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Abstract

This paper proposes an agenda for the study of the determinants and the processes by which strong policymaking institutions emerge, with emphasis on the most central democratic institution: the legislature. It reviews extant theories of institutionalization, and proposes further ways of specifying and studying the concept. It emphasizes the notion that investments and beliefs are the driving force of Congress institutionalization and of its relevance in the policymaking process. Making use of several indicators of Congress institutionalization, it provides evidence suggesting that Congress institutionalization has an impact on the qualities of public policies and on economic and social development outcomes. It also explores some "constitutional" factors that may promote Congress institutionalization. Given that a central theoretical argument of this paper is that the institutionalization of legislatures is a process that includes various self-reinforcing dynamics, the paper also undertakes the preliminary steps in developing a comparative case study of the evolution of Congress institutionalization in two Latin American countries: Argentina and Chile.

JEL Codes: D70, D72, H0
Keywords: Congress, Institutionalization, Institutions, Electoral System, Political Regime, Democracy, Trust, Development, Public Policies

1. Introduction

Countries around the world vary substantially in their policymaking style. In some countries policies are decided by bargaining in the legislature, while in other countries they are decided unilaterally by executives influenced by social groups that threaten violence in the street or by businesspeople who bribe them. These differences relate to the workings of political institutions and have a profound impact on the capacity of countries to implement effective and sustainable public policies. Previous work has shown that well-institutionalized political parties, legislatures with strong policymaking capabilities, independent judiciaries, and well-developed civil service systems ("the institutionalization of policymaking," for brevity) are crucial determinants of the capacity of countries to implement effective public policies.[1]

The purpose of this paper is to sketch an agenda to study the determinants of and the process by which strong policymaking institutions develop, with special focus on the potentially most central policymaking institution in a democracy: Congress. Legislatures are critical institutions in the effective functioning of a democratic system and in the policymaking process. Legislatures are expected to represent the needs and wishes of citizens in policymaking, to identify problems while proposing and passing laws to address them, and to oversee the implementation of policies by monitoring, reviewing, and investigating government activities (Beetham, 2006). The extent and role played by legislatures in the policymaking process varies greatly across countries (Saiegh, 2010). How legislatures play their policymaking role has an important effect on policy outcomes and on societal welfare. When the legislature is a marginal actor, it gives the executive free rein to enact policy changes. But lack of legislative deliberation during policy formulation and weakness of oversight may mean that the policies adopted are poorly conceived in technical terms, poorly adjusted to the real needs of various relevant societal actors, lacking consensus and therefore stability, and/or inefficiently or unfairly implemented.

This paper provides preliminary evidence that suggests that countries with stronger Congress tend to also produce better public policies. We argue that the capability of Congress to perform an effective role in the policymaking process is a consequence of its institutional strength, or *institutionalization*. We draw from extant theories of political institutions and

[1] IDB (2005), Stein and Tommasi (2007), Tommasi (2007), Scartascini, Stein and Tomasi (2009). More broadly, these views have been long supported by the literature: Altman and Pérez-Liñán (2002), Dahl (1971), Helmke (2005) Helmke and Ríos Figueroa (2011), O'Donnell (1993 and 1994), Siavelis (2009), Weaver and Rockman (1993), among many others.

institutionalization, and in particular from earlier efforts at conceptualizing and measuring the institutionalization of various political arenas, including parties (Mainwaring and Scully, 1995; Mainwaring, 1998) and legislatures themselves (Polsby, 1968). We argue for the need to extend notions of institutionalization based on aspects of Congress as an organization to a notion inclusive of its overall role in the broader political system.

The paper proceeds as follows. In Section 2 we review extant theories of institutionalization and propose further ways of specifying and studying the concept by emphasizing the notion that investments and beliefs are the driving force of Congress institutionalization. Sections 3-5 provide preliminary empirical analysis of some tentative indicators of Congress institutionalization, and explore the constitutional factors affecting the likelihood of institutionalization.[2] On the basis of such exploratory empirics, we suggest ways to improve our indicators of institutionalization, as well as explanatory avenues to be explored. In Section 6, in order to further develop the theory and explore the dynamic determinants of Congress institutionalization, we provide a preliminary analysis of two Latin American cases of recent democratization with contrasting experiences, Argentina and Chile. Our analysis there suggests that the Chilean Congress is more institutionalized and more relevant in policymaking than the Argentine one, in spite of the fact that the Constitution of Argentina endows more formal powers in the Argentine Congress than the Chilean Constitution does in its own. The paper concludes, in Section 7, by suggesting a research agenda that may "fill in the blanks" of the various questions raised by these preliminary steps.

2. Theories of Institutionalization

2.1 Literature Survey

The notion of institutionalization in political science is associated to some of the main themes of the discipline. In trying to explain why some countries were having trouble achieving modernity and industrialization, Samuel Huntington (1968) argued that the fundamental difference between developed and developing societies lay not in their levels of wealth, health, or education, but rather in their level of political institutionalization (which implicitly meant democratic political

[2] One intriguing finding is the divergence between formalistic measures of parliamentary power (legislative prerogatives in the constitution) and congresses' actual institutionalization and relevance in policymaking, which is consistent with our theoretical view of multiple equilibria and path dependence. The paper shares the spirit of others who have noted the divergence between formalistic measures of power and actual performance (Helmke and Levitsky 2004, as well as Helmke and Ríos Figueroa, 2011, among others).

institutionalization). Huntington viewed institutions not so much as formal arrangements constituting polities, but as democratic action patterns: "Institutions are stable, valued, recurring patterns of behavior" (Huntington 1968: 12).

Institutionalization is often described as both a process and a state. The term **institutionalization** is widely used in social theory to denote how the process of making something (for example a concept, a social role, particular values and norms, or modes of behavior) becomes embedded within an organization, social system, or society as an established custom or norm within that system. According to Huntington "it is the process by which organizations and procedures acquire value and stability." Angelo Panebianco refers to institutionalization as a process of "consolidation of the organization, the passage from an initial, structurally fluid, phase when new-born organization is still forming, to a phase in which the organization stabilizes" (Panebianco, 1988: 18). But the term institutionalization is also used in synchronic comparisons or assessments of levels of that property.

Beyond general discussions of institutionalization, some authors have investigated the institutionalization of specific institutional arenas or subsystems. The single most studied area in this regard is *party system institutionalization*, a trait considered vital for long-term stability, accountability, and healthy functioning of democratic regimes (Mainwaring and Scully, 1995; Mainwaring, 1998, 1999; Jones, 2010). Institutionalized party systems can help ensure greater policy consistency because of the role played by parties in political recruitment and the efforts made by elites to promote and protect the value of the party label (Jones, 2010). Institutionalized political parties are also considered ideal actors to articulate the intertemporal bargains necessary to induce effective public policies consistently implemented over time (IDB, 2005).[3]

There is also a burgeoning literature on Judicial Institutionalization. For instance McGuire (2004) defines institutionalization as the *development of a regularized system of policy making*—which could include the "structure" of the courts, public support for the courts, and "norms" such as judicial review (related to judicial independence). McGuire's definition gets close to the notion of institutionalization we want to apply to Congress.[4] An ongoing research

[3] The type of concepts traditionally utilized to define and measure party system institutionalization tend to capture some of the dimensions of institutions and institutionalization that we emphasize here, such as investments inside those institutions ("do party organization have structure and resources?") and beliefs by insiders and other actors ("do people trust political parties?") about the relevance of that political organization or political arena.

[4] Savchak (2010) studies the institutionalization of U.S. State Supreme Courts. Bumin (2009) studies the institutionalization of post-communist Constitutional Courts.

project by Gretchen Helmke, Clifford Carrubba, Matt Gabel, Andrew Martin, and Jeffrey Staton is also driven by a logic analogous to the one we develop below. Seeking to identify conditions under which institutional design should induce greater judicial influence, they are attempting to test whether: i) institutions that insulate judges increase judicial influence; ii) institutions that insulate judges only increase influence when courts enjoy sufficient public support to ensure compliance; and iii) institutions that insulate judges are irrelevant to judicial influence, because public support substitutes for them. Even though they do not explicitly use this language, their inquiry gets at the heart of the discussion of institutions as rules versus institutions as equilibria, a point we also develop later.

There has also been work addressing head on the issue of concern here, Congress institutionalization, with Nelson Polsby (1968) as the founding author. Polsby applied Huntington's "macro" institutionalization theory to a particular organization, the U.S. House of Representatives, thereby pioneering the field of "organizational institutionalization" in political science. According to Polsby, an institutionalized organization has three major characteristics: it is well bounded, it is complex, and the organization tends to use universalistic as opposed to particularistic criteria. Polsby developed a number of indicators of such characteristics in Congress, relating to long congressional career paths, growth of specialized agencies within such as committees, and increases in various forms of remuneration and other resources. According to Polsby's indicators, "the House" became more institutionalized from its origin up to the time of his study. As a result, it became a more attractive organization for career-oriented individuals, developed a more professional set of norms, and increased its influence.[5]

Polsby's pioneering effort generated an important literature, especially within the American politics field, looking across US state legislatures (see Squire, 2007, for a brief overview of that rich literature).[6] For instance, Squire (2006a) is a wonderful study of the historical evolution of U.S. State Legislatures since the time of the Colonial Assemblies, which analyzes the impact of those institutions on the rules and structures given to the U.S. Congress in the American Constitution. This literature has also paid substantial attention to the concept of

[5] An important aspect to be considered when undertaking case studies of institutional development is to focus on questions such as when, how, and why did shorter careers become longer, discretion was replaced by universal criteria, and staff and other resources grew. For an example of such analysis applied to the forging of bureaucratic autonomy in U.S. executive agencies see Carpenter (2001).

[6] There is also a related literature on the policy-making role of legislatures across countries (Olson and Mezey 1991, Norton, 1993). This literature is rich in hypotheses relating various external and internal aspects of legislatures to their policy-making influence (Mezey, 1991). We explore some of these hypotheses in the empirical analysis below.

legislative professionalization, as well as to the relationship between legislative evolution and membership turnover, a point we come back to in the empirical section.[7]

Polsby's early emphasis on the implications of the internal organization of Congress was taken several steps forward by a later literature that sought to shed light on the motivations underlying Congress' observed organization (for instance, Weingast and Marshall, 1988; Krehbiel, 1991; Cox and McCubbins, 2005). That literature debates how Congress is organized, why that is the case, and its implications for the characteristics of the players in Congress. But implicit in those debates is the notion (seemingly taken for granted in the U.S. context) that Congress is a key arena in the American policymaking process.

The insights of Polsby and some subsequent work focus on aspects largely "internal" to the organization we call Congress. In the view of institutionalization that we wish to advance here, the strength, relevance and "institutionalization" of Congress are also dependent on the beliefs and expectations of relevant actors in the broader political scenario. Legislators can dress up, pay themselves handsomely, and have elaborate and consistently repeated procedures, but all of that might merely boil down to appearances if other actors in society and in the political system do not view Congress as a key arena in the political and policymaking processes.[8]

In that sense, our approach, to be described in the next section, is closer to that postulated by Blondel's (2006) article in the *Oxford Handbook of Political Institutions*,[9] which emphasizes the need to bring "external" considerations into our understanding of the institutionalization of political institutions. According to him, it is necessary to take into account how the institution relates to the rest of society, to the polity at large. The strength of institutions in the political

[7] Professionalization measures are intended to assess legislative capacity to generate and digest information in the policymaking process. Measures of legislative professionalization have been developed in the context of the U.S state legislatures, the most commonly employed ones based on three main components: level of member remuneration, staff support and facilities, and the time demand of services (Squire and Hamm, 2005). There is substantial variation in professionalization across U.S. states, with some legislatures (such as the one of California) closely resembling the U.S. national Congress, and others such as New Mexico and Wyoming being very amateur. For instance, there is huge variation in the number of Legislative Staff as a percentage of the staff of the U.S. Congress, which varies from 67 percent in California to less than 1 percent in Vermont.

[8] We use the term "arena" in its common usage as "place": a place or scene where forces contend or events unfold. This place, could be more or less relevant in the broader polity game. Polsby used the term arena in a different way, to refer to one of the two extreme types of legislatures in terms of their power: *arena* legislatures referred to cases where the primary focus is just debate, like the U.K. House of commons (with remembrances of the original French word for Parliament, just *parler*), vis-à-vis *transformative* legislatures (like both houses of the U.S. Congress) where the primary focus is on actual law production.

