And as institutions become more established, actors make commitments that generate sunk costs. Because actors become locked into on-going arrangements, exit costs rise.

Given these justifications for treating institutions as distinct from their creators, I will now consider the variety of ways scholars have undertaken institutional analysis. At least four different traditions—here I use Hall and Taylor’s (1994) terminology—have marched under the “institutionalist” banner.⁹ Organizational theorists, notably March and Olsen (1989), stress institutional roles and routines along with duties and obligations. For March and Olsen, institutions themselves are political actors. Treating institutions as actors, of course, presupposes that institutions are coherent. March and Olsen recognize that institutional coherence varies, but they believe that at times collectivities may be viewed as acting coherently (1989, 18). A second group, including economists such as Ronald Coase (1937), Douglass North (1981), and Oliver Williamson (1983), relates transaction costs to economic efficiency and to the organizational form of the firm. Transaction costs in political or policy-making environments include the costs incurred in such activities as the negotiation of agreements, the monitoring of compliance, the use of middlemen, the punishing of the noncompliant, and the creation of quasi-voluntary compliance (Levi 1988, 23). Rational choice theorists such as Kenneth A. Shepsle (1978) cast institutions as “games in extensive form,” games in which rules constrain the behavior of actors. In the fourth tradition, historical sociologists, including Theda Skocpol, Peter B. Evans, and Dietrich Rueschemeyer (1985) and Kathleen Thelen and Sven Steinmo (Steinmo, Thelen, and Longstreth 1992), concentrate on the timing and sequence of institutional developments as they affect major areas of public policy. These scholars sometimes call themselves “new institutionalists” or “historical institutionalists.” Though their work is in part a reaction to an earlier tradition emphasizing sociocultural factors and class struggle, these scholars maintain that earlier work’s analytic focus on long-term processes of change.

Which approaches are useful in a study of Brazilian institutions? The or-

9. For scholars such as Levi (1988), transaction-cost analysis is a subset of a rational choice approach.

ganizational analysts will play no significant role. The organizational approach does not quite fit Brazil: institutions like the Brazilian legislature are too incoherent to be viewed as unitary actors, and an electoral system is an institution in a more abstract sense than March and Olsen intend. While transaction-cost approaches can be effective in explaining the development of a particular policy, such as tax collection (Levi 1988), they are too narrow to serve as the theoretical backbone of my argument. Still, transaction costs clearly play a role in the development of particular institutions, including parties and legislative committees (Weingast and Marshall 1988).

This book adopts the perspective of rational choice (RC) theorists, with a bit of historical institutionalism mixed in. To understand this theoretical union, I will begin with the basics of the RC approach. Borrowing Geddes's (1994b) terminology, RC approaches share four principles. The first is methodological individualism—that is, the principle that all social phenomena should be explained in terms of the actions of individuals trying to maximize their goals under some set of constraints. Second, actors along with their goals and preferences are explicitly identified. Third, institutions and other contextual features determining actors' options are also explicitly identified, along with their costs and benefits. And fourth, hypotheses are generated by a deductive logic—that is, the theories tested are causal, falsifiable, and internally consistent (King, Keohane, and Verba 1994).

RC theorists emphasize the short-term constraints and incentives that structures of politics create for political actors. Without denying the relevance of values, RC theorists suggest that strategic preferences are determined by the formal rules of politics themselves. Most importantly, RC institutionalists contend that behavior changes, regardless of underlying cultural attitudes, when institutions change.¹⁰

Like any new theoretical approach, RC approaches promise more than they deliver. Assumptions are often capricious and self-serving, and institutions are sometimes described in the sketchiest terms. The oft-heard criticism that RC approaches ignore institutions, however, is wrong. On the contrary, as George Tsebelis (1990, 40) points out, “The rational-choice approach focuses its attention on the *constraints* imposed on rational actors—the institutions of a society. . . . The prevailing institutions (the rules of the game) determine the behavior of the actors, which in turn produces political or social outcomes.”

10. A good example of this approach is Cox 1987. Focusing on English politics after the first nineteenth-century Reform Act, Cox shows how an institutional change, the adoption of cabinet government, led to the rise of disciplined parties, a dramatic decline in clientelism among British politicians, and an increase in party voting among the populace.

Now I will turn to historical institutionalism. How does it differ from the RC approach? Thelen and Steinmo (Steinmo, Thelen, and Longstreth 1992) outline points of convergence and divergence. RC approaches share with historical institutionalism (HI) a concern with the way institutions shape political strategies and influence political outcomes. But for RC scholars, institutions are important as features of a strategic context, imposing constraints on self-interested behavior. Political and economic institutions define or constrain the strategies that political actors adopt in pursuit of their interests. For partisans of HI, institutions provide “the context in which political actors define their strategies and pursue their interests” (7). Because institutions contribute to the shaping of preferences themselves, institutions’ role in politics is much broader in an HI framework than in a narrow RC model. HI’s breadth, of course, all too easily becomes theoretically or empirically vague arguments.

A second difference between historical institutionalists and rational choice scholars lies in the area of guiding assumptions. For HI scholars, RC assumptions are too narrow. Most political actors are not all-knowing, rational maximizers. They do not stop at every choice and ask how they maximize their self-interest. Instead, political actors are rule-following “satisficers,” obeying societally defined rules even when such rules may not directly maximize their self-interest. But here HI partisans overstate their critique. As Tsebelis makes clear, the use of rationality as a model of behavior does not imply that all people act at all times as utility maximizers. Rather, rationality is an appropriate model when the “actors’ identity and goals are established and the rules of the interaction are precise and known to the interacting agents” (1990, 32). Tsebelis offers four arguments in support of the utility-maximizing assumption. Behavior, he suggests, conforms to utility-maximization principles when the stakes are higher and when more information is available. Actors able to learn from trial and error are more likely to move toward optimal behavior. Even if only a small percentage of actors maximizes utility, the social outcome will often resemble the outcome obtained if all actors maximized. And natural selection favors those who maximize, since maximization strategies will be rewarded.¹¹ In sum, utility maximization still provides a useful guiding hypothesis for the behavior of political actors.

Rational choice and historical institutionalism also disagree on the interpretation of preferences. For RC scholars, preferences are assumed rather than

11. Tsebelis (1990, 36) also offers a statistical argument: If a few people maximize while most behave randomly, the outcome will reflect the maximizers’ goals. An RC analysis can be quite inaccurate about a specific individual but very accurate regarding the average individual.

explained. Advocates of HI regard preferences, especially those related to definitions of self-interest, as requiring explanation. Thelen and Steinmo make this distinction very clear: historical institutionalists argue that institutional contexts shape actors' goals. Class interests, for example, are more a function of class position, mediated by institutions like parties and unions, than of individual choice. For historical institutionalists, only historically based analyses can indicate what goals rational actors seek to maximize and why they emphasize certain goals over others.

The distinction between the two approaches is not simply the exogeneity or endogeneity of preferences. For historical institutionalists, preferences are affected not just by institutions themselves but by such factors as new ideas (such as Keynesianism) and by leadership.

If historical institutionalists and rational choice theorists need not fight over utility maximization, they do differ over the breadth of what they seek to predict and explain. RC theorists are likely to focus on the behavior of generic politicians or generic political organizations such as legislative committees or parties.¹² As a result, RC arguments tend to be probabilistic rather than deterministic. They might suggest, for example, that parties in plurality systems are more likely to converge programmatically than are parties in proportional systems. HI theorists, by contrast, typically direct their arguments at the broader outcomes that result from the strategic behavior of politicians or parties.

This project falls into the branch of choice theory known as soft rational choice. I present no mathematical derivations, and I seek to explain real rather than imaginary political institutions. Along with most RC scholars, I assume that political actors' central motivations are more likely to emphasize personal goals, including desires for reelection and personal riches, than policy interests. Although in much of my argument the centrality of personal goals is assumed, at various points I offer empirical evidence supporting the assertion and providing a finer distinction between personal and policy goals. Specifically, I demonstrate that while some members of Congress seek to maximize their lifetime income from politics and other members have broad, national policy goals, many are motivated simply to help particular firms, discrete economic groups, or even specialized groups of workers.