[9] Curiously, Blondel's is the only chapter in that Handbook that speaks about the notion of institutionalization.

realm appears linked to the support they may enjoy outside their "borders."[10] A similar notion is developed by Keohane in his studies of international organizations. According to him, "the impact of an international organization on its environment depends upon the interactions between its own organizational characteristics (including attributes of its leadership) and the willingness of other actors (principally governments and other international organizations) to respect and where necessary to enforce its decisions" (Keohane, 1984).

Clearly, strength of internal organization and external perception are likely to reinforce each other. This view links naturally with our own, which takes its cues from the literature on "institutions as equilibria" in rational choice institutionalism.

2.2 Institutionalization as an Equilibrium Phenomenon[11]

Institutions reflect past investments; summarize information, beliefs and expectations; and incorporate self-reinforcement effects. The view of institutionalization that we purport to utilize is based on the notion that institutions and institutionalization are the result of "*investments*" that actors undertake over time, and that these actions and investments, in turn, depend on their *beliefs* about the actions of other players.[12] In standard game theoretic analysis, the actions (and investments) of the relevant players are a function of their beliefs about what other relevant players will do. An equilibrium is a consistent and self-confirming configuration of actions and beliefs.

When applying this abstract logic of game theoretic actions, beliefs, and equilibria to a specific real world situation such as the process of Congress institutionalization, an obvious question is who are the relevant players whose actions and beliefs one has to consider. In the broadest sense, the game of national policymaking and politics is played by a very large number of players including every person in the country[13] and even various foreign actors. In practice, one tends to focus on a smaller set of crucial individual or collective players.

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[10] Other work that focuses more explicitly on this connection between inside and outside aspects of congress institutionalization includes, for instance, Agor (1971), García Arias (2007), and Patzelt (2011).

[11] This section is a brief sketch of a theoretical approach which is described in greater detail in Scartascini and Tommasi (2012).

[12] For that reason, in our efforts to measure institutionalization we will use variables that attempt to capture investments (organization, education, resources, etc.) and appreciation by various actors (the legislators themselves, expert opinion, key players, the general public).

[13] This includes professional politicians—actors inside the institution (legislators), in the overall institutional complex (the Executive, the Judiciary, the bureaucracy, subnational governments, political parties)—as well as a

For each of these actors or classes of actors, one can mention examples of actions that have the nature of investment in the institutionalization of Congress, as well as activities that have the opposite effect. As stated, such choices will depend on whether each actor believes that Congress is a relevant arena in which important policy decisions are made and hence is a worthwhile place where to focus their scarce political resources.

One crucial set of actors whose incentives, beliefs, and investments have to be considered are obviously the *legislators themselves*. As explored later, their own investments in their congressional careers and in the institutionalization of Congress itself depend on their views on the role and effective powers of the legislature. (Later in the paper we present some empirical indicators connecting these concepts.)

Another key actor is the Executive. Executive actors can be respectful of the prerogatives of Congress, or they can attempt to ignore Congress and rule unilaterally. Whether they manage to do so or not, and hence whether they attempt that in equilibrium or not, will depend on their expectations about the reactions of other players such as legislators themselves, the Judiciary, and public opinion. There are clear path-dependent self-reinforcing dynamics at work here.

As an example of key socioeconomic actors, *business actors* can also invest in political activities or technologies of varying degrees of institutionalization, and their activities will tend to strengthen or weaken various arenas including Congress. For instance, they can directly invest in strengthening some state capacities, they could form business associations that participate in institutionalized corporative arrangements, they could invest in strengthening those political parties that better represent their interests, they could invest at the sectoral level to push for specific policies, they could do so by focusing their energies on the chief executive, on the sectoral ministry, on the appropriate committees in Congress; they could invest in the abilities and contacts necessary to influence corrupt bureaucrats, or they could even invest in technologies that allow them to physically or legally threaten those politicians that do not follow their demands.[14]

As we will explore in the empirical sections, different formal rules (such as Constitutions and electoral mechanisms), by affecting the incentives of key players, might make the

number of societal actors, starting from the most organized and relevant ones such as businesses, unions, students, unemployed labor groups, the military, and ending with citizens in general.

[14] On the former portfolio choices see Schneider (2010); on the latter threat strategies see Dal Bó, Dal Bó and Tella (2006) and Scartascini and Tommasi (2009).

institutionalization of Congress more or less likely. But the institutionalization of Congress is by its very nature an *equilibrium* phenomenon, subject to a variety of self-reinforcement effects. Actors will concentrate their political *investments* and actions in the place where they *believe* crucial decisions are made. As stated, institutions reflect past investments; summarize information, beliefs and expectations; and incorporate self-reinforcement effects. The relevance of specific institutional arenas for policymaking is a self-reinforcement phenomenon, potentially subject to multiplicity of equilibria.[15] When Congress and the political party system are effective conduits of preference aggregation and political bargaining, various relevant actors place their bets (investments) on those institutions, most citizens believe that those are the spaces where relevant decisions are made, and this whole logic reinforces and becomes self-fulfilling. On the contrary, if such institutional arenas are not taken seriously and everybody knows that the way to get something out of the political system is to blockade a road or to bribe the president, those investments in the institutionalization of Congress and/or parties are not undertaken and the weakness of formal institutions is reinforced. Polities might be stuck with higher or lower levels of institutionalization.

This logic of multiplicity has important implications for the empirical study of Congresses. As well put by Shepsle (2002: 393), "many elements of legislative life are best conceived as hanging together, rather than as part of a causal chain." One of the implications is the need to complement theoretical analysis and cross-country empirics with historical process tracing of specific legislatures, a task that we take up in later sections. Such studies, by looking into specific temporal sequences, might also shed light on complex causality questions.

The next two sections provide preliminary evidence guided by this theoretical approach. In the next section we look at some (rough) indicators of Congress institutionalization within Latin America and in a broader (but shallower) international sample. In the section after that, we develop the embryo of a case study of institutionalization in two countries of recent return to democracy.

[15] In pursuing this argument, the paper concurs with an analytical current that views institutions as equilibrium phenomena. Our use of "institutionalization" is quite close to the game theoretic notion of "institutions as equilibria" by authors such as Calvert (1995a, 1995b), Greif (2006), and Aoki (2001).

3. Congress Institutionalization and Its Correlates around the World

3.1 The Measurement of Congress Institutionalization

We have argued that Congress institutionalization is an equilibrium result that depends upon the investments of a multiplicity of actors. Citizens should see Congress as the arena where their interests are represented and where decisions are made, politicians should consider Congress the place to foster their political careers and to bring their preferred policies into fruition, and presidents should respect its independence and authority over certain policy domains. If key actors have such beliefs, adequate investments in the institution of Congress, including investments in policy expertise, will be undertaken. Hence, a higher level of Congress institutionalization should bring about better outcomes. The possibility of these things happening might depend on some specific constitutional rules that, for instance, give more formal powers to Congress, or that make Congress a more natural focal point for political careers and policy influence. In this section we take some steps in the attempt to explore these claims empirically.

Measuring Congress institutionalization is not straightforward because it cannot be built out of *de jure* attributes of Congress. It has to do with previous investments in the capacity of the legislature, on the incentives of legislators, and on the expectations and beliefs of various actors. Therefore, in order to provide an empirical grounding to the agenda that we summarize in this paper, we draw from three interconnected layers of empirical analysis. We utilize some variables available in international data sets for large-N empirical analysis, we complement that data with more attuned data for 18 Latin American democracies, and we develop the embryo of a case study of the state and evolution of institutionalization in two countries of relatively recent democratization: Argentina and Chile. While we attempt to use the best available data for exploring the arguments, one of the purposes of this paper is to identify the work that is needed in order to refine the measures as well as the conceptualization at each of those levels.

3.2 Congress Institutionalization across Democracies

We start by referring to the extant data for 18 Latin American countries; we have compiled these data with several collaborators in earlier studies of Latin American institutions and policymaking.[16] These data are then used to motivate the (more limited) indicators available at

[16] These studies are reflected in IDB (2005), Stein et al. (2008), and Scartascini and Tommasi (2010).

this point for a larger international sample. We employ the latter larger-N sample to explore some suggestive empirical correlations.

One of the findings of those comparative studies of Latin American countries was that different legislatures seem to play different roles in policymaking. Those different roles are associated with various measures of legislators' and legislatures' capabilities, which have a clear investment component and that reflect the beliefs of various actors: longevity of legislative careers, legislators' education and specialization in policy committees, resources available for policy analysis, esteem in the eyes of the public, and appreciation of Congress as an important place in politicians' career. Saiegh (2010) reflects the latest version of various indicators for all such characteristics for a sample of 18 Latin American Legislatures. Table 1 presents a summary of these measures of Congress institutionalization.[17]

Table 1. The Institutionalization of Latin American Legislatures

Country	Technical Expertise	Percentage of Legislators with University Education	Average Experience of Legislators (Years)	Average Number of Committee Memberships per Legislator	Strength of Committees	Place to Build Career	Effectiveness of Lawmaking Bodies, Avg. 2002-2012	Confidence in Congress, Avg 1996-2010	Index of Congress Institutionalization
Argentina	Low	69.6	2.9	4.5	Medium	Low	1.9	24.1	1.5
Bolivia	Medium	78.4	3.3	1.7	Medium	Medium	2.1	24.1	1.5
Brazil	High	54.0	5.5	0.9	Medium	High	2.6	28.1	1.8
Chile	High	79.4	8.0	2.0	High	High	3.8	35.8	2.3
Colombia	Medium	91.6	4.0	0.9	High	High	2.8	24.8	1.8
Costa Rica	Low	80.4	2.6	2.1	High	Medium	2.3	32.9	1.6
Dominican Rep.	Low	49.6	3.1	3.5	Low	High	2.4	40.1*	1.5
Ecuador	Low	83.1	3.5	1.3	High	Medium	1.7	15.5	1.5
El Salvador	Low	64.0	3.9	2.4	Medium	High	2.4	29.8	1.6
Guatemala	Low	68.4	3.2	3.2	Low	Medium	1.9	20.9	1.3
Honduras	Low	73.1	3.0	2.3	Low	Low	3.0	32.9	1.3
Mexico	Medium	89.5	1.9	2.4	High	Medium	2.3	29.3	1.7
Nicaragua	Medium	85.6	3.5	2.0	Low	Medium	1.9	22.7	1.4
Panama	Low	81.3	5.8	1.9	Medium	High	2.3	23.6	1.7
Paraguay	Low	75.4	5.5	3.2	Low	High	1.9	25.8	1.6
Peru	Low	92.9	5.2	2.4	Low	Low	2.0	19.6	1.3
Uruguay	Low	68.4	8.8	1.0	High	High	3.1	46.1	1.9
Venezuela	Low	74.6	4.9	1.0	Medium	Medium	1.6	37.0	1.4

*Average for the period 2005-2010 due to the availability of the data.

Sources: IDB (2005) and Saiegh (2010) updated by the authors from Latinobarometer (1996-2010) and World Economic Forum (2002-2012)

Technical expertise is a qualitative assessment on the technical expertise of legislators by Saiegh (2005), based on results from the "Proyecto de Elites Latinoamericanas" (PELA) from the University of Salamanca and from the country studies of the Political Institutions,

[17] The construction of these indicators was an iterative process involving a number of researchers undertaking case studies on the overall policymaking process in a number of countries (reflected in Stein et al., 2008), as well as studies of policymaking in a number of specific areas such as tax policy, public services, education and decentralization (summarized in IDB, 2005).

Policymaking Processes and Policy Outcomes project (PMP) of the Inter-American Development Bank Research network.[18]

Percentage of Legislators with University Education captures legislators' levels of human capital, which are likely to affect the capacity of the legislature for analyzing and resolving problems though legislation.

The measure of *Experience of Legislators* looks at the number of years legislators remain in office on average. There are various channels by which this variable relates to our notion of Congress institutionalization.[19] Term length is thought to influence legislative behavior, as longer tenures provide legislators with stronger incentives to invest in their capabilities.[20] Also, Congresses in which the same legislators interact repeatedly over time are more likely to develop norms of cooperation that facilitate effective policymaking. On the other hand, the fact that legislators stay longer is an outcome measure that reflects the relevance of Congress as a policy arena and as a place to develop political careers.

The legislature's ability to effectively participate in policymaking is affected by its organizational characteristics. Given the unwieldy size and lack of specialization of the full Congress, if legislatures are to play an active role they must find ways to develop specialized knowledge. The most common way to provide for such specialization is through the system of committees. Committee membership enables members to develop specialized knowledge of the matters under their jurisdiction. If legislators belong to too many committees, that limits their ability to concentrate efforts and develop specialized knowledge. The measure *Average Number of Committees per Legislator* attempts to measure the degree of specialization of legislative committees, and thus their effectiveness. This is complemented by the subjective variable *Committee Strength* developed by Saiegh (2005) from PELA and the IDB-led PMP project (Stein et al. 2008).

The last three columns, from different sources, attempt to capture the degree to which the Legislature is an institution valued by politicians themselves, economic elites, and citizens in general. The variable *Place to Build a Career* (by Saiegh from PELA and PMP) attempts to

[18] We provide more detailed information of this and all other variables in the Appendix.

[19] The length of legislative careers has been a staple in studies of Congress institutionalization since the pioneer study of Polsby (1968).

[20] Using a natural experiment in the first cohort of Argentine legislators after re-democratization in 1983, Dal Bó and Rossi (2011) show that short tenures in Congress discourage legislative effort due to an investment-payback logic: when effort yields returns over multiple periods, longer terms yield a higher chance of capturing those returns.

capture the degree to which legislators themselves value their stance in Congress as an important position in their political careers. *Effectiveness of Lawmaking Bodies* is constructed from data collected by the World Economic Forum on the basis of the following question to business executives: How effective is your national parliament/congress as a lawmaking and oversight institution? *Confidence in Congress* was constructed as a multiyear average percent of (general public) respondents in the Latinobarómetro survey that stated that they had much or some confidence in Congress. Putting emphasis on these attitudinal variables comes from our game theoretic notion of institutionalization with emphasis on beliefs as determinants of equilibrium behavior, and is consistent with a similar emphasis in the pioneer comparative work of Mezey (1979) who suggested using indicators of support for the legislature in measuring Congress institutionalization.

All of this information is summarized in the last column of Table 1 in an overall index of the institutionalization of these Latin American legislatures. As can be observed from Table 1, there is large variance across countries across different measures despite the fact that, by international standards, it is a relatively homogeneous set of countries in terms of their degree of development, basic political institutions (all presidential), and cultural and historical traits.[21]

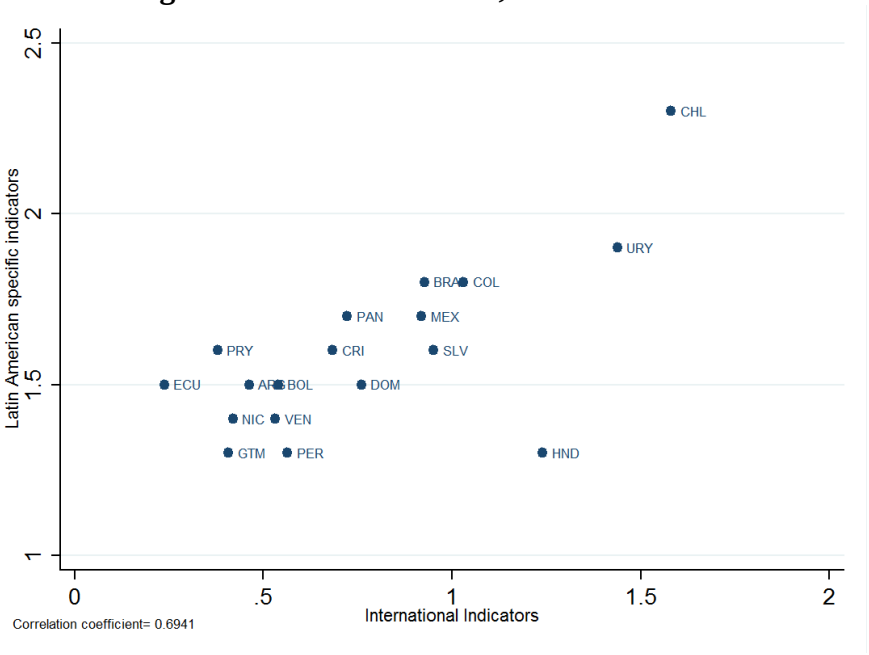
Interestingly, and in line with our theoretical framework, the variance is not that high within countries. Countries tend to consistently score high (or low) across various different measures; that is, the measures tend to be highly correlated. This indicates the reinforcing nature of all of these processes, one of the points stressed in our theoretical framework.

Several of these variables come from specialized Latin American sources and data, not available for a wider sample of countries. But two of them, the *effectiveness of lawmaking bodies* and *the population's confidence in parliament*, can be built using widely available international sources: the Global Competitiveness Report (GCR), and the World Values Survey, respectively. Even though we would prefer to use a broader set of variables for computing a worldwide measure of Congress institutionalization, at this stage, given the availability of international information, we have concentrated on these two and combined them as our rough proxy of Congress institutionalization around the globe. Despite the limitations of these two measures, and pending the development of better international indicators of Congress institutionalization (a

[21] Later in the paper we explore the contrast between the Chilean and the Argentine Congress, close to the extremes in terms of high and low institutionalization, respectively.

key step in this agenda), we believe they capture some of the components of our notion of institutionalization. In a rather direct sense they are a measure of the beliefs about the strength and relevance of Congress by *some* relevant actors; more indirectly, these perceptions might capture to some extent the likelihood that investments are made in building its capacity. Additionally, there is a substantive positive correlation (0.68) of an indicator combining these two international sources with an indicator combining the other six "Latin-American specific" variables. Figure 1 shows this relationship. For those reasons we believe that this rough indicator captures, albeit indirectly, some of the phenomena under study; and it is what we use in the rest of the paper when exploring the effects and the determinants of institutionalization for a broad sample of countries.[22]

Figure 1. Correlation between International and Latin America-Specific Measures of Congress Institutionalization, 18 Latin American Countries



Sources: Latin American data: IDB (2005) and Saiegh (2010) updated by the authors from Latinobarómetro (1996-2010) and World Economic Forum (2002-2012). International indicators: Berkman et al. (2008) updated by the authors from World Value Survey and World Economic Forum.

[22] In the rest of the paper we report regression results for the worldwide sample using that shallower indicator of Congress institutionalization exploiting the advantages of a larger N. For brevity we do not report here the results for the smaller sample of 18 Latin American cases with the slightly richer measure of institutionalization. The results in that case are largely consistent with those of the larger sample, although the levels of significance are smaller. Stein and Tommasi (2007) and Tommasi (2007) report some of those results within the Latin American cases.

4. Congress Institutionalization Matters

Armed with the indicators of Congress institutionalization described above, in this section we assess whether Congress institutionalization matters for a number of substantive outcomes. We have the expectation that countries with more institutionalized congresses will generate better policies and will facilitate better social outcomes. In some sense we are carrying forward a question posed by authors such as Olson and Mezey (1991) studying legislatures in the policy process in the context of descriptive comparative studies. For instance, Mezey (1991: 214) concludes his final assessment chapter by arguing "the next issue on the research agenda of those interested in comparative legislative behavior must be assessments of the consequences of legislative ability."

4.1 Congress Institutionalization Matters for Development Outcomes

We ask whether Congress institutionalization has an impact on some of the ultimate measures of development, such as growth in GDP per capita and changes in the Human Development Index (the most commonly used proxy for a number of measures of human welfare, produced by the United Nations). There are various possible channels through which higher Congress institutionalization can improve development outcomes, mostly operating through the quality of public policies, a topic that we explore later.

Table 2 shows that Congress institutionalization seems to have an impact on development outcomes: higher levels of institutionalization, measured according to our proxies, have a positive impact on growth and on the evolution of the human development indicators.[23]

[23] The fact that the survey-based measure we are using correlates well with the LAC measure, which is based mostly on objective indicators, reduces the concern that the measure is picking up only "positive sentiments" regarding the general outcomes of the country.

Table 2. Congress Institutionalization and Development Outcomes

	GDP growth					HDI Growth				
	(1)	(2)	(3)	(4)^	(5)^^	(6)	(7)	(8)	(9)^	(10)^^
Congress Institutionalization	1.135***			0.945**	0.881**	0.653***			0.137	0.401
	(0.272)			(0.437)	(0.379)	(0.239)			(0.223)	(0.324)
Legislative Efficiency		0.733***					0.476**			
		(0.221)					(0.185)			
Confidence in Parliament			1.793***					1.050*		
			(0.635)					(0.566)		
Democracy	0.790**	0.669*	0.085			0.262	0.076	0.640		
	(0.386)	(0.397)	(0.612)			(0.340)	(0.346)	(0.526)		
Ln GDP pc	-0.028	-0.063	0.105	0.549*	0.164	-0.897***	-0.937***	-0.771***	-0.390**	-0.851***
	(0.180)	(0.191)	(0.282)	(0.308)	(0.230)	(0.156)	(0.161)	(0.238)	(0.156)	(0.195)
Constant	1.403	0.954	-0.186	2.896	4.122**	7.553***	8.397***	5.184**	5.170***	7.444***
	(1.714)	(1.779)	(2.787)	(3.648)	(1.626)	(1.067)	(1.523)	(2.496)	(1.019)	(1.379)
Regional dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sample	World	World	World	Democracies^	Democracies^^	World	World	World	Democracies^	Democracies^^
Observations	122	121	74	67	82	121	120	73	66	81
R-squared	0.320	0.289	0.344	0.283	0.233	0.373	0.370	0.404	0.369	0.333

Dependent variables: Average growth of GDP pc PPP 1990-2008, Average growth of HDI 1990-2009. All regressions include regional dummies.
^Sample restricted to democracies (Polity2>0 in every year since 1990)
^^Sample restricted to democracies (Polity2>0 in every year since 2000)
Standard errors in parentheses
***p<0.01, **p<0.05, *p<0.1

4.2 More Institutionalized Congresses Produce Better Policies

One of the mechanisms by which stronger congresses affect welfare outcomes may be through better ways in which policies are designed and implemented. Because the effects of policies on the final economic and social outcomes of interest depends on the actions and reactions of economic and social agents, who take into account their expectations about the future of the policies in question before deciding on their responses, there are certain features of policies (such as their credibility) that are important for the achievement of the desired objectives.

Previous work has measured and analyzed the impact of various features of policies (Stein and Tommasi, 2007, and Tommasi, 2007, within Latin America; and Scartascini, Stein and Tommasi, 2009, and Ardanaz, Scartascini and Tommasi, 2011, for a wider international sample). These variables include: *Stability* (the extent to which policies are stable over time), *Adaptability* (the extent to which policies are be adjusted when they fail or when circumstances change), *Coherence and coordination* (the degree to which policies are consistent with related policies, and result from well-coordinated actions among the actors who participate in their design and implementation), *Quality of implementation and enforcement* (the degree to which policies are implemented and enforced properly after the approval in Congress), *Public-regardedness* (the degree to which policies pursue the public interest), and *Efficiency* (the extent

to which policies reflect an allocation of scarce resources that ensures high returns). We also computed a composite *Policy Index*, which summarizes the information from the previous six.[24] The theoretical framework on which those variables where built (Spiller, Stein and Tommasi, 2003) emphasized that policies with such desirable characteristics are likely to be obtained in policymaking environments that facilitate intertemporal cooperation and hence induce political actors to take the long-term view. Congresses, particularly if well institutionalized and strong, are the ideal environments for the bargaining and enforcing of intertemporal policy agreements.

Institutionalized Congresses tend to facilitate (and at the same time are the result of) intertemporal cooperation. Legislators with long-term horizons would be more willing to enter into long-term bargains (and agreements) than those who have a very short-term horizon (who would be interested instead in reaping the highest possible short-term political benefit). Similarly, they would care more about the long-term impact of their decisions than those who would be leaving soon from office. As such, the features of policies would differ across the countries with different degrees of institutionalization. Also, the fact that the legislature—being institutionalized—is strong and capable, will increase the incentives of other actors to focus their political energies on that arena, and to trust it as the means to ensure intertemporal policy agreements.