In some parts of the book's argument, rational choice reasoning contributes much more than just assumptions. A variety of research traditions motivate the

12. Examples include Baron 1991; Cox 1990b; and Shepsle 1988. Major exceptions include Knight (1992), who concentrates on the redistributive quality of political institutions taken as a whole, and North (1981, 1990).

empirical models. In the chapters on the electoral system, for example, the theoretical discussion begins with the literature on legislative “credit claiming” (Mayhew 1974). The argument also draws on studies of candidate behavior in proportional representation systems (Cox 1990a). In the chapters examining the legislative process, theory begins with the “distributional” versus “informational” controversy in the literature on the U.S. Congress.¹³ The role in legislative bargaining of Brazil’s parties—parties with neither programs nor close ties to voters—is explored with reference to the rise of parties in early U.S. Congresses (Aldrich 1995).

Although many of my arguments apply to “generic” politicians and parties, I focus on illuminating the actions of political actors in a particular country during a particular time. Broader outcomes—individual electoral campaigns succeeding or failing, legislative coalitions forming or dissolving, the Congress adopting or rejecting proposals—all become an intrinsic part of the explanation, because the political life of a real country is composed not of generic outcomes but of the actual outcomes of the strategies and struggles of real political actors. Likewise, a narrative that simply “assumed” preferences would be too limiting. Ideas, leadership, and chance events affect not only actors’ preferences about economic and social policy but also ideas about political institutions themselves. In effect, preferences cannot be taken as given; rather, it is necessary to uncover all possible information about them.

A Perspective on Brazilian Politics: An Excess of Veto Players

In any political system, the adoption of a new policy deviating from the status quo requires the agreement of certain political actors. When the absolute number of such crucial actors, or veto players, is large, policy innovation becomes very difficult. Brazil’s institutional structure, I argue, inherently produces a large number of veto players. As a result, its central government has enormous difficulty producing innovative policies.

The idea that the number of veto players significantly affects the chances of adopting new policies is a recent innovation in political science. For its originator, Tsebelis (1995), one of the advantages of the veto-players framework is its ability to subsume a host of typology-centered theories. These alternative theories usually take the form of dichotomies: presidentialism versus parlia-

13. The terms *distributional* and *informational* are Krehbiel’s (1991), but the real distinction is between a distributional, pork-barrel orientation and an orientation to some conception of the broader, national public good (see Knight 1992).

mentarism, two-party versus multiparty systems, and so on. Some have policy implications: Presidential regimes, for example, are thought to be more prone to military coups than are parliamentary regimes (Shugart and Carey 1992). But the policy implications of these alternative theories can often be seen only after they are combined with other typologies, for example, two-party systems combined with presidentialism. When comparing small numbers of countries, these combinations lead to overdetermination; in other words, the variables outnumber the observations.

The veto-players perspective, with its focus on policy change, offers both a general, overarching framework and a clear set of predictions.¹⁴ Whether a government is presidential or parliamentary, whether it tends to a two-party or a multiparty system, whether the legislature has one or two houses, the veto-players logic yields an unambiguous prediction as to the likelihood—in comparison with some alternative system—of policy change.

The argument, then, is that a larger number of veto players increases the stability of policy. Consider the fundamental reasoning.¹⁵ Whenever a choice must be made over alternative policies, every actor has a preferred policy point. Actors are indifferent to policies that are equal distances from their ideal points, but they prefer policies closer to their ideal points. In the language of spatial modeling, their indifference curves are circular. As figure 1 (taken from Tsebelis 1995) demonstrates, when these indifference curves are drawn to intersect the position of the status quo and decisions are made by simple majority rule, any two actors can defeat the status quo. These areas (shaded in the figure) are the winset of the status quo. The larger this winset, the more likely policy change becomes and the more likely it is that policy change will be substantial rather than incremental. If policy change requires the concurrence of more actors, the winset of the status quo cannot increase—and usually decreases—in size. In figure 1, in fact, a decision requiring the concurrence of all three actors results in no action at all.

With increases in the distance (the spread of the ideal points) between the players required to agree, the winset shrinks and policy stability once again increases. Ideological disagreements represent one form of spatial distance. As

14. Whether observers prefer political systems facilitating or hindering policy innovation is irrelevant to the logic of the theory, although I do not hide my view that Brazil's institutional structure prevents the adoption of policies benefiting and preferred by substantial majorities of its citizens.

15. The explanation that follows is taken from Tsebelis 1995. Interested readers should consult this piece for a fuller treatment. Empirical verification of the theory can be found in Bawn 1997; Franzese 1996; Hallerberg and Basinger 1998; Kreppel 1997; Treisman 1998; and Tsebelis 1999.

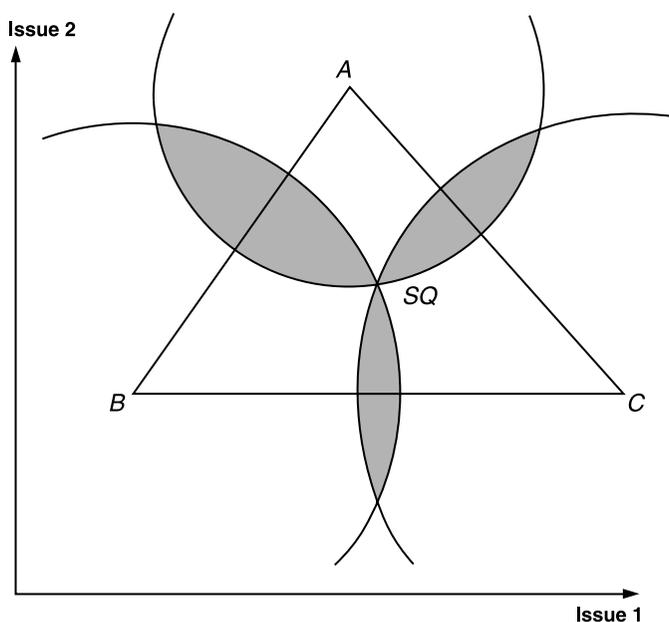


Fig. 1. Winset of status quo with three players in two dimensions

Tsebelis (2000) shows, the winset of the status quo shrinks as the ideological distance between players grows.

Veto players may be individuals, but more often they are parties, factions, or groups. Such collective players typically include individuals with varying ideal points—in other words, the policy positions of collective players are less than perfectly coherent. As the range of positions increases within each of these players—that is, as coherence declines—the winset of the status quo grows. This result is very important, because it means that the chance of adopting a new policy is greater—given a certain number of veto players—when the players are less coherent or united in their policy views.¹⁶

How are veto players defined and counted? In a broad sense, veto players may include the military, industrial capital, or any other group whose concur-

16. If any majority is possible in a legislature, then the legislature is a collective veto player—i.e., no single member is necessary for a majority. If there is a stable majority, or—as is the case in contemporary Brazil—if certain parties are always excluded from the majority, then the players that must be included are veto players. It is more difficult to change the status quo in the presence of a stable majority, since all the players must agree.

rence is required for policy adoption. In this book I limit the concept to actors in formal legislative and executive politics. “Institutional” players include the president, the Senate, and the Chamber of Deputies. “Partisan” players are the organized political parties in the Congress. Though for my purposes an overall, administration-wide count of veto players serves as a useful simplification, the number of veto players may vary by issue. Interest rates, for example, are set by the executive without legislative participation, while ordinary bills must be approved by both chambers. Equally important, especially in the Brazilian case, is the possibility of supermajority requirements. Because constitutional amendments require three-fifths of the total membership of each chamber, while ordinary legislation requires only an absolute or simple majority, the number of parties necessary for approval on constitutional issues may be higher, depending on the size of the parties.¹⁷

The key to counting veto players is the absorption rule. Suppose the analysis is limited to two policy dimensions, and suppose one veto player is located in the Pareto set of the others—that is, that player is within the polygon produced by connecting the other players’ ideal points.¹⁸ Tsebelis (2000, appendix) shows formally that it makes no difference whether this inside player is counted. It follows that if the president comes from a coherent and disciplined party that is part of a stable majority, the president is absorbed as a veto player—that is, the president need not be counted. Likewise, a party can be absorbed in one chamber of a bicameral legislature if it is part of the majority in the other chamber. In a case like that of the United States, where majorities are unstable and where the parties are programmatically incoherent, presidents and parties in each chamber remain distinct veto players.

How does Brazil compare with other Latin American countries in terms of the number of veto players typically present in each presidential administration?¹⁹ For this comparison I eliminate provisional and authoritarian regimes (both civilian and military), and I count only partisan veto players—parties and presidents. The absorption of parties depends on their programmatic coherence and legislative discipline. Given that the existing research on Latin American parties has no accepted criteria for assessing coherence and discipline, it makes

17. Supermajorities are particularly important in Brazil, because the nation’s extremely detailed constitution imposes a wide range of costly obligations on government.

18. The Pareto set is defined as the area in which one player cannot be made better off without harming another.

19. Focusing on legislative parties, Amorim Neto (2001) presents a variety of data supporting the idea that Brazil’s legislature has been extremely fragmented since 1988.

sense to employ a counting method that establishes upper and lower bounds on the number of veto players.²⁰ The first method, complete absorption, absorbs all presidents and similarly named parties in bicameral legislatures—that is, I count them only once. The second counting method, partial absorption, absorbs parties and presidents only in those cases where most scholars regard the parties as coherent and disciplined: Argentina, Chile, Colombia (between 1958 and 1974 only), Costa Rica, Mexico, Uruguay, and Venezuela.²¹

Since 1900 the average number of veto players for all Latin America is 1.95 using the complete absorption method and 2.79 with partial absorption. With complete absorption, Uruguay has the highest country average at 3.05, followed by Brazil at 2.74 and Chile at 2.65.²² With partial absorption, Brazil is far and away the leader at 4.43. Given that Brazilian politics became much more competitive after 1945, it is worth repeating the comparison for the postwar period. From 1946 to 1998, the overall regional averages are 2.09 (complete absorption) and 2.93 (partial absorption). By complete absorption, Brazil leads with 3.40 veto players, followed by Ecuador with 2.88 and Chile with 2.75. By partial absorption, Brazil leads with 5.13, followed by Ecuador at 4.50 and Bolivia at 3.88. By either standard, then, Brazil is at the top in terms of the average number of veto players in each administration. Moreover, from 1986 until 1999, Brazil averaged 4.6 veto players by complete absorption and 6.5 by partial absorption.

Brazil's competitors offer some instruction in the consequences of high veto-player scores. Uruguay exceeded three veto players only between 1967 and 1971, when it reached four. Uruguay's democracy began to collapse during this period, finally falling victim to a military coup in 1973. Chile exceeded three veto players only during the presidency of Carlos Ibañez (1952–58), who

20. Any counting scheme requires arbitrary choices. Reasonable people will disagree. This scheme characterizes all the parties in a system as either disciplined or not; in reality, Chile's Radical Party was undisciplined in a mostly disciplined system, and Brazil's Workers' Party is disciplined in an undisciplined system. I have tried to avoid counting parties in permanent opposition, like the Workers' Party, but there are undoubtedly some errors. Nothing is assumed about the linearity of the relationship between veto players and innovation. Generally, however, the jump from two to three veto players must be more paralyzing than the jump from four to five. Such powerful figures as committee chairs should not be counted as veto players, because they can usually be overridden by floor majorities.

21. In Uruguay, party factions (*sublemas*) rather than parties were absorbed. I am indebted to Scott Morgenstern for noting that legislative discipline is high among factions but low among parties.

22. Three veto players were counted during the Sarney administration (1986–90), even though the PSDB split off from the PMDB during this legislature.

attempted to govern as an independent with no party backing. Faced with rising inflation, Ibañez tried to implement the recommendations of U.S. consultants, but the Chilean Congress refused to pass tax increases on the wealthy. By the end of the Ibañez administration, as Stallings (1978, 33) puts it, “the initial indecision of the Ibañez government and the later attempts to implement the [consultants’] recommendations apparently convinced Chilean voters that the solution of Chile’s problems was not to be found in a leader ‘above politics.’”²³ Bolivia is a case in which the number of veto players has varied extensively. Before 1982 Bolivia never had more than two. With the restoration of democracy in 1982, Bolivia has averaged about 2.5 veto players with complete absorption and 5 without. Unless Bolivia’s parties act in a programmatic and disciplined way (thus suggesting that the lower veto-players count is more appropriate), the situation seems quite unstable.²⁴

In sum, the veto-players framework yields important insights for Latin America in general and Brazil in particular.²⁵ Excesses of veto players as well as greater ideological distances between veto players both decrease the chances of significant legislation. Supermajority requirements, common for constitutional amendments, also reduce the chances of significant legislation. Finally, control of the agenda matters. In presidential systems, the legislature controls the policy-making agenda. Because the legislature elaborates and modifies legislation, and because the legislature can override presidential vetoes, it maintains agenda control. In Brazil, where the parties cannot control their members and where individuals or groups trade cooperation for particularistic benefits or

23. Stallings (1978, 33–34) also points out that the failure of the Ibañez administration led to a union of labor organizations as well as the coming together of the two socialist parties. In other words, the number of veto players, both societal and partisan, declined. The 1973 overthrow of Salvador Allende, the most obvious case of democratic breakdown, occurred when the number of veto players was unexceptional. However, the ideological distance between the parties was extremely large.

24. Ecuador had a large number of veto players between 1948 and 1961, and though a military coup occurred in 1961, the democratic regime survived three presidential administrations. I cannot explain the Ecuadorean case, though it is interesting that Martz (1990, 382) regards this period as an anomaly in Ecuador’s normally turbulent politics.

25. Although this discussion of veto players has centered on presidents and parties, the concept clearly has implications for other institutional actors. In systems of many veto players, courts and bureaucracies typically take larger legislative roles. Courts may act as veto players by interpreting the constitution and by providing judicial review of legislation. Bureaucracies adopt the same kind of interpretive role. When the number of veto players is small, the legislature can allow bureaucrats wide discretion, since the legislature can easily restrict them in the future. When the number of veto players is large, however, legislatures whose veto players are close together may try to restrict bureaucracies. If the legislative veto players are far apart, then legislatures are more likely to allow bureaucrats more leeway.

concessions, agenda control means that most legislation includes a pork-barrel component.

It is important to note, however, that the argument that Brazil suffers from an excess of veto players is not equivalent to claiming that Brazil has too many parties. Although Brazil has a great many parties and that number in itself may frustrate the adoption of policy innovations, an overall count of veto players based purely on parties represents a simplification that results from aggregating across issues. On any given issue, veto players may include state governors and their delegations, issue caucuses (such as bankers or rural property owners), or individual legislators. It follows, moreover, that these individual or collective veto players' ideologies or motivations also affect the outcome of policy struggles.

The Origins of Brazil's Institutional Problem

An excess of veto players creates difficulties for democratic regimes, and by any standard Brazil suffers from such an excess. This book argues that the root causes of Brazil's high number of veto players lie in the nation's institutional framework, especially in the electoral system. Still, institutions do not descend from the sky. Political and economic elites create them. Two factors, federalism and the pervasiveness of patronage and pork, have been particularly important in shaping the choice of institutions, and certain historical events have locked Brazil into particular institutional patterns. Over the course of recent Brazilian history, federalism and the extensiveness of patronage and pork vary in form and importance, but they always matter.²⁶ I will discuss these two factors from a rational choice perspective, but their origins lie so far back in Brazilian history that they can reasonably be taken as givens.

Federalism

States and municipalities, Brazil's subnational units of government, have been important political actors since colonial times. Major governmental activities, including such crucial social services as primary and secondary education, are the responsibility of states and municipalities. These subnational units elect their own officials and possess their own sources of tax revenue. They may is-

26. Of course, these background elements potentially raise the same "chicken and egg" causation problem seen earlier. Is their existence a result of institutional or cultural conditions? It seems to me that in the time period analyzed here, the setting can be taken as given.

sue bonds subject only to the approval of the territorially based Senate. Residual powers not enumerated in the constitution fall to the states. Overall, Brazil's federal system meets Riker's (1964) famous criteria: Two levels of government rule the same land and people, each level has a well-defined scope of authority, and each possesses a guarantee of autonomy within its own sphere.

At the national level, federal systems typically represent territories in one legislative chamber and population in another. With three senators per state, Brazil's Senate gives Roraima, with fewer than 250,000 people, representation equal to São Paulo, with more than 30 million. One vote in Roraima thus has 144 times the weight of a vote in São Paulo, and senators representing 13 percent of Brazil's population can block legislation supported by 87 percent.²⁷ But the disadvantage to more populous regions also occurs in the Chamber of Deputies. No state is allowed fewer than eight or more than seventy deputies. Purely on the basis of population, Roraima's 8 deputies ought to be 1; São Paulo's 70 ought to be 115.