As can be seen in Table 3, Congress institutionalization and its components have a positive and significant impact on these features of policies.[25]

Table 3. Congress Institutionalization and the Features of Policies

	Adaptability	Stability	Coordination	Implem and Enforc	Efficiency	Public Regardedness	Policy Index
Congress Institutionalization	0.314**	0.326***	0.361**	0.321**	0.518***	0.493***	0.398***
	(0.156)	(0.113)	(0.166)	(0.128)	(0.123)	(0.111)	(0.091)
	[78]	[76]	[71]	[81]	[82]	[82]	[82]
Legislative Efficiency	0.249**	0.241***	0.339***	0.382***	0.390***	0.423***	0.363***
	(0.110)	(0.077)	(0.111)	(0.082)	(0.084)	(0.072)	(0.058)
	[78]	[76]	[71]	[81]	[82]	[82]	[82]
Confidence in Parliament	0.043	0.535*	0.547	-0.017	0.823**	0.649**	0.380
	(0.371)	(0.277)	(0.369)	(0.317)	(0.319)	(0.273)	(0.240)
	[55]	[52]	[49]	[56]	[56]	[56]	[56]

Standard errors in parentheses, observations in brackets
Each cell corresponds to an individual regression for a sample of democracies since 2000 controlling for GDPpc and regional dummies
***p<0.01, **p<0.05, *p<0.1

[24] Detailed information on the construction of these variables is provided in IDB (2005) and Berkman et al. (2008).
[25] This exercise of evaluating the effect of Congress institutionalization on "the nature of policy output" is a step in the direction suggested by Arter (2006), arguing about "the need for systematic output analysis in comparative legislative research" and about the need of "indicators with which to make at least a rudimentary cross-national assessment of legislative performance" (2006: 245).

Beyond those generic policy features, some particular policies which are important for growth and development tend to impose heavy demands on the institutional capabilities of the State and on the arenas in charge of deciding, designing, and implementing them. Think for example about those policies that would help to foster productivity. Increasing productivity is a complex endeavor that requires identifying the right policies, understanding the tradeoffs among competing objectives, having resources to implement the policies, satisfying or compensating those who would prefer other policies, and maintaining sustained efforts over several policy domains at the same time over long periods (Scartascini and Tommasi, 2010). Therefore, increasing productivity requires substantial capabilities for identifying the key barriers to productivity growth, and it also requires the ability to focus on the longer term because raising productivity takes a long time and a willingness to invest substantial economic and political resources. Those characteristics are more readily found in polities characterized by strong and institutionalized Congresses—in particular, Congresses where legislators have a long-term horizon and can specialize in studying the intricacies of policies and their effects.[26]

Table 4 reports regressions which have as dependent variables a number of policies (described in more detail in the Appendix) which have been identified to foster productivity (IDB, 2010). The table shows that Congress institutionalization tends to induce policies that are productivity enhancing.[27] That is, countries in which congresses are more institutionalized tend to have better infrastructure, a more neutral tax system, higher credit availability, governments that invest in improving the competitiveness of the economy, and less distortive systems of subsidies.[28]

[26] In Scartascini and Tommasi (2010) it is argued that features of the political system such as Congress institutionalization, also affect the type of policies demanded by socioeconomic actors. If governments do not have the capability to sustain long term policies and to implement complex policies, economic actors are more likely to demand policies that deliver short term benefits, policies that by and large are less productivity-enhancing.

[27] The dependent variables have been gathered from the Global Competitiveness Report (several years). For the exact definition of the variables see Scartascini and Tommasi (2010) and Mecikovsky, Scartascini and Tommasi (2010).

[28] We find no relationship with the administrative easiness to open a business, and the size of the informal sector in the economy, variables also found to matter for explaining increases in productivity (IDB, 2010).

Table 4. Congress Institutionalization and Policies that Foster Productivity

	Infrastructure Index	Tax Neutrality	Administrative Easiness	Credit Index	Improve Competitivenes	Subsidies Neutrality	Formal Sector
Congress Institutionalization	0.585***	0.471**	0.135	0.583***	0.723***	0.392**	0.156
	(0.184)	(0.211)	(0.156)	(0.147)	(0.137)	(0.170)	(0.094)
	[83]	[83]	[83]	[83]	[75]	[66]	[82]
Legislative Efficiency	0.517***	0.352**	0.055	0.463***	0.563***	0.261**	0.071
	(0.121)	(0.144)	(0.107)	(0.097)	(0.086)	(0.112)	(0.064)
	[83]	[83]	[83]	[83]	[75]	[66]	[82]
Confidence in Parliament	0.272	0.449	0.026	0.238	0.633*	0.474	0.317
	(0.434)	(0.480)	(0.363)	(0.342)	(0.330)	(0.427)	(0.211)
	[57]	[57]	[56]	[57]	[54]	[47]	[57]

Standard errors in parentheses, observations in brackets
Each cell corresponds to an individual regression for a sample of democracies since 2000 controlling for GDPpc and regional dummies
***p<0.01, **p<0.05, *p<0.1

Table 5 presents additional evidence in the same line, showing that Congress institutionalization is correlated with other synthetic measures of good policies: a composite index, which summarizes the variables in Table 4, growth in total factor productivity (TFP), wastefulness of public spending, and efficiency in education spending.

Table 5. Congress Institutionalization and Good Policies

	Productivity Policy Index	TFP Growth	Wastefulness Govt. Spend.+	Education Efficiency
Congress Institutionalization	0.403***	0.397	0.885***	0.044***
	(0.092)	(0.256)	(0.126)	(0.012)
	[65]	[55]	[82]	[36]
Legislative Efficiency	0.307***	0.305*	0.656***	0.028***
	(0.058)	(0.170)	(0.079)	(0.008)
	[65]	[55]	[82]	[36]
Confidence in Parliament	0.330	0.164	0.903***	0.069**
	(0.266)	(0.595)	(0.334)	(0.032)
	[46]	[34]	[57]	[31]

Standard errors in parentheses, observations in brackets
+ A higher value of the index indicates lower wastefulness
Each cell corresponds to an individual regression for a sample of democracies since 2000 controlling for GDPpc and regional dummies
***p<0.01, **p<0.05, *p<0.1

While there is still a long way to go in terms of improving both the dependent and independent variables used for the analysis, as well as working on causation, the results tend to present rather convincing evidence of a positive relationship between institutionalized congresses and better policies, measured for different policy areas and through different methods.

5. The Determinants of Congress Institutionalization

Having established that "Congress institutionalization matters," we turn now to a preliminary exploration of one of the key questions in this agenda. What determines the degree of Congress institutionalization across countries? In order to provide a better answer to these questions, further theoretical and empirical work will be required, exploring the various possible theoretical channels connecting potential explanatory variables to the object of interest. In this initial exploratory paper, we just postulate a few of the most obvious candidates, and provide some preliminary correlations, suggesting some potential interpretations as well as issues that require further analysis.

On the one hand, one might expect that Congress institutionalization depends on some specific political institutions (defined as political rules) which affect the equilibrium behavior of political players. Conventional wisdom would suggest that legislatures are likely to become more relevant and more institutionalized when the Constitution endows the legislature with important legislative powers vis-à-vis the Executive. Also, we wonder whether the type of government (presidential or parliamentary), the type of electoral system (majoritarian or proportional), and the federal organization of the country affect the degree of Congress institutionalization.

It is also possible that some deeper structural characteristics of the country affecting the degree of fragmentation, the nature of social cleavages, or other structural factors facilitating or impeding cooperation across groups will tend to be associated with more or less institutionalized national legislatures.

To complicate matters, we believe that congress institutionalization is an equilibrium phenomenon, and the theoretical logic we sketched earlier suggests that it might well be subject to multiplicity of equilibria. That means that the saliency of Congress as a key political and policymaking arena in which players are willing to invest could also be heavily affected by historical developments (such as whether Congress played an important role in the transition from autocracy), by underlying cultural traits (such as whether society tends to trust collective organizations or is inclined to search for messianic solutions), and even by particular leadership styles and contingent strategies (of party leaders, of presidents) in the early stages of democratization processes.

Another important question to be explored is the degree of complementary or substitutability among various institutional arenas. For instance, will stronger congresses tend to be complements of or substitutes for i) institutionalized party systems, ii) strong and independent judiciaries, or iii) capable and institutionalized bureaucracies?

With all the due caveats about the tentativeness of these steps, we proceed to explore some of the possible determinants of Congress institutionalization.[29] We focus on the aggregate index of Congress institutionalization because of space restrictions, but the results do not change much when looking at the individual components.[30] The results are shown in Table 6, where each cell corresponds to the coefficient for the index variable coming from a multivariate regression. In columns 1 and 3 we report the results for the whole sample of countries, and in columns 2 and 4 for those countries that have been democracies continuously since 2000 (Polity2>0). The controls used in each case are indicated in the table.

Overall, the criteria that we have used for searching for potential determinants are the following. Given that Congress institutionalization is a process that takes place over time, it is likely that older democracies will have more institutionalized parliaments. The next set of variables includes those of constitutional or quasi-constitutional status that regulate the basic shape of the state: whether the regime type is presidential or parliamentary, whether the electoral rules are majoritarian or PR (and related features of the political system), whether the country is unitary or federal. After that we focus on measures of the powers that Congress is endowed with in regards to Executive-Legislative interactions, i.e., various constitutional prerogatives of Congress. Then we focus on the institutionalization of other political arenas to explore potential complementarities or substitutabilities among them. A final set of variables looks at some societal characteristics that might affect the likelihood of believing and investing in Congress. Table 6 summarizes the analysis.

[29] Definitions of variables and data sources are provided in the Appendix.
[30] Results available upon request.

Table 6. Determinants of Congress Institutionalization

Dependent Var.:	Congress Institutionalization International Data			
	Total Sample (1)	Democracies (2)	Total Sample (3)	Democracies (4)
Age of Democracy	0.851**	0.860**	-0.007	0.082
	(0.419)	(0.393)	(0.326)	(0.315)
	[74]	[64]	[74]	[64]
Presidential System	-0.362***	-0.494***	-0.024	-0.106
	(0.134)	(0.141)	(0.129)	(0.121)
	[128]	[84]	[128]	[84]
Proportional Representation	-0.525***	-0.489***	-0.250**	-0.207*
	(0.131)	(0.158)	(0.111)	(0.123)
	[116]	[83]	[116]	[83]
Fragmentation of Legislature	-1.221***	-1.261***	-0.824***	0.067
	(0.282)	(0.475)	(0.284)	(0.415)
	[125]	[84]	[125]	[84]
Federal	-0.080	0.095	-0.019	0.065
	(0.217)	(0.207)	(0.140)	(0.140)
	[72]	[63]	[72]	[63]
Parliam. Powers Index	-0.634*	-0.063	-0.855**	-0.281
	-0.353	-0.595	-0.412	-0.511
	[126]	[84]	[126]	[84]
Influence	-0.062	-0.078	-0.022	-0.046
	(0.044)	(0.070)	(0.040)	(0.052)
	[126]	[84]	[126]	[84]
Autonomy	0.024	0.173***	-0.019	0.055
	(0.047)	(0.060)	(0.043)	(0.047)
	[126]	[84]	[126]	[84]
Resources	-0.178	-0.440*	-0.177	-0.280
	(0.148)	(0.259)	(0.129)	(0.171)
	[126]	[84]	[126]	[84]
Elected	-0.412***	-0.461*	-0.278**	-0.372*
	(0.138)	(0.250)	(0.130)	(0.188)
	[126]	[84]	[126]	[84]
Party Institutionalization	-0.203*	-0.085	-0.038	0.144
	(0.103)	(0.151)	(0.099)	(0.113)
	[124]	[84]	[124]	[84]
Judicial Independence	0.551***	0.624***	0.367***	0.377***
	(0.070)	(0.065)	(0.073)	(0.076)
	[127]	[84]	[127]	[84]
Bureaucratic Quality	0.485***	0.489***	0.209**	0.112
	(0.077)	(0.077)	(0.085)	(0.088)
	[124]	[82]	[124]	[82]
Trust	2.642***	2.097***	1.540***	1.017**
	(0.457)	(0.475)	(0.421)	(0.436)
	[71]	[54]	[71]	[54]
Ethnolinguistic Fractionalization	1.345***	1.384***	0.008	0.074
	(0.352)	(0.350)	(0.314)	(0.330)
	[74]	[64]	[74]	[64]

Standard errors in parentheses, observations in brackets

(1) Each cell corresponds to an individual regression controlling for GDPpc

(2) Each cell corresponds to an individual regression for a sample of democracies since 2000 controlling for GDPpc

(3) Each cell corresponds to an individual regression controlling for GDPpc and regional dummies

(4) Each cell corresponds to an individual regression for a sample of democracies since 2000 controlling for GDPpc and regional dummies