Why did Brazil adopt federalism? Historically, the country had no alternative. Portugal was simply too weak to maintain a bureaucracy capable of controlling the colony. Emperor João III (1521–57) divided the country into hereditary captaincies and handed them over to landowners rich enough to defend and colonize them (José Murilo de Carvalho 1993). Though the Marquis de Pombal ended these captaincies in the eighteenth century, Portugal was really incapable of centralizing. It had to rely on political and administrative decentralization (including tax farmers) and on private power based on big landholdings and on slavery.

The constitutional reform of 1834, a few years after Brazil's break from Portugal, produced a new centralism based on Brazil's emperor. Coffee producers, concentrated in the province of Rio de Janeiro, paid most of the central government's taxes and joined exporters and bureaucrats in support of a strong, monarchical central government.²⁸ Nineteenth-century centralization was bolstered by the influence of the monarchy in the rural population and by fear of upsetting slave society and fragmenting the country. The proponents of decentralization, by contrast, included liberal professionals and farmers producing for the domestic market.

Though early coffee production had stimulated centralization, the spread

27. The worst ratio in the United States is Wyoming to California: One Wyoming vote equals 66 California votes (see Stepan 1999, 35).

28. By 1877 the central government employed 69 percent of all public employees and collected 77 percent of all public income, a figure that fell to 37 percent in 1902 (José Murilo de Carvalho 1993, 65).

of coffee into São Paulo favored decentralization. The *paulistas* thought a centralized system would transfer resources to backward provinces. But resistance to central power also had an oligarchical component: federalism supported private power, inequality, and hierarchy.

When the monarchy ended in 1889, Brazilian states were much stronger than states in federalist Mexico and Argentina. Brazil's states could write their own civil codes, negotiate foreign loans, and sell bonds outside the country (Love 1993, 187). In the 1920s and 1930s, coffee-producing states forced their exchange-rate preferences—favoring devaluation—on the rest of the country. The policy imposed losses on consumers, importers, and the central government itself, which had to repay its foreign loans in a weakened currency. Brazilian states also maintained serious military forces. In 1925–26, for example, São Paulo had a 14,000-man army, its own military academy, and a foreign military mission (Love 1993, 202).

Even in the centralizing years of Getúlio Vargas and the Estado Novo (1937–45), states retained considerable authority. State taxes as a percentage of federal taxes reached 55.9 percent between 1931 and 1937 and 55.7 percent between 1938 and 1945. Comparable figures from the Mexican federation during the same years were 22.7 percent and 17.3 percent, respectively (Love 1993, 218).

Landowning was the traditional base of local power, and though twentieth-century economic development weakened landowners, they never lost their political force, especially in rural areas. With large land areas, sparse populations, and few good roads, states and localities naturally developed independent bases of power. Federalism also grew out of Brazil's strong regionalist tradition. Each region has quite different social, cultural, economic, and political conditions.²⁹

Brazil's Northeast contains about 30 percent of its population but produces only 14 percent of the gross domestic product. Sugar production once made the Northeast the center of the Brazilian economy, but sugar has been declining since 1800. Poverty, a recurring cycle of droughts, and the continuing influence of rural bosses all combine to make the Northeast dependent on central government resource transfers. As a result, politics has often revolved around exchanges of political support for pork-barrel benefits from the legislature or the executive. Aid programs have produced countless dams and hydroelectric proj-

29. Brazil's regions are defined as follows. The Northeast includes Alagoas, Bahia, Ceará, Maranhão, Paraíba, Piauí, Pernambuco, Rio Grande do Norte, and Sergipe. The North and Center-West include Acre, Amapá, Amazonas, Goiás, Mato Grosso, Mato Grosso do Sul, Rondônia, Roraima, and Tocantins. The Southeast includes Espírito Santo, Minas Gerais, Rio de Janeiro, and São Paulo. The South includes Paraná, Rio Grande do Sul, and Santa Catarina.

ects, mostly benefiting big farmers and local bosses. Business interests from wealthier regions support Northeast aid, even though their taxes finance the projects, because their firms build the dams and roads. The Northeast, in essence, is Brazil's Mezzogiorno.

The North and Center-West are frontier regions, with small but rapidly growing populations. In the absence of traditional landholding families, patronage-based political networks link key political actors. These networks include members of federal and state congressional delegations, state government agencies, and local governments. States in these regions depend on the central government, so the alliances fight to control major local governments and, through these governments, federal and state patronage resources.

The Southeast shelters the bulk of the nation's industry. Coffee profits financed São Paulo's early industrial ventures, and today the state dominates advanced industry. Rio de Janeiro and Minas Gerais are also heavily industrialized. With heavy migration from poor regions (especially from the Northeast), Rio de Janeiro and São Paulo have become megacities, plagued by grossly deficient social services, debilitating pollution, and high levels of crime.

The South is mainly agricultural. With a strong economic base and relatively even income distribution, politics is less likely to be the only lucrative economic activity. As a result, corruption is somewhat lower, bureaucratic competence is higher, and education and health conditions are better.

Given regional income variations and the long tradition of federalism, it is no surprise that government-society relations vary across states. In some, politics has traditionally been a profitable business, monopolized by a small number of families supported by major economic groups such as sugar planters or cattle ranchers. In other states, principally in the South and Southeast, economic interests are more diverse. Ties between citizens and representatives are more direct, and politicians are less a class unto themselves. In Bahia, for example, 40 percent of all deputies in the 1991–94 federal legislature had a close relative holding political office. Among São Paulo deputies, only 5 percent came from such political families.

Brazilian federalism has followed a pendular pattern, with greater centralization under authoritarian rule. During the military regime, from 1964 to 1985, the central government sharply increased its power at the expense of the states. Not unexpectedly, the current democratic constitution strengthened states and municipalities by granting them new tax resources. Though the constitution failed to transfer responsibility for program implementation along with the new money, states have been gradually assuming responsibility for formerly federal programs. Accelerating this uncoordinated and slow shift in responsibilities has

been the federal government's policy of holding back transfers to states and municipalities as part of the 1994 Plano Real economic stabilization program.³⁰

Though Brazilian federalism meets Riker's narrow definition, the country's federal structure, like most nominally federal systems, is much more a marble cake, with overlapping and interlocking jurisdictions, than a layer cake. And Brazil's federalism is far from the standards that Montinola, Qian, and Weingast (1995) impose for their "market-preserving federalism." Brazil fails this more rigorous test on multiple counts: its subnational governments lack primary economic authority within their jurisdictions, they avoid hard budget constraints by borrowing, they share revenue extensively, and the central government can unilaterally alter allocations of authority and responsibility among the levels of government.

Weingast and his colleagues argue that their version of federalism promotes economic growth through a "Tiebout-like" decentralization mechanism (Tiebout 1956). In a truly decentralized polity, local leaders compete for mobile sources of revenue by avoiding debilitating regulations and the confiscation of private wealth. If leaders fail to implement efficient policies, labor and capital exit. At the national level, the central government must remain weak enough so that it cannot confiscate private wealth but strong enough to enforce contracts and provide public goods.

In practice the political conditions supporting the theory of market-preserving federalism are very hard to realize.³¹ Rich but immobile interests exercise de facto mobility, increasing interjurisdictional inequality by walling themselves off in their own municipalities. Cut off from revenue sources, poor and marginalized municipalities see no alternative to welfare and the extraction of pork from the central government. Local leaders, whether operating in democratic or authoritarian environments, often answer to the demands of immobile capital rather than mobile capital or labor. Leaders in democracies respond not only to capital but also to electoral threats, and immobile interests may have greater incentives to organize electorally.

As this brief historical review has demonstrated, Brazil had periods of federalism close to the decentralization of market-preserving federalism, espe-

30. Debt financing played a large role in states' assumption of new responsibilities. Between 1990 and 1993 (the last pre-Real year), state debts as a proportion of state internal product (the *produto interno bruto*) climbed from 4.6 percent to 20.6 percent in the North, from 24.5 percent to 47.1 percent in the Northeast, from 10.6 percent to 24.7 percent in the Southeast, from 20 percent to 31 percent in the South, and from 25.7 percent to 45.8 percent in the Center-West (see C. Souza 1998, 584).

31. This section draws on Rodden and Rose-Ackerman 1997. Those authors also note that in the long run local boundaries themselves are flexible.

cially after the fall of the emperor in 1889, as well as periods of central domination. The record of those experiences is not positive. The advantages conferred by money and traditional patron-client ties enormously favored landowners. State-level politicians were able to devalue the currency, aiding immobile coffee producers but penalizing the vast majority of consumers. State leaders arranged debt-forgiveness deals benefiting another immobile group, the northeastern sugar producers. State and local leaders created a pervasive system of pork-barrel projects and political appointments. In sum, because Brazilian federalism grew out of central governments' inability to dominate the national territory, this federalism catered to the power of local interests, especially holders of fixed capital. Federalism provided guarantees to local oligarchs. Rather than facilitating economic progress through the adoption of efficient policies, federalism advanced the interests of the most backward economic groups and increased regional economic inequality.

How does Brazil compare with other federal systems? Federalism always constrains national majorities. In a landmark study, Alfred Stepan (1999) assesses the "majority-constraining" quality of twelve federal democracies along four dimensions: the degree of overrepresentation in the territorial chamber, the "policy scope" of that chamber, the degree to which policy-making is constitutionally allocated to subunits of the federation, and the degree to which the party system is polity-wide in its orientation and incentive systems.³² After Argentina, Brazil has the greatest overrepresentation of the twelve nations. Its Senate has all the areas of policy-making competence enjoyed by the Chamber of Deputies plus some areas the Chamber lacks. Its constitution is extremely detailed, and in a wide variety of policy areas substantive change necessitates constitutional amendments that require three-fifths of the members of both houses. The electoral system, as part 1 of this book will demonstrate, powerfully hinders the development of polity-wide parties.

The Pervasiveness of Pork and Patronage

Since the early nineteenth century, Brazilian politics has centered on politicians' attempts to fill bureaucratic jobs with their allies and to supply individualized or geographically specific political goods, what Americans call pork bar-

32. The twelve systems are Argentina, Australia, Austria, Belgium, Brazil, Canada, Germany, India, Russia, Spain, Switzerland, and the United States. Stepan (1999) uses the terms *demos constraining* and *demos enhancing* rather than *majority constraining* and *enhancing* to avoid implying that a majority always exists or is right.

rel, to supporters.³³ Without question, political support is exchanged for government jobs and public works in every society, but Brazil is unique in the pervasiveness of these exchanges and in their tendency to substitute for broader, more ideologically or programmatically driven policy-making. Pork and patronage particularize policy-making. Politicians sustain themselves not by promoting local prosperity and providing public goods but by supplying pork and services to individuals.

My emphasis on pork and patronage is not just another label for Brazil's political clientelism. For two reasons, I deliberately avoid the term *clientelism*. First, the corrupt, vote-buying behavior of politicians that is commonly labeled clientelistic is more often an outcome of Brazil's institutional structure than a precondition for it. Second, discussions of clientelism frequently drag along intellectual baggage that is wrong or misleading. Anthropological uses of *clientelism* typically refer to individual exchanges of private goods between actors of unequal power, actors called patrons and clients (Greenfield 1977). The origins of such relationships are said to lie in "traditional" rural society, in the ties between landowner and peasant. They are based on reciprocity, trust, and loyalty. Implicitly or explicitly, "modern" society rejects such relationships in favor of ideological or group-based links.

As a recent essay by Geert Banck (1999) makes clear, the anthropologists' concept of clientelism travels poorly to the political realm. Trust and loyalty are not central to contemporary exchanges of patronage and pork precisely because such exchanges are deals (*negócios*) between traders in a political marketplace. Buyers and sellers have to prove the quality and reliability of their goods and their commitments. Loyalty and trust are irrelevant. And since the state, as the source of resources, is intrinsic to the transaction, patronage and pork are as much urban as rural in origin.

As the discussion of federalism illustrated, nineteenth-century property owners wanted a strong, centralized government. Only a strong central government could guarantee order, and in a slave society of grossly unequal wealth, order was the primary concern.³⁴ At the same time, property owners worked within a formal structure of politics in which elections, though restricted to a

33. To any student of developing-country politics, the pervasiveness in the U.S. media of pork-barrel accusations is laughably exaggerated. See Stein and Bickers 1995 for a demonstration of the unimportance of pork in the United States. As to patronage, a prominent U.S. congressman for whom I worked had at most two patronage positions (excluding his personal staff) to which he controlled appointments.

34. The following discussion of nineteenth-century politics owes a great deal to Graham 1990. For criticisms of Graham's use of clientelism, see Bezerra 1999 and José Murilo de Carvalho 1997.

small number of propertied males, were important. The emperor and his cabinet sat at the pinnacle of the system, but the indirectly elected Chamber of Deputies had to ratify the cabinet's decisions. Thus the cabinet needed the support of the deputies.

Both the Conservatives and Liberals, the parties dominating the Chamber of Deputies throughout the nineteenth century, were fundamentally patronage vehicles, exchanging government posts for votes. Both in the Chamber and at the local level, *party* meant simply an affiliation, not a durable commitment to program or policy. Parliamentary parties formed, split, and reformed, taking apparently contradictory positions on major issues right up to the empire's end in 1889. In the electorate, personal ties, not ideological considerations, determined political divisions. As Graham (1990, 148–49) makes clear, the rivalry and violence of local politics often came not from two distinct parties but from two factions both claiming to belong to the party then in power. The cabinet desired electoral support from the local faction most likely to win; from its point of view, party label was irrelevant.

The cabinet controlled deputies by granting patronage to or withholding patronage from local patrons. In Graham's words (1990, 148), "power flowed simultaneously 'downwards' from the Cabinet through the provincial president and 'upward' from local bigwigs to the president and Cabinet." Seekers of bureaucratic positions pursued the preservation or improvement of their place. Job seekers justified their claims, in the rigid hierarchy of Brazilian society, on the basis of social place, deference, and constant loyalty. Graham (1990, 217) shows that deputies and senators, more than other officials, acted as intermediaries in the search for jobs. Legislators' requests went primarily to the prime minister and to the ministers of justice, agriculture and public works, and war.

Over the long run, pervasive patronage affected the quality of public employees, their behavior, and the content of policy itself. Government appointments became political rather than merit-based not merely at the level of minister or secretary-general but also at five, six, or even more levels down.³⁵ Political parties expected to nominate party faithful to quite technical jobs, and major disputes developed over "fair division" of the spoils (Geddes 1994a). Turnover in technical positions has always been quite high, since each administration replaces its predecessor's appointees. Because holders of high

35. For purposes of comparison, in Colombia the secretary of basic education, the third-highest post in the Education Ministry, directs all elementary and secondary schooling. A technical person holds that job. In Brazil under President Collor, the equivalent position was held by an appointee with no experience who was a former teacher of the president's son. All jobs for the next four to five levels down were also political.

bureaucratic positions often expect to run for elected posts, they use their positions to develop personal followings. Politicians are unlikely to devote much effort to making the bureaucracy less oppressive and remote, because they profit from mediating between constituents and the distrusted civil servants.

The fall of the empire in 1889 and its replacement with Republican government had little effect on the centrality of patronage. With the twentieth century's expansion of the scope of the state, however, politicians developed a new resource in the form of public works: dams, roads, infrastructure, and so on. Beginning in the 1930s and accelerating in the 1950s, Brazilian governments adopted a policy of import substitution industrialization (ISI). Characterized by inward-looking growth, ISI included tariffs, import quotas, denial of mineral rights to foreign capital, nationalization of foreign-owned utilities, and overvaluation of the currency (facilitating easy importation of capital goods). Government invested in "strategic" areas: iron and steel, alkali processing, aircraft and truck engines, river valley development.