***p<0.01, **p<0.05, *p<0.1

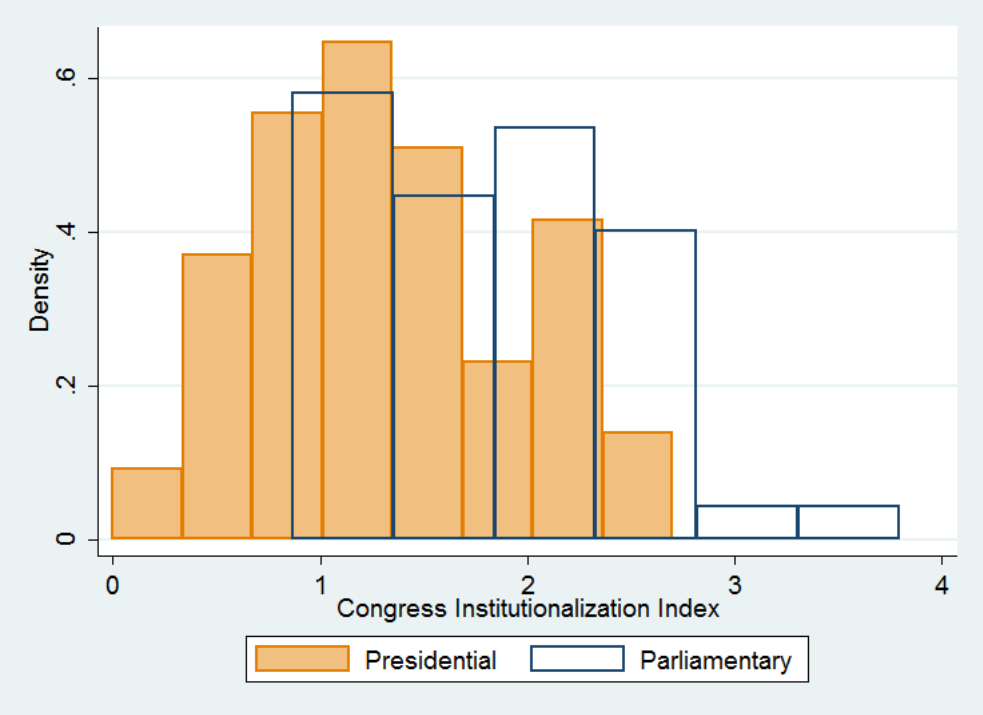
As expected, older democracies are associated with more institutionalized legislatures. That is, those countries with longer-lasting democracies and fewer democratic interruptions seem to have been able to invest more in the development of their legislatures. Two factors may be driving this result. First, democratic interruptions tend to destroy the investments made as legislatures are closed, and institutional memory and human capital is lost. Second, lower prospects of democratic interruptions increase the horizon of legislators and political actors. Notice that the result is positive and significant but usually not when regional dummies are included. Because the correlation between being developed and having a lasting democracy is very high, one of two things may be going on. Either age of democracy is just proxying for some intrinsic unobservable characteristic that developed countries have, or age of democracy may be one of the reasons behind why regions differ among each other.

Regarding the constitutional factors, previous authors have speculated on whether presidential or parliamentary systems lead to stronger congresses. Mezey (1991) reports a conventional wisdom hypothesis associating presidential systems with stronger legislatures. He immediately recognizes the U.S.-centeredness of that presumption and highlights the need for broader comparative work. Our empirical analysis suggests that having a presidential form of government is associated with weaker legislatures in a cross-section of countries. This is a result that holds only when regional dummies are not included. Again, interpretation of this result is difficult, as a large share of the developing countries are not parliamentary (100 percent in the Middle East and North Africa, 90 percent in Latin America, 88 percent in Sub-Saharan Africa) but 91 percent of developed countries parliamentary.

Verifying this result with better measures of institutionalization and exploring the exact mechanisms why this is the case constitutes an important agenda in itself. We just provide some tentative speculation. In presidential systems, one of the potential actors whose choices might deflect power away from the Legislature is the Executive. The case study later in the paper indicates that such is the case in the history of Argentina, where Congress has not tended to assert its institutional position and is a relatively secondary place for the development of political careers (see Table 1); that contrasts with the case of Chile where, in spite of rather strong constitutional prerogatives, the President has tended (in equilibrium) to respect the role of Congress. It might be the case that, for reasons that still need to be explored, the "Argentine" hyperpresidential equilibrium is more dominant than the alternative among presidential

democracies. Figure 2 provides a histogram suggesting that indeed, part of the reason for weaker Congresses on average in presidential regimes comes from a quasi-bimodal distribution where there are "many Argentinas" and "few Chiles and USs"

Figure 2. Congress Institutionalization across Political Regimes



The comparison between the institutionalization of legislatures in presidential and parliamentary cases might be complicated by the differential roles of legislatures in these two systems. To inquiry into that, we have reproduced all the regressions reported here within the subset of presidential democracies and within the subset of parliamentary democracies. It turns out that, by and large, the effects of the other variables considered are quite similar across regime types. (For brevity, we do not report those coefficients here, except in a few exceptional instances noted below where the results differed across groups of countries).

Looking into the effects of electoral systems, having a proportional representation (as opposed to a majoritarian system) seems to have a negative and significant effect on Congress institutionalization. (This result is consistent with Hypothesis 4 in Mezey, 1991). The result is stronger within the set of Presidential countries than among parliamentary countries, where it does not reach statistical significance. The pattern is similar looking into the fragmentation of

legislatures, a variable that usually goes hand in hand with PR. As with political regime, these results deserve more careful scrutiny.

Another key constitutional aspect, whether the country is federal or not, does not show any effects in our regressions for the larger samples. On the one hand, one might expect that given that federal constitutions often originate in bargains among constituent units in which some of them want to assure protection against the encroachment of the majorities dominating the federal executive, one way of protecting against such encroachment is endowing the Legislature (and especially the Senate) with strong prerogatives (Cremer and Palfrey, 1999). On the other hand, the very cumbersomeness and multi-veto player nature of federal polities might lead to some immobility which in some cases might be resolved by a de facto strong executive which might make Congress a less appealing place leading to lower investments and weaker reputation. It is possible that the non-result we observe is the outcome of this two opposing forces.

There is a rich literature exploring **Executive-Legislative relations**, with focus on executive and legislative prerogatives emanating from constitutions and from party-based factors. Valuable studies, many of them with Latin American presidential democracies as focus, have explored the various constitutional and partisan powers of executives, and their implications for executive-legislative relations. Analysts have explored "how does variance in partisan, electoral, and constitutional arrangements affect the legislatures' structure and function?" (Morgenstern, 2002: 2). A number of indicators of "legislative or constitutional powers of the president" and of "partisan powers of the president" have been developed. The logic underlying many of those studies is some sort of "zero-sum" game in which powers of the president and powers of legislatures are opposite objects.[31] In our empirical exploration we have asked whether such measures have an impact on Congress institutionalization. For this analysis we take advantage of recent work by Fish and Kroenig (2009).[32]

The parliamentary powers index (Fish and Kroenig, 2009) is an attempt to assess "the strength of the national legislatures." It is built on the basis of a survey on 32 items that gauge

[31] This view is somewhat mirrored in a number of applied political economy literatures, such as the political economy of fiscal policy, or the political economy of economic reform. In those areas it is often thought that a powerful executive and a weak Congress are beneficial conditions for fiscal prudence and for the implementation of market oriented reforms.

[32] Fish and Kroenig (2009) is an extraordinary source that attempts to catalogue all national legislatures, scoring each according to the degree of "official power" that it commands.

the legislature's sway over the executive (*influence*), institutional autonomy, authority in specific areas, and its "institutional capacity." This ambitious measure turns out not to be adequate for our purposes here, since given the way it is constructed, it conflates factors that we want to treat as exogenous (such as constitutional rules) with equilibrium behavior (whether such rules are operational in practice). In spite of those concerns, we included the variable, which turns out to be negatively correlated with our indicator of institutionalization for the whole sample (but it is not significant for democracies).[33] This finding is consistent with our theoretical notion of institutionalization being an equilibrium phenomenon subject to multiplicity. As we develop further in later in the paper, strong congresses are not antithetical to presidents with strong constitutional powers, and vice versa.[34]

In order to address part of our concerns regarding the construction of the indicator, we have selected some individual components and some of the sub-indexes constructed by the authors that seemed more adequate as potential explanatory variables in our analysis. These are: *Influence* (a variable with a potential range 0-4 according to the degree of direct influence over the Executive), *Autonomy* (a variable with a potential range 0-5 according to the legislative constitutional powers of the legislature), *Resources* (if the legislature controls its own resources), and *Elected* (whether or not all members of the legislature are elected). Overall, the results do not seem to be highly robust with these sub-indexes either. If anything, the legislative powers of Congress (*Autonomy*) appear to have a positive effect on Congress institutionalization, as expected, although the result is not robust.

Surprisingly, having no non-elected legislators has a negative effect on the strength of Congress. It is possible that non-elected legislators (like the so called "institutional Senators" in Chile) tend to be representatives of powerful groups in society who would otherwise not get enough institutional representation, forcing them to "play politics by other means" rather than within the context of the legislature. This is consistent with the theoretical finding in Scartascini and Tommasi (2012) that institutionalization is more likely whenever the distribution of institutional power does not deviate too much from the distribution of de facto power. Also,

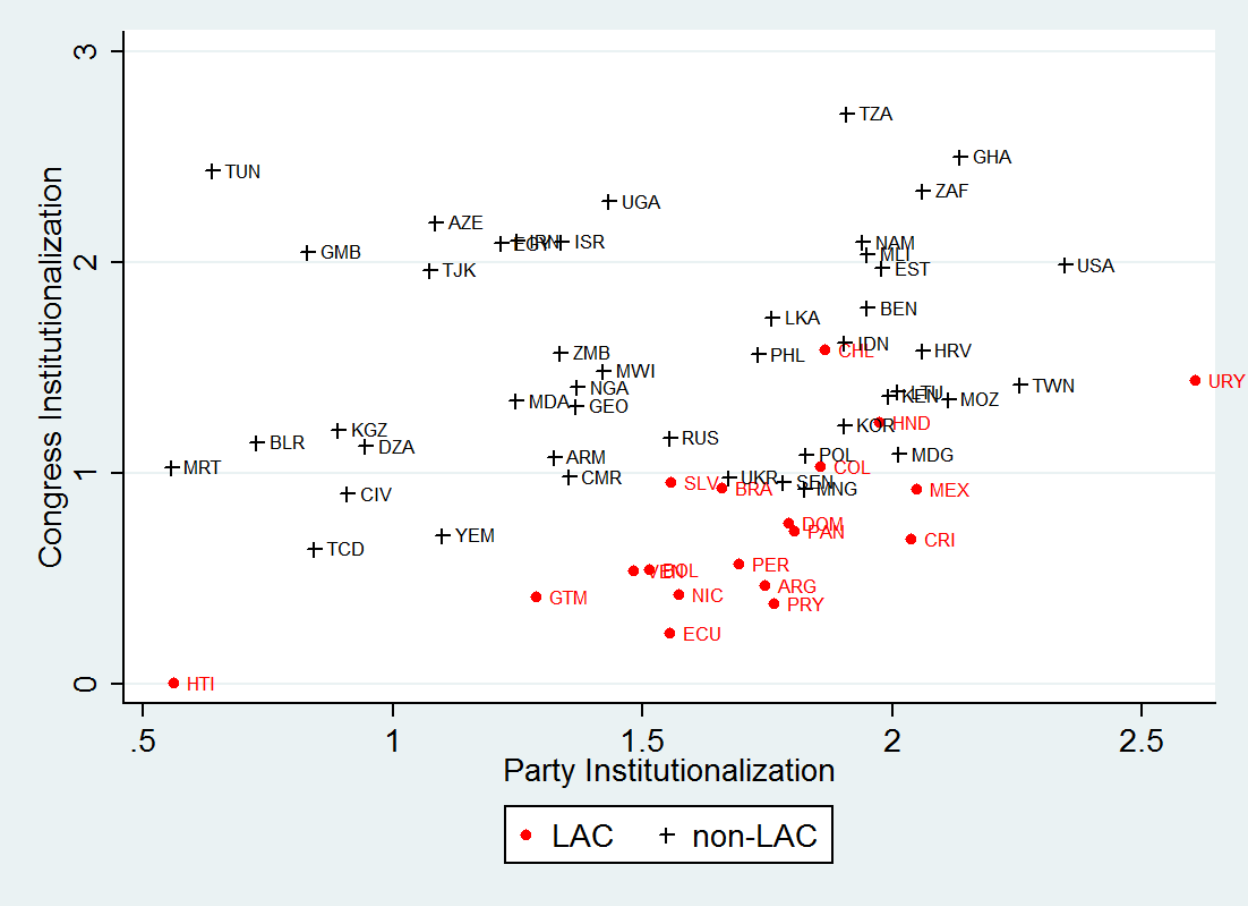
[33] We have also checked the results of using a variable constructed especially by Saiegh for LAC. We found no significant results there, but the small sample size does not allow us to draw any conclusions about it.