Patronage-based politics adapts easily to state-led industrialization.³⁶ Chubb (1981) makes this point effectively in her discussion of Italy's south. In Brazil, faced with the challenge of accommodating the diverse regional and economic interests whose cooperation was critical, the state responded by politicizing its programs and by buying off regional and economic interests through growth and subsidies. In 1950 public administration absorbed 3 percent of the economically active population; by 1990 that percentage had reached 5 percent (Brazil 1990). Regional politicians, big farmers, industrialists—whoever had sufficient clout commanded a subsidy.³⁷

Inside the state apparatus, the expansionary drive of the state privileged bureaucrats themselves. State banks offered their employees higher rates of return on the investment opportunities available to the general public. University pro-

36. A system characterized by pork-barrel politics and patronage does not require that the government supply large quantities of resources in the form of pork-barrel benefits. If resources are plentiful, in fact, brokers lose their monopoly and hence their control, so patronage can thrive in situations of scarcity and uncertainty.

37. Certain government programs were "privatized" long before neoliberal economics. In the heavy construction sector, for example, a few firms dominate and have become deeply involved in campaign finance. Government reciprocates by shaping major construction projects to benefit the builders. Few observers were surprised by the 1993 revelation that construction companies had been paying legislators hundreds of millions in kickbacks. But construction companies are not alone in shaping public policy to benefit themselves. For years, for example, the central government funded a program providing meals for schoolchildren. Rather than sending money to the schools to buy local products, the central government built warehouses and shipped processed food to the schools. Transportation costs were high, schools ran out of food, and local farmers lost potential markets. The program's logic was political; its real beneficiaries were large food processors.

fessors retired in their forties with generous pensions. Though irrational privileges can doubtless be found in government agencies everywhere, in Brazil the scope and depth of the largesse became exceptional. The combination of state expansionism and patronage yielded not just a bit more in-house corruption or a bit more bias toward the private sector, but a hypertrophied monster.³⁸

My stress on patronage and pork does not imply that Brazil lacks politicians devoted to programmatic objectives. The Congress contains a solid contingent of deputies and senators whose interests lie in legislation affecting the whole society. But as this book unfolds, it will become clear that such issue-oriented legislators are a minority. Politicians whose careers center on supplying public works and bureaucratic jobs dominated the conventions that created Brazil's constitutions, and the same politicians have dominated the legislatures those constitutions created. Such politicians have a hard time seeing political benefit in rules that strengthen parties or minimize incentives to distribute pork.

Historical Continuities and Their Consequences

Three historical continuities are important to understanding the linkage between, on the one hand, federalism and pervasive patronage cum pork, and, on the other, the choice of institutions and long-run political outcomes. The first continuity concerns institutional traditions themselves. The framers of Brazil's 1988 Constitution preserved the institutional framework under which they had lived between 1947 and 1964, before the military coup. The second continuity is one of personnel. A substantial number of congressional deputies and senators began their political careers during the pluralist or military periods, and they brought a particular set of preferences to the choice of institutions. The third continuity is one of state-level political organization, a continuity resulting from the legacy of the military regime itself.

In what kind of setting was Brazil's new constitution framed? The Con-

38. The private economic exchanges characteristic of patronage-based systems are also inherent in populism, a concept crucial to post-1945 Latin American politics. Unlike its U.S. counterpart, Latin American populism is primarily urban. As cities swelled with the influx of millions of rural immigrants, political entrepreneurs searched for ways to compete for support with socialists and communists, the traditional working-class parties. Populists emphasized social welfare programs and immediate benefits, including government jobs. They bypassed intermediate political organizations such as class-based parties to forge direct links with followers. Economic nationalism helped build coalitions with domestic industrialists. Populist politicians like Vargas and Juan Perón maintained their popularity—and the support of domestic business—as long as their economies enjoyed vigorous growth. For a definitive treatment of the pre-Republican foundations of clientelism, see Graham 1990.

stituent Assembly of 1987–88 was simply a joint meeting, held every morning, of the Senate and the Chamber of Deputies. The deputies had been elected to the Chamber in 1986 under the same open-list proportional representation that Brazil had used since 1947, while senators continued under majoritarian rules. Considerable discussion about alternatives to open-list proportional representation took place, and the delegates extensively debated proposals for a switch from presidentialism to parliamentarism. Not surprisingly, they could not bring themselves to change the electoral rules that had brought them victory.³⁹

Perhaps the constitution framers retained the institutional framework of the 1947–64 democracy simply because it had elected them, but that explanation seems simplistic. I will now consider the problem through the optics of the veto-players framework, the role of ideas, and the effects of interests and preferences. The evidence for an excess of veto players is inconclusive but suggestive. The PMDB, the Party of the Brazilian Democratic Movement, had an absolute majority in both chambers at the beginning of this period (in 1986); by the method of complete absorption, the number of veto players is one. But the party was undisciplined and factionalized. During the Constituent Assembly dozens of deputies from the PMDB's left wing deserted to form the Brazilian Social Democratic Party, the PSDB, and even before the split the PMDB had ceased to enjoy any sort of programmatic coherence or legislative discipline. While the number of effective veto players may never have climbed as high as it did in the next administration (reaching seven), it likely did contribute to the absence of significant institutional change. Equally important, however, was the power of pork: President Sarney found many delegates indifferent to institutional issues but not at all indifferent to the friendly persuasion of the pork barrel.

To understand the role of ideas in the Constituent Assembly, a picture of the delegates' perceptions of the 1964 coup is needed. Was there a sense that institutional pathologies played a part in democracy's breakdown?⁴⁰ Though

39. I do not deny the existence of cases elsewhere in Latin America in which sitting legislators have changed the rules that brought them victory. In these cases researchers might examine party discipline and, in the more disciplined cases, the goals of party leaders as well as the expected career trajectories of individual legislators.

40. Wanderley Guilherme dos Santos (1979) attributes the coup to legislative deadlock. Permanent stalemate, he argues, resulted from presidential inability to command a majority, the conservatism of a legislature elected in malapportioned districts and boss-controlled rural areas, and the weakness of party discipline. Youssef Cohen (1994) argues that moderates on both left and right found themselves in a classic "prisoner's dilemma." Moderates in the major parties could have agreed on reforms, but they had to disavow the extremists in their own camps. Neither group of moderates did so, because each feared the other would retain its links to its own extreme wing. The moderate right thought Goulart was seeking dictatorial powers. Goulart himself believed that the conservative moderates were plotting with right-wing soldiers and businessmen to block reforms

many PMDB leaders strongly supported parliamentarism, my interviews with delegates suggest that only a small fraction of the overall body of constitution writers blamed democracy's failure on institutional factors, at least in a broad sense.⁴¹ The delegates were more likely to focus on short-term triggers: the excesses of populist leaders, reactionary business interests (supported by the United States), the sheer incompetence of civilian President João Goulart, and the downturn in the business cycle.

In the end, the Constituent Assembly nearly adopted parliamentarism, but the weight of the delegates' interests led them to maintain the institutional status quo. A majority of deputies from the more developed states supported a switch to parliamentarism, as did most deputies on the Left, but the issue got caught up in the survival strategies of President José Sarney and other party leaders. As I demonstrate in chapter 5, Sarney's immense pork-barrel power persuaded many deputies to support preserving presidentialism and lengthening his term. Presidential hopefuls Leonel Brizola and Orestes Quércia (former governor and governor of Rio de Janeiro and São Paulo, respectively) also kept their supporters out of the parliamentarist camp. I will return to this issue in chapter 7; suffice it to say here that without the executive's ability to persuade deputies who were otherwise indifferent on the issue, and without the tactics of potential presidential candidates, parliamentarism would have triumphed.

The question of the interests of the constitutional delegates leads to the second continuity, the continuity of personnel. As Francis Hagopian (1996, 246) demonstrates, Brazil's traditional political families—those dominating politics from 1947 to 1964—survived and prospered through the military regime and into the current New Republic. Six governors elected in 1990, for example, had served in the mid-1980s as governors from the promilitary PDS party. The largest party in the Constituent Assembly, the PMDB, had historically opposed the military regime, but by 1986 one-fourth of its delegation were former members of the right-wing, promilitary ARENA party (Fleischer 1987, 2). Overall, more assembly members had begun their careers during the authoritarian regime with the promilitary party than with the opposition.

and overthrow his administration. Thus moderates on both sides feared that if they jettisoned their radical allies, they would be overwhelmed by the other side—moderates plus extremists—and the outcome would be unacceptable. It was rational, therefore, for moderates to retain their ties to extremists in their own camps. No one wanted the stalemate and the military coup, but both sides ended up with a worse outcome than if they had cooperated.

41. The constitution writers included one narrow institutional modification: the president and vice president are no longer elected on separate ballots. Thus the situation of 1960, when a center-right president was elected alongside a left-wing vice president from the losing presidential ticket, is no longer possible.

Why stress the durability of the traditional political oligarchy? The military government repressed the Left but made center and right-wing politicians the incumbents in the political marketplace of Brazil's new democracy. In effect, these leaders got a head start, and political competition was waged on their terms. Most of the conservative delegates to the Constituent Assembly of 1987–88 had built personal political machines based on patronage politics; they knew that the electoral system would have a huge impact on their machines' future.⁴² But the strategists behind the military regime did more than simply encourage right-wing politicians. As the military withdrew from power, the generals sought to safeguard their legacy by creating conditions maximizing postdeparture support. The regime tried to increase the influence of potential supporters and reduce the weight of likely opponents. Merging two industrial states, for example, eliminated three senators from an opposition stronghold. The formation of new states on the frontier created additional legislators likely to be conservative. Fomenting industrial growth away from Rio and São Paulo could increase jobs in the conservative Northeast. These strategic moves came on top of a long-standing malapportionment that cut São Paulo's proportional representation in the Chamber of Deputies by about 40 percent, or about fifty seats.⁴³

The result of all these forces was simple: the entire spectrum of political discourse moved to the right. In the Constituent Assembly and in the legislatures that followed, the delegates increased the length of President Sarney's term and preserved presidentialism. They rejected agrarian reform, a German-style mixed-district electoral system, and party and administrative reform. Obviously, no one can say with certainty what would have happened if right-wing politicians had not been so favored, but (as chapter 1 will demonstrate) the closeness of votes on these issues suggests that many would have turned out differently.

The third continuity is what I have referred to as the continuity of state-level political organizations. The Brazilian military regime (unlike its bureaucratic-authoritarian counterpart in Chile) never implemented an overall bureaucratic reform. Instead, the junta imitated civilian President Juscelino Kubitschek (1956–61), creating, strengthening, and insulating agencies central to its economic project. Agencies delivering social services remained disor-

42. Even presidential elections reflected the effects of local power: in the 1989 contest local political machines played a significant part in an election supposedly dominated by national media messages (Ames 1994b).

43. This figure is about 10 percent of the total Chamber membership (see table 1).

ganized and patronage ridden. Where state-level politicians had good connections with the junta and where they had the luck and skill to achieve momentary dominance, the availability of massive central-government resources enabled the construction of durable political machines that still exist today. These machines wielded a political force out of proportion to their numeric or economic strength, dominating their states' electoral processes and controlling their delegations in Congress. Only a few of these machines have survived until today, but, as chapter 4 will demonstrate, they remain a key part of the story.

The Constitution of 1988 augmented the power of states and municipalities by increasing their share of overall tax revenues.⁴⁴ To understand why federal deputies and senators would weaken the central government, it is necessary to remember that career trajectories in Brazil differ from those of U.S. politicians. Turnover in the Chamber of Deputies is around 50 percent per term, but electoral defeat accounts for only about half of this figure. Deputies simply do not seek indefinite congressional careers (Samuels 2001). Legislators may run for state and local offices after a term or two in the federal chamber or return to private business and then seek reelection. Federalism made states and municipalities into political arenas as desirable as the federal capital, and deputies acted to preserve those arenas' prerogatives. At the same time, strengthening the states—in a context of weak parties—reinforced the power of state governors over their delegations in the Congress, especially in the Chamber of Deputies, and augmented their ability to nominate allies and veto enemies for cabinet positions and high bureaucratic posts (Abrucio 1998).

A Note on Methods; or, Why I Did What I Did

Scholarship on Latin American politics, including work by Latin Americans themselves, is certainly the most advanced of all developing regions. So many scholars have undertaken systematic research projects that there is far too much to cite here. Still relatively rare, however, is research that combines theory with empirical analysis and applies this perspective to a broad topic. This book tries to comprehend Brazil's national-level political structure by marrying a consistent theoretical perspective—the perspective of rational choice theory—to

44. Between 1985 and 1993, the federal share of all public resources declined from 44.6 percent to 36.5 percent. Federal resources as a share of the gross domestic product (PIB) fell from 6.7 percent to 5.7 percent. State resources grew from 5.6 percent of the PIB to 6.3 percent, while the municipal share grew from 2.7 percent to 3.5 percent (see Rezende 1990, 161).

extensive empirical verification. The book is framed as a series of puzzles. Not every puzzle is solved with equal precision, and the theoretical arguments go further in some cases than others, but every part follows the same pattern: theoretical argument, hypotheses, empirical resolution.

Rational choice arguments applied to political systems in Latin America make no sense unless accompanied by efforts at empirical verification. Otherwise, these arguments cannot be falsified. In a sense, when forced to choose between theoretical elegance and explanatory completeness, I opt for the latter. This commitment to empirical explanation may pose problems for readers unfamiliar with Brazil. The nation has enormous cross-regional variation, and since states are important actors in national-level politics, this variation is often an important factor in determining national political outcomes. In chapter 4, for example, I discuss patterns of political competition in groups of particular states. At times, chance political events, random shocks no general theory would consider relevant, influence long-run outcomes in these states. The danger, of course, is that explanations sacrifice breadth as they gain accuracy. In general, I include explanatory factors if they affect outcomes over the long term; I exclude factors whose effects are brief.⁴⁵

Because my goal is to explain real political outcomes, I use institutional arguments probabilistically rather than deterministically. In other words, I predict propensities rather than certainties. The fact that Brazil's electoral system stimulates deputies to focus on pork does not mean that no deputy will focus on national issues. The fact that hundreds of deputies support macroeconomic stabilization policies only when paid off does not mean that stabilization can never be achieved. In fact, chapter 8 will show that legislators yielded a certain portion of their access to pork when they feared that the alternative was a victory in the upcoming presidential election by the leftist candidate, Lula. A Lula victory, they understood, might lead to a permanent rather than temporary end to business as usual.

Brazil as a Case Study

If all studies focusing on a single country automatically deserve the dreaded label of case study, I obviously plead guilty. More sensitive criticisms are based

45. For example, in a cross-national model explaining public expenditures, I once included a dummy variable for an earthquake in Ecuador. Under this criterion, I would include the earthquake dummy if expenditures jumped to a higher level and remained there and exclude the dummy if expenditures soon returned to their pre-earthquake level.

on two criteria. Does the central puzzle interest only traditional country experts? Do the explanatory concepts come from the case itself and remain invariant within it? Hopefully, neither criterion applies here.⁴⁶ The functioning of electoral and legislative political institutions interests scholars, politicians, and citizens in all competitive regimes. The core theoretical argument derives mainly from rational choice reasoning combined with historical institutionalism, and there is sufficient internal variation to enable hypothesis testing with standard empirical techniques.

Criticisms of case studies often assume that each variable in a given case is only measured once. In assessing the scientific utility of research, however, the real issue is not the number of cases but the number of observations. As King, Keohane, and Verba (1994, 52) point out, only the number of observations is important in judging “the amount of information a study brings to bear on a theoretical question.” Repeating Eckstein’s (1975, 85) famous example, “A study of six general elections in Britain may be, but need not be, an $n = 1$ study. It might also be an $n = 6$ study. It can also be an $n = 120,000,000$ study. It depends on whether the subject of study is electoral systems, elections or voters.”

The data utilized in this book vary enormously. Here is a partial list: municipal-level electoral returns for thousands of congressional candidates over five elections (between 1978 and 1994) in nineteen different states; 14,000 grants from the central government to individual municipalities; more than 10,000 budgetary amendments submitted by individual deputies to the congressional budget committee; more than 200 interviews with deputies, journalists, and academics; schedules of private meetings between ministers and deputies; and historical materials concerning particular states. In essence, the data provide measures across states, time periods, and levels of government. In other words, this book is about Brazil, but it is not a case study.

Interviews as Data

While the project ultimately employed a wide variety of information, I did not begin with all the data in hand or even in sight. At the start, the only hard data were electoral returns from ten states for the first two elections. More elections were scheduled, of course, but I expected interviews to become the central source of information complementing the electoral results. It turned out differently.

46. Ironically, this criticism applies much more strongly to those who make it most often—that is, scholars in American politics. I will return to this topic in the conclusion.