[34] In the case study of Chile and Argentina, we explore this issue in more detail. In spite of the fact that the Chilean president is endowed with more constitutional powers than the Argentine president, in equilibrium the behavior of the Chilean president has tended to be more moderate and more respectful of the role of Congress, the Chilean Congress being a fairly institutionalized one by Latin American standards. Argentine presidents have tended to step over Congress quite often, and the Argentine Congress is a weak arena.

controlling its own resources does not seem to affect institutionalization in a positive way. This result goes in line with some of the arguments pushed so far in the document: institutionalization is not necessarily a matter of resources but one of incentives.

Regarding the question of whether different institutional organizations and arenas such as Congress and Political Parties are complements or substitutes, there are possible theoretical arguments going in both directions. Mezey (1991) suggests (Hypothesis 11) that these two objects should be negatively related, the argument being that in highly structured party systems, individual legislators do not hold much power, which could (in our logic) be related to lower investments. On the other hand, our observation of the Latin American cases suggests that party system and Congress institutionalization might reinforce each other in newly democratized countries. The correlation results in the empirical analysis show a mixed picture. The relationship looks slightly negative in the full sample, although not significant within democracies. Figure 3 shows this information in a scatterplot for the sample of democracies. The overall impression is one of no or slight negative correlation. Interestingly, the correlation is positive within Latin American democracies. This is one point that calls for further research, jointly studying the process of institutionalization of various institutional arenas in countries (such as Latin America and Eastern Europe) of recent institutionalization.

Figure 3. Congress and Political Party System Institutionalization across the World



We did not find internationally comparable measures of judicial institutionalization; yet there are widely available measures of a close cousin, judicial independence. Judicial independence turns out to be significantly positively correlated with Congress institutionalization in all specifications. This is consistent with previous findings for Latin American Democracies (Inter-American Development Bank, 2005). At least in presidential contexts, the interpretation is straightforward, in terms of virtuous or vicious institutional dynamics. In contexts in which executives do not attempt (or do not succeed) meddling with the judiciary, the Courts reputation and power tends to increase, and this in turn makes them more likely to enforce the domain and prerogatives of other institutional arenas such as Congress, and so forth (this contrast is quite clear in the comparison between Chile and Argentina).

Coming to the final group of independent variables, underlying cultural traits seem to matter too. As shown in Table 6, higher levels of societal trust tend to have a positive correlation with institutionalization. With respect to ethnolinguistic fractionalization, it also appears positively correlated to institutionalization. This is another intriguing finding that requires further exploration. Ethnolinguistic fractionalization is usually considered a predictor of ethnic and political conflict and tension due to preference heterogeneity and to the common tendency of polities to fracture along ethnic or religious lines. The fact that this variable relates positively to Congress institutionalization might mean that, at least in the countries that manage to be democracies with reasonably functional legislatures, it is precisely in more conflictual cases where more investments in this particular institution are crucial to pacify the system.[35]

Results do not change much when several of the variables are introduced at the same time, which reduces the possibility that some of the results were affected by omitted variable bias. Parliamentary systems and less fragmented legislatures seem to be correlated with higher Congress Institutionalization. Higher ethnolinguistic fractionalization seems to have a positive effect as well (Table 7).[36]

[35] One could formulate a repeated game model to formalize this point, somewhat along the lines of Przeworski (2005). The logic is reminiscent of work in new institutional economics regarding the organization of firms: the worst the cost of short term deviations, the more likely it will be possible to sustain cooperation under some institutional forms (Halonen, 2002).

[36] Here we just present a few of the regressions that we believe highlight better some of the mechanisms we are trying to show. Most other variables that we have used are not significant and do not change the main results we have founds regarding the role of the political regime and the electoral system. Trust is one of the variables which is significant in the regressions but it reduces the sample size considerably when included (by about 25%) which reduces our confidence on the overall results.

Table 7. Determinants of Congress Institutionalization. Further Analysis.

Dependent Var.:	Combined Index of Congress Institutionalization								
	(1)			(2)			(3)		
Age of Democracy	0.588	0.602*	-0.013	0.708*	0.739**	0.163	-0.217	-0.271	-0.440
	(0.356)	(0.355)	(0.322)	(0.362)	(0.366)	(0.322)	(0.309)	(0.292)	(0.311)
Presidential System	-0.595***	-0.615***	-0.235	-0.748***	-0.654***	-0.298*	-0.425***	-0.291**	-0.287*
	(0.160)	(0.175)	(0.168)	(0.158)	(0.181)	(0.172)	(0.134)	(0.135)	(0.146)
Proportional Representation	-0.566***	-0.513***	-0.308*						
	(0.171)	(0.180)	(0.158)						
Fragmentation of Legislature				-1.421***	-1.035*	0.411	-0.893**	-0.466	0.457
				(0.529)	(0.610)	(0.562)	(0.394)	(0.425)	(0.547)
Federal	-0.037	0.054	0.046	0.055	0.133	0.067	0.121	0.099	0.069
	(0.171)	(0.173)	(0.137)	(0.179)	(0.183)	(0.141)	(0.136)	(0.126)	(0.119)
Party Institutionalization							-0.080	-0.008	0.325**
							(0.134)	(0.129)	(0.157)
Judicial Independence							0.412***	0.474***	0.365***
							(0.101)	(0.097)	(0.098)
Bureaucratic Quality							0.154	0.135	-0.012
							(0.111)	(0.104)	(0.106)
Ethnolinguistic Fractionalization							0.643**	0.757***	0.176
							(0.259)	(0.258)	(0.329)
Ln GDP pc	0.075	0.054	0.282**	0.029	0.046	0.217*	-0.038	0.013	-0.027
	(0.091)	(0.102)	(0.112)	(0.089)	(0.111)	(0.116)	(0.088)	(0.102)	(0.120)
Constant	1.536**	1.659*	0.269	2.461***	1.958**	0.153	1.348*	0.236	0.532
	(0.767)	(0.903)	(0.878)	(0.742)	(0.930)	(0.925)	(0.724)	(0.859)	(1.028)
Regional Dummies	No	No	Yes	No	No	Yes	No	No	Yes
Sample	Whole sample	Democracies	Democracies	Whole sample	Democracies	Democracies	Whole sample	Democracies	Democracies
Observations	72	63	63	72	63	63	72	63	63
R-squared	0.454	0.472	0.717	0.421	0.424	0.700	0.699	0.751	0.811

Standard errors in parentheses
***p<0.01, **p<0.05, *p<0.1

5.1 The Road Ahead

So far, within the limitations of the data we have been able to collect thus far, we have shown hints that Congress Institutionalization is correlated with long term development outcomes and the mechanism by which this may take place is through a better policy environment and better policies. We have also shown some preliminary correlations between institutionalization and their potential determinants. Work is still necessary to understand the mechanisms that connect some of these variables to Congress institutionalization, and to assess their relative importance in a more general framework.

In addition to that, the most important and challenging task is collecting more and better data to measure the concepts we are interested in for a larger number of countries. The concepts we need to measure (better) include:

- Legislators' horizon
  - Reelection rate
  - Experience
  - Term length and limits
- Congress as a place to foster political careers
  - Role of Congress in political careers
  - Do people recognize more those whose legislative output is higher or those who spend their time campaigning outside of Congress?
- Legislators' human capital
- Congress as a policymaking arena
  - Does Congress affect policies?
  - How much does Congress discusses policies?
  - Does Congress revert policy decisions?
  - Does Congress enforce laws and statutes?
  - Does Congress enhance accountability mechanisms?
  - Do legislators participate in the discussions? Do they attend meetings? Do they vote?
  - Do interactions with interest groups take place in Congress?
  - How do advocacy groups elevate their concerns?
  - Do people have access to Congress and their legislators?
- Measures of organization of Congress
  - What is the role of committees?
  - How are they formed?
  - How many committees does each legislator belongs to?
  - Is legislator's expertise somehow related to committee membership?
  - How important is seniority?
- Congress capabilities –which reflect previous investments-
  - Availability of support personnel
  - Access to expertise
  - Institutional memory

6. Argentina and Chile: A Tale of Two Countries

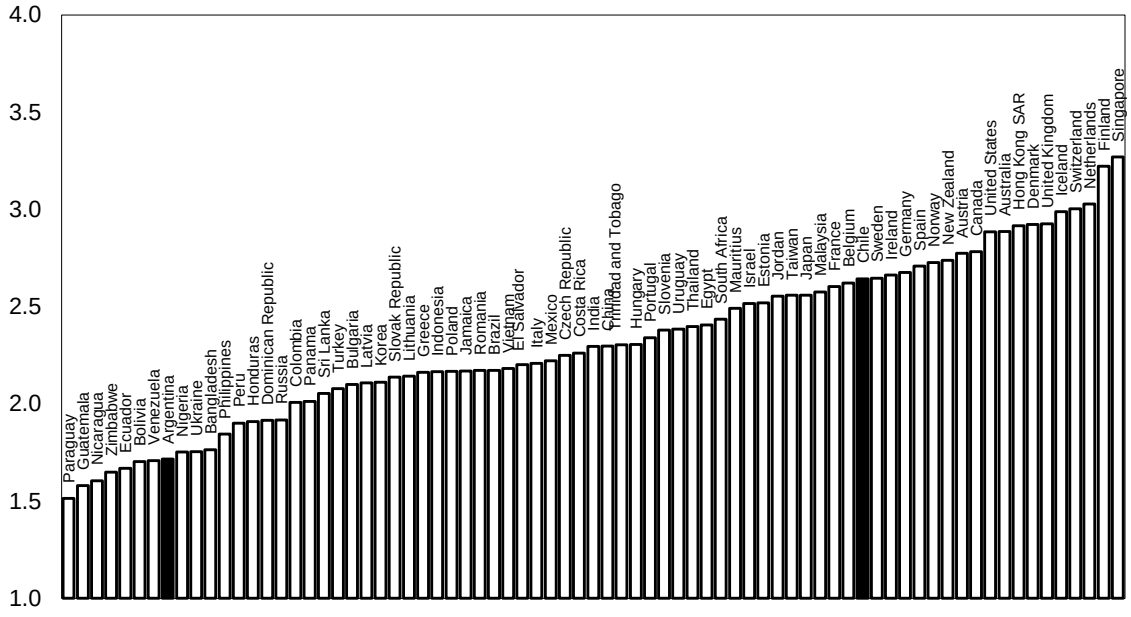
The theoretical discussion in Section 2, as well as some of the preliminary evidence in Section 5, points to the fact that Congress institutionalization is a process that takes place over time, that might be subject to path dependent dynamics, and that might not be entirely dependent upon "obvious" institutional rules such as the constitutional powers of the legislature. This suggests that in order to complement the large-N cross-national analysis of Section 5, it might be useful to explore the institutionalization of Congress more closely in a small number of cases. We have chosen the cases of Argentina and Chile, two countries that share some broad historical and cultural traits, but that seem to have embarked on different paths with regards to Congress institutionalization since their return to democracy in the 1980s.

We start by showing that the two countries present very different policymaking styles, and we argue that these differences are partly anchored in very different roles plaid by the two congresses in the policymaking process. We then attempt to provide some evidence that the different policymaking roles are associated with variables that relate to the institutionalization of these congresses. The section ends by hinting some of the possible explanations for this divergence, and by suggesting the further work necessary to explore these issues.

6.1 Argentina and Chile's Policymaking Compared

Figure 4 presents an aggregate index of quality of policies across 70 countries constructed by the Inter-American Development Bank (IDB 2005, Stein and Tommasi, 2007). Chile appears within the group of countries with relatively high quality, well ahead of its Latin American peers (highlighted in red). Argentina, by contrast, is one of the countries at the bottom end, among those ranking lowest in terms of the quality of policies.