Interviewing congressional deputies is not fun. The first couple of times you make an appointment, the deputy cancels or simply fails to show up. The third time you wait an hour or two until the deputy arrives. When the interview finally begins, the deputy assumes you need a lecture on Brazilian history, so the conversation starts with the 1930 revolution. When you get past the history lesson, lies begin. Interviewing is not fit work even for graduate students.

Interviews really are not that bad. But since they are relatively easy to arrange, too many studies rely on interviews without considering their inherent problems. Interviews with key informants such as politicians almost never constitute samples in the scientific sense, not least because politicians willing to be interviewed tend to be the more high-minded, public-spirited types. And although we all know that information from particular interviewees should be cross-checked with other interviews, verification is often impossible. Few scholars receive any training in interview technique. Interviewing may be a particular problem for men: As countless women have reminded me, men listen poorly and tend to impose their own views on interviewees.

In the course of this project, I interviewed the highly regarded chief economist of the congressional budget committee. We talked about the deputies' pork-barrel proclivities and about his efforts to impose some rationality on the distribution of budget amendments. The discussion was typical of interviews with technical people, who mostly are quite open to academics. Two years later, however, the chief economist was arrested for arranging the murder of his own wife. It turned out that the woman in question was about to denounce her husband's participation in an extortion scheme involving the budget committee. The conspiracy had been going on for years: the staff economist, along with a group of deputies, had received kickbacks from construction companies totaling hundreds of millions of dollars. Most of the accused deputies were well known for their pork proclivities, but among those accused (and convicted) was one of the high-minded types, a favorite interviewee of both local and visiting academics. A number of interviews, one might assume, need re-examination.

The point of this digression is not that scholars should avoid interviewing politicians. Interviews are indispensable, but they should complement, not replace, other sources of information. I hope that the analyses in this book persuade readers that Latin America is rich in data-gathering opportunities. In the course of this research, I discovered bodies of information in Brazil that would never be available in American politics. Political research is more difficult in Latin America than in the United States or Europe, but Latin Americanists should not assume that empirically based scholarship is impossible.

The Plan of the Book

The book is divided into two sections.⁴⁷ Part 1 focuses on the electoral system and on the kinds of politicians and parties the system produces. Chapter 1 begins by explaining Brazilian electoral rules and then presents a spatial taxonomy of congressional deputies' voting bases. The taxonomy utilizes a geographic information system capable of graphically displaying deputies' vote bases. The analysis then links these voting bases to political careers, economic and demographic conditions, and chance political events. The chapter concludes by examining the relationships among open-list proportional representation, the spatial structure of competition, and key elements of democratic consolidation. These elements include party building, disproportionality of representation, corruption, and the nature of representation and accountability.

Chapter 2 explores the campaign strategies of legislative candidates under open-list proportional representation. Using concepts derived from rational choice principles, the argument predicts where candidates seek votes. To test the argument, deputies' intentions must be measured without employing, as a dependent variable, the votes they receive, because votes are the outcomes of all candidates' interacting strategies. The analysis solves the problem by utilizing the budgetary amendments submitted by deputies as an indicator of their intent to seek votes in particular municipalities. The chapter concludes by modeling actual electoral results to assess the effectiveness of candidate strategies.

Chapter 3 explains variation, both spatial and temporal, in political competition across Brazilian states. The chapter begins by modeling interstate differences in the average spatial concentration of deputies' vote bases and in their average domination—that is, the degree to which deputies monopolize the votes of municipalities where they pick up important shares of their own total vote.⁴⁸ Next, the chapter asks how concentration and domination have changed between 1978 and 1994.⁴⁹ The explanation, for both questions, stresses economic and demographic factors.

47. This book says nothing about the bureaucracy or the judiciary. On the bureaucracy, Schneider 1991 is definitive. The judiciary, in Brazil and elsewhere in Latin America, remains the great unknown of politics.

48. This distinction may also be made as follows: *spatial concentration* measures the contiguity of a deputy's votes. *Domination* asks what percentage of the total votes cast were received by the deputy in those places where most of the deputy's personal vote was garnered. A group of deputies might each pick up 90 percent of their personal total in the city of São Paulo, but each deputy would get only 3 percent of the city's votes. Their votes are spatially concentrated, but they do not dominate.

49. The choice of the 1978 election as the initial data point simply means that it was the first

Chapter 4 introduces path dependence to the analysis by asking whether chance historical events produce lasting effects on political competition. Brief comparisons of states in different regions illustrate how economic, social, and demographic conditions interact with unique political events to produce durable patterns of political competition. These comparisons include Bahia, Maranhão, and Ceará in the Northeast and Santa Catarina and Paraná in the South.

Part 2 investigates the legislative arena. Chapter 5 asks what motivates members of the Chamber of Deputies. By analyzing voting in two periods, in the constitution-making period of 1987–88 and on a set of emergency measures during the Collor administration, I estimate the effects of variations in the spatial nature of deputies' constituencies, their ideologies, party affiliations, and receptivity to pork-barrel programs.

Chapter 6 focuses on presidential efforts to maintain stable support in the Congress. The chapter begins by identifying and explaining the executive's objectives. What kinds of allies, in terms of region, party, and faction, do leaders recruit? How does the president's approach conflict with the strategies of cabinet ministers seeking to advance their own political careers? Is this coalition building inefficient—that is, does it force government spending to rise? Considering Presidents Sarney, Collor de Mello, Franco, and, briefly, Cardoso, the chapter analyzes presidential strategies by modeling the distribution of *convênios*, the grants made by central government ministries to local municipalities.

Chapter 7 assesses the results of the presidential tactics just identified. In other words, do presidential efforts actually yield greater legislative support? To answer this question, a measure of legislative party discipline and unity is needed. Though roll calls (the recorded *yeas* and *nays* on the floor) have been used as the central indicator of party discipline and unity in many legislatures, they are really quite ambiguous measures. This chapter begins by discussing the problems of roll calls. Roll calls illuminate only the final stage of the bargaining process that culminates in legislation. Some proposals never get to the Congress; others never get out of committee. Even if a proposal culminates in legislation, it may ultimately embody innumerable individual deals as well as compromises with intraparty caucuses. In Brazil very few legislative proposals have emerged from the congress unscathed since 1988. Still, if roll calls do not measure real agreement with the leadership's position, they do measure individual satisfaction with either the private or interest-group bargains that have been struck in the course of the legislative process. In the last sections of this

election results I could find. Since electoral laws changed in 1979, the 1978 contest is not a particularly good benchmark. I try to make clear in the text where the electoral dynamic changes for exogenous reasons.

chapter, I analyze individual deputies' tendency to defect from their parties' majorities. Focusing on five major parties, I analyze about 600 votes taken between 1991 and 1998.

Chapter 8 examines the Chamber of Deputies' internal policy-making process. How does policy get made (1) when most deputies care little about national questions, (2) where parties are numerous, lack any sort of programs, and rely on personal inducements to discipline their members, and (3) where the rules discourage the development of expertise? The chapter begins with a review of the theoretical and empirical literatures on legislatures. Two polar explanations characterize this literature: the distribution-centered models of Shepsle and Weingast (1987) and their followers, and the information-centered models of Krehbiel (1991). The chapter first attempts to position the Brazilian legislature between these two poles by modeling the approval of budgetary amendments in the Budget Committee and comparing Budget Committee membership to other committees. The chapter then turns to a problem that is particularly difficult in a multiparty environment, that of legislative coordination. Focusing on a leadership structure known as the college of leaders, the analysis consists of brief case studies of five pieces of legislation, each selected to maximize variance on the conditions affecting bargaining and interparty negotiation. The five cases include macroeconomic stabilization in the government of Itamar Franco, the Bidding Reform Act of 1993, the Law of Directives and Bases in Education, ministerial reorganization in the Franco government, and the Agrarian Reform Law of 1992.

The conclusion begins with a brief summary of the book's findings and then turns to the implications of these results. Can Brazil escape its institutional difficulties? Have reforms in institutional structures helped other nations overcome poverty and inequality? What can Brazil's experience teach other nations undergoing a transition to competitive politics? And last, what are this book's implications for the study of Latin American politics, in terms of the use of rational choice theories, of the meaning of case studies in comparative politics, and of future research possibilities?