Figure 4. Quality of Policies across Countries



Source: Stein and Tommasi (2007).

Such numerical assessment is buttressed by various comparative policy studies within Latin America, which focus on diverse policy areas. For instance, in a multi-country study of the design and implementation of reforms in public utilities, Bergara and Pereyra (2005) characterized the Argentine case as one of "institutional weakness and volatile results," and the Chilean case as one of "institutional consistency and stable results." Bergman (2003) argues that "Chile was able to enhance better tax compliance because it has implemented a permanent, stable and rational policy that allowed for the development of an effective tax administration—a process never fully accomplished in Argentina." Tokatlian and Merke (2011) show the volatility of foreign policy in Argentina, which according to them is more dependent on the perceptual map of the executive of the day than on any long-term State decision undertaken in an exchange arena such as Congress.[37] Pension policy represents a clear contrast between both countries. In Argentina, reforms represented a pendulum swing from a national pay-as-you-go system, to privatization and the creation of individual accounts, then back to a nationalized pay-as-you-go scheme, all done while some of the key problems of the system remain unsolved. On the other

[37] Providing an additional example, Aggarwal, Espach and Tulchin (2004) compare trade policy in Argentina, Brazil, Chile, and Mexico, and argue that Argentina is the only country that does not have a trade strategy because neither the State nor the private sector can resolve differences among actors.

hand, Chile is regarded as a case of gradual adjustment following deliberation and consensus building, with progress made in correcting the specific problems posed by the system. Rofman, Fajnzylber and Herrera (2008) provide an interesting contrast between pension policymaking in Argentina and Chile. They claim that "in recent years authorities in both countries coincided on identifying insufficient coverage among the elderly and adequacy of benefits as the most critical problems. The authors argue that as a result of differences in the political economy and the institutional constraints in each country, responses were different. In Chile, a long and participatory process resulted in a large reform that focuses on medium-term impacts through a carefully calibrated adjustment. In Argentina, instead, reforms were adopted through a large number of successive normative corrections, with little public debate about their implications, and immediate impacts on coverage and fiscal demands" (2008:1).

Overall, Chilean policies seem to enjoy more of the characteristics that lend themselves to higher quality policy. As suggested, these superior properties of Chilean over Argentine policies are not restricted to stability, but also to the capacity to adjust policies to changing circumstances and new information, the capacity to enforce, the quality of implementation, the coordination and coherence across policy areas and across functional units operating over the same socioeconomic issues, and other efficiency properties.[38] In this paper we argue that divergence in policy characteristics are the outcome of the differences in the policymaking *processes* of the two countries.

6.1.1 Policymaking in Chile (and the Role of Congress)[39]

Historically considered among the most stable democracies in Latin America, the Chilean political system has long stood out in the region for having a representative party system along with well-institutionalized political practices. This legacy is undoubtedly favorable for Chile's current democracy, inaugurated in 1990 after the extended dictatorship that held power following the 1973 coup d'état.

[38] While pension policy is the archetypical example of the differences in policy and policymaking to which we refer, we do not overlook tensions surrounding other policy areas in Chile. Most recently, education policy has emerged as an area where gradual reforms have been perceived as inadequate, leading to turmoil on the streets. We acknowledge the complexity surrounding specific policy areas. Nonetheless, in general the characterization distinguishing Chile and Argentina seems to hold, and we claim that it is worth uncovering its determinants.

[39] This section draws heavily from Aninat et al. (2008).

Chile came out of the 17-year authoritarian regime with a new constitutional text carefully designed in order to provide the country with the checks that may have prevented the democratic breakdown in 1973. Under the new institutional environment, the presidency and inter-branch relations were fundamentally re-defined, as was the nation's electoral system. Under Chile's 1980 Constitution, the president is constitutionally very powerful, with near-monopoly control over the legislative agenda, and with proposal and veto powers that make him/her the de facto agenda setter. While the president is very powerful, the Chilean policymaking system is studded with veto players, written into the constitution by the outgoing military government to impede policy changes by subsequent elected governments. Yet some characteristics of the Chilean polity are surprising. While it has a relatively weak Congress in terms of constitutional prerogatives (see Table 9 reflecting constitutional prerogatives across 18 Latin American countries), Chile's Congress also ranks the highest in terms of its actual capabilities and participation in effective policymaking, as evidenced by the indicators of Congress institutionalization compounded into the index shown in Table 1.

Table 8a. Legislative Powers of Presidents in Latin America

Country	Decree Powers	Budget Powers	Proactive powers subtotal	Package Veto	Partial Veto	Exclusive Initiative	Reactive Powers Subtotal	Legislative Powers
Chile	0.33	0.73	**0.50**	0.85	0.85	0.67	**0.79**	**0.66**
Brazil	1.00	0.91	**0.96**	0.15	0.15	0.67	**0.33**	**0.62**
Ecuador	0.33	0.73	**0.50**	1.00	0.69	0.33	**0.67**	**0.59**
Colombia	0.67	0.64	**0.66**	0.31	0.31	0.67	**0.43**	**0.59**
Peru	0.67	0.73	**0.70**	0.15	0.15	0.33	**0.21**	**0.50**
Argentina	0.33	0.45	**0.38**	0.85	0.85	-	**0.56**	**0.44**
Panama	0.17	0.55	**0.33**	0.77	0.77	0.33	**0.62**	**0.43**
Uruguay	0.17	0.64	**0.37**	0.54	0.54	0.33	**0.47**	**0.38**
El Salvador	-	0.82	**0.35**	0.77	-	-	**0.26**	**0.33**
Venezuela	0.33	0.64	**0.46**	0.08	0.08	-	**0.05**	**0.30**
Guatemala	0.33	0.18	**0.27**	0.77	-	-	**0.26**	**0.29**
Dominican Republic	-	0.64	**0.27**	0.92	0.15	-	**0.36**	**0.27**
Honduras	0.33	0.36	**0.34**	0.77	-	-	**0.26**	**0.26**
Mexico	0.17	0.36	**0.25**	0.92	-	-	**0.31**	**0.24**
Bolivia	-	0.27	**0.12**	0.85	-	0.33	**0.39**	**0.23**
Costa Rica	-	0.64	**0.27**	0.77	-	-	**0.26**	**0.23**
Paraguay	-	0.64	**0.27**	0.23	0.23	-	**0.15**	**0.19**
Nicaragua	-	0.73	**0.31**	0.15	0.15	-	**0.10**	**0.19**

Source : UNDP (2004)

Table 8b. Potential Political Control Capabilities of the Legislature (formal)

COUNTRY	Index of Potential Control Capacity of Legislature+
Peru	10.90
Bolivia	10.70
Venezuela	10.40
Colombia	10.30
Costa Rica	10.05
Uruguay	9.80
Argentina	9.80
Ecuador	9.05
Paraguay	8.85
El Salvador	8.55
Honduras	8.00
Nicaragua	8.00
Panama	7.80
Guatemala	7.80
Brazil	6.80
Chile	6.30
Dominican Republic	6.20
Mexico	6.05

Source: Alcántara et al (2005). Note: The index is constructed from nine parliamentary oversight instruments: control over presidential nominations, interpellations of government officials, creation of investigative committees, presidential report, confidence vote, inquiry of information from the executive, parliamentary questions, interpellations and instruments that imply political responsibility (impeachment).

+ 0 = min; 15 = max

In spite of the strong constitutional prerogatives of the presidency, there is a widely held consensus that Chilean presidents have exercised this power in a careful and consensual manner since the restoration of democracy in 1990.[40] The Chilean president is the top agenda-setter in the policymaking process, with several tools at her disposal to exert pressure to get her policies

[40] Our description of the Chilean policymaking process stems from the dynamics characterizing the system under the various Concertación governments that took place since 1990. The 2010 change in government coalition that brought President Piñera to power may have altered these dynamics in ways difficult to uncover yet. In light of the government of Piñera being the first from the opposing ideological coalition after the return to democracy, and given some aspects of the personal style of the president, it constitutes an interesting test with respect to the continuity of institutionalization in Chile. One of the hypotheses to be explored is to what extent the particular configuration of political forces in the post-democratic period mattered for the process of Congressional (re) institutionalization, and eventually what the effects of the new configuration of forces might be.

through the policymaking process.[41] Many important policies are developed primarily within the cabinet (with the assistance of technically capable and politically adroit ministers). There is a practice of negotiation and agreement that operates in several (usually sequential) stages. Since during the period under consideration Chile has had relatively strong parties and party identities,[42] it has been common practice for the president to initially seek to develop consensus for her policies inside her own party, and next within her coalition, usually through negotiation with the leaders of the other parties in the coalition. Finally, interactions with the opposition take place mostly through open forums such as Congress (Aninat et al., 2008).

Technical input enters the policymaking process at multiple nodes. The Chilean cabinet and bureaucracy are very capable by Latin American standards. Chile also has several well-established and reasonably well-staffed think tanks, which feed into the system given their institutionalized links to different political parties and coalitions. Congress itself has higher technical capabilities than those of its regional counterparts, in comparative perspective (Table 1).

On the other hand, given that the political system has many veto players, political transactions produce stable results. Once policies are passed, the underlying bargains struck during negotiations are stable, and policy is credible (as seen in the IDB, 2005, policy indicators). This very policy stability makes policies a strong currency in political exchange, precisely the opposite of what happens in the Argentine case.

In addition, while Chilean congressmen complain that the executive has higher technical capacities than those available to the legislature, the Chilean Congress appears to fare well by comparative standards. As highlighted by Montecinos (2003), the high reelection rate in the Chilean legislature helps translate individual knowledge into institutional expertise,[43] so much so

[41] This does not deny the fact that the Chilean political system has veto points that might have influenced the consensual strategies of most Chilean presidents since the return to democracy.
These veto points include supermajoritarian requirements to amend policies enacted as *Leyes Orgánicas Constitucionales* (a more restrictive legal status than that of ordinary statutes) and the inclusion of the Constitutional Tribunal in the lawmaking process, intended to hold back legislation conflicting with the Constitution.

[42] In recent years, a number of scholars have questioned the way party system institutionalization tends to be defined and measured, and has unbundled the concept in directions that seem fitting for a better characterization of the Chilean case. For instance, Luna and Altman (2011) define the Chilean party system as "uprooted but stable," meaning that it is "well institutionalized" at the elite ("Polsbian") level, yet, its roots in society are not that strong. This issue of elite and mass level institutionalization is an important one that we would like to explore further in later work. (See also the notion of horizontal and vertical institutionalization, applied to Chile, in Nolte 2003).

[43] As can be observed in Table 1, Chilean legislators are the ones with the longest congressional careers in Latin America, while those of Argentina have one of the shortest.

that the Chilean parliament of the 1990s has been described as unusually professionalized and technically competent (Santiso, 2006: 57-58). This all contributes to the assessment of the Chilean Congress as being an important arena in the policymaking process, both from a political as well as from a technical point of view.

6.1.2 Policymaking in Argentina (and the Role of Congress)[44]

Argentina provides a great contrast with its neighbor across the Andes. A country of relatively high human capital and high levels of human development, its performance in terms of policymaking does not reflect its privileged standing on so many counts. In fact, the country has a very dysfunctional way of making public policies.

Argentina is known worldwide for its economic and political instability. Argentina's key political actors have had short political horizons. The country's unusual political instability during the twentieth century has left an imprint through path-dependent behavior in Congress, the courts, the bureaucracy, and the federal fiscal system, as well as through the actions and expectations of nongovernmental actors.

Political instability, however, is not the only factor contributing to shortsighted behavior. Argentina has a complex political system, with electoral rules and political practices that transfer power away from Congress and national parties toward provincial political patrons (who are not particularly interested in building a strong National Congress). This contributes to the shortening of legislators' political horizons, and, in an "institutional equilibrium" way, affects the incentives of the rest of the polity. In addition, weak constraints (constitutional, judicial, and budgetary) on unilateral actions by the executive undermine political players' ability to enter into efficient intertemporal political exchanges.

The historical legacy of political instability has contributed to the lack of judicial, and thus constitutional, constraints on executive action. A professional bureaucracy, well supervised by Congress, could provide an alternative channel for the intertemporal enforcement of political agreements. But Argentina—in part because of its history of instability, but also owing to the current incentives of key political players—does not have such a bureaucracy either.

A combination of lack of legislative incentives, the ability of the executive to act unilaterally, and the power of provincial leaders, have moved crucial political and policy

[44] This section draws heavily from Spiller and Tommasi (2008).

bargaining away from the national legislature and into other arenas. Some key policy decisions take place in executive quarters (among the president, a key minister, advisers, and a few businesspeople), in meetings between the president and a few governors, or in other closed ad hoc groups. Not only are those arenas not transparent, but they also lack the required institutional stickiness to enforce bargains over time.

To summarize, the policymaking processes of Chile and Argentina are quite distinct, and so are the properties of the resulting policies. Policy changes in Chile tend to be incremental, and in general are the outcome of a relatively profound and institutionalized technical discussion. Its policy process exhibits various continuities and gradual reforms at the margin, contrasting with periodic policy "reinventions" in Argentina, as characterized for instance in the nationalization-privatization-nationalization cycles in various areas.

The differential use of technical knowledge in the two cases is striking. According to Montecinos (2003) this is a trend that in the case of Chile extends far back in time: "In a trend that goes back several decades, the government counts on the advice of a large cadre of well-trained economic specialists. For its part, the private sector has been strengthening its capacity to produce quality economic information and policy recommendations. Much of this is developed at several well-funded think-tanks, some of them independent, and others linked to political parties and entrepreneurial associations."

One of the important differences in policymaking across the two countries relates, precisely, to the role and capabilities of the respective Congresses, a point we take in the next subsection.

6.2 The Argentine and Chilean Congresses Compared

In what follows we present a preliminary summary of ongoing work comparing the two countries' congresses. While a number of indicators may aid in establishing levels of institutionalization, we focus here on a few that seem most telling. The nature and length of legislative careers, social/educational characteristics of legislators, and key aspects of the internal organization of Congress, as well as budgetary considerations, provide valuable information regarding what Congress may be capable and willing to do in terms of policy.

6.2.1 Legislative Careers

Understanding the nature and length of legislative careers requires unveiling a process that begins with the selection of certain types of individuals to Congress, the institutional/partisan constraints faced both in their initial selection as well as in decisions to remain in Congress for additional terms, as well as the destinations that legislators choose once they leave Congress. Legislative careers provide valuable information regarding how well bounded an organization is with respect to its environment, as suggested by Polsby (1968).[45] An institution that is well bounded draws its members mainly from within and distinguishes itself clearly from other locus of political performance.

Both partisan and electoral determinants influence which individuals achieve congressional nominations and end up being elected. Argentina and Chile differ greatly both in terms of the nature of their party systems as in the nature of their electoral systems.[46] The literature has identified each country as associated with one of two distinct trends: while Chile lies at the upper end of the Latin American scale for static ambition, with longer tenures, and legislators seeking voter recognition as they work to professionalize their workplace (Morgenstern, 2002: 417), Argentina lies at the lower end in terms of legislator tenure, their careers guided by progressive ambition instead (Jones et al., 2002).

Among other things, the differential career paths of Chilean and Argentine legislators are reflected in the fact that legislative tenures are longer in Chile than in Argentina. As presented in the fourth column of Table 1, early in this paper, Chilean legislators' tenure is among the longest in Latin America, eight years on average (at the time of that study), against an average of only 2.9 years in the Argentine case, the third lowest in the sample of 18 Latin American countries.

The same trend can be seen in Table 10 below, which shows the number of terms served by Argentine and Chilean legislators. The decline in first term members, observed in the Chilean case implies that legislators entering Congress end up staying there, likely increasing their abilities as legislators as they acquire experience. As membership stabilizes, entering Congress becomes more difficult, the apprenticeship period may lengthen and recruitment to positions of

[45] See also Hibbing (1999) for an argument of why studying legislative careers is a natural entry point for the study of Congress institutionalization.

[46] They do so today, but both have also changed their electoral systems over the course of the twentieth century, providing institutional variation between the countries and also within each. Because the length of legislative careers has been directly associated with electoral rules, we expect that the variation identified in Argentina and Chile will enable us to disentangle the effects of electoral rules from other factors determining the length of legislative careers.

leadership in Congress is more likely to happen from within (Polsby, 1968, p. 146). The opposite is true in the Argentine case, where almost 30 years after the return to democracy most deputies are freshmen, and very few have long tenures in Congress. We come back to these points below when analyzing the selection to different leadership positions.

Table 9.a. Congressional Terms Served by Argentine and Chilean Legislators

10.a. Chilean Deputies

Term	1994-98	1998-02	2002-06	2006-10	2010-14
1st	40%	33%	33%	35%	32%
2nd	60%	31%	25%	24%	27%
3rd	-	36%	23%	18%	16%
4th	-	-	19%	14%	9%
5th	-	-	-	9%	8%
6th	-	-	-	-	7%
Chamber Mean Experience	2.4	4.12	5.12	5.52	6

9.b. Argentine Deputies

Term	1987-91	1991-95	1995-99	1999-03	2003-07	2007-11
1st	72%	75%	77%	61%	71%	71%
2nd	24%	20%	15%	27%	18%	21%
3rd	3%	5%	5%	6%	7%	5%
4th	1%	1%	2%	5%	2%	2%
5th	-	-	-	2%	2%	1%
6th	-	-	-	-	-	-

9.c. Comparison Last Cohort - (Chile 2010-2014, Argentina 2007-2011)

Term	Chile	Argentina
1st	32%	71%
2nd	27%	21%
3rd	16%	5%
4th	9%	2%
5th	8%	1%
6th	7%	-

Sources: Palanza (2012) based on information from www.camara.cl, and Alegre (2012)

An important caveat, often highlighted, is that the difference in reelection rates between Argentina and Chile is not necessarily caused by citizen choice (De Luca, Jones and Tula, 2002; Jones et al., 2002; Navia, 2008). That is, differences are not a consequence of citizens voting the rascals out, but rather of the decision of legislators (or their political bosses) to seek reelection or not. In particular, it is the decision not to seek reelection that places Argentina in the lowest position within the broader sample of countries presented in Table 10, whereas authors such as Luna and Altman (2011) or Navia (2008) argue that it is partisan control of this decision which has increased the length of legislative careers in Chile.

Table 10. Reelection Rates in Some Countries of the Americas

Country	Length of term	Percentage Seeking Re-election	Percentage Winning (of those seeking)	Percentage Returning to Office
United States (1996)	2	88	94	83
Panama (1999)	4	87.5	49.2	43
Chile (1993)	4	76	78	59
Colombia (1990)	4	n.a.	n.a.	48
Uruguay (1999)	5	72.3	64.9	47
Brazil (1995)	4	70	62	43
Venezuela (1993)	5	n.a.	n.a.	32*
Bolivia (2002)	4	n.a.	n.a.	22*
Argentina (1997)	4	26	67	17
Costa Rica (2001)	4	0	0	0
Mexico (1997)	3	0	0	0

Reproduced from Altman & Chasquetti 2005
*Represents the average of both chambers.

Closely linked to the different types of political ambition, and to the evidence just presented, various sources have shown that legislative careers are much more valued in Chile than in Argentina. One consequence of legislators' valuation of their job is how seriously they take it in terms of how much of their time they devote to it. Survey evidence collected by Nolte (2002) and Llanos (2003), reproduced below in Table 11, shows that in Chile only 13 percent of senators do not devote themselves full-time to their legislative job, whereas 26 percent are not exclusively dedicated to their job in Argentina.

Table 11. Level of Dedication to Legislative Job

Q: *Do you currently devote time exclusively to your job as Senator, or do you combine it with other paid activities?*	**Argentina**	Brazil	**Chile**
Exclusively to my job as Senator	74.2	78.5	86.5
Combine with other activities	25.8	19.9	13.5
No response	--	1.6	--
Total	N=52	N=35	N=37

Sources: Nolte 2002, Llanos 2003.

6.2.2 Internal Organization

As highlighted in previous sections, several aspects of the internal organization of congresses are of relevance in determining levels of Congress institutionalization. In terms of Polsby (1968), how a committee system is organized provides indicators of the internal complexity that the organization has achieved, whereas how legislators are selected to leadership positions speaks also of the degree to which the organization is bounded with respect to its environment. We analyze these and other aspects of the internal organization of the Chilean and Argentine congresses next.

Congressional Leadership. We work with the assumption that congresses that are well bounded from their environment will tend to select their leaders from within, that is, more experienced or resourceful legislators will be chosen to leadership positions as opposed to legislators that are known for their linkages to the executive or to partisan leadership more broadly, but that lack experience inside Congress. If congresses select their leaders from without, one expects that the institution might lack adequate levels of differentiation from its environment, allowing partisan or other considerations to intervene in its management. Well-bounded congresses may better represent constituency interests and be less acquiescent in the face of influential executives, as well as have more incentive to develop its own internal capabilities.

Evidence collected for the Chilean Congress shows that between 1991 and 2011, the Lower Chamber selected 80 percent of its Chairs (equivalent to Speakers in the US Congress) from among legislators not in their first term (Ayala et al., 2011). While the short length of the period analyzed does not allow for more subtle tenure effects to emerge, the fact that only four

out of 20 Chairs of the Lower Chamber was selected without having served previous terms in the legislature indicates a relatively high degree of boundary establishment, particularly within a Congress that was reestablished in 1990 with a predominantly freshman composition. Additionally, Ayala et al. (2011) provide evidence that only 35 percent of legislators selected to be Chairperson of the Lower Chamber had previously held partisan leadership positions within Congress, and only 10 percent had chaired their parties (at the national level), indicating that considerations other than partisan influence likely dominate the selection.[47]

In the Chilean Senate, where we have some information for the period between 1932 and 1973, before the coup d'état, interesting facts, though less systematic, also emerge: all Senate Chairs had spent at least one term in the Senate prior to their nomination, and Chairs spent 17 years in the Senate on average (although only 1.5 on average as Senate Chair). The pattern is reproduced somewhat in the period beginning in 1990, where senators chosen to be Chair also held a previous term in the Senate, and spent 9.3 years in the Senate on average (Castillo, Maturana and Sandoval, 2011).

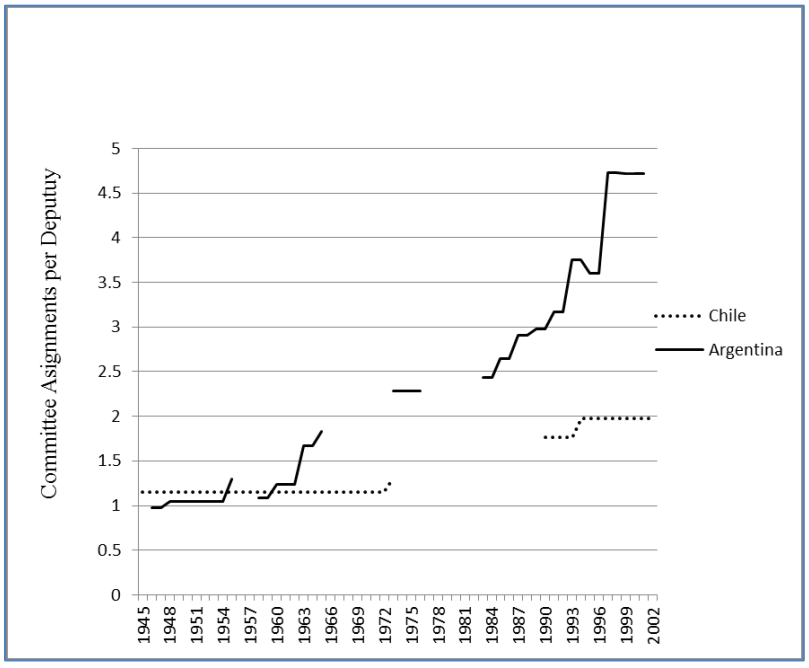
We are still collecting the comparable evidence for the Argentine case, but preliminary evidence suggest that in the case of the Argentine Lower Chamber, its Chairs have also tended to be experienced legislators; although the last two appointments of the current administration have been exceptions to that pattern, as they were professional politicians with no previous Chamber experience. It remains to be explored the extent to which these non-institutionalizing moves could be interpreted more broadly, as well as the exploration of previous experience for other positions of importance within the Chamber.

Specialization and the Committee System. One might expect the length of legislators' tenure in Congress to affect the ways in which they organize internally. While legislators who anticipate that their days in the legislature will quickly end might care less to strengthen the organizations that make their job easier and more efficient, we would expect longer-lived legislators to make investments leading towards that goal. The committee system stands at the heart of the internal organization of congresses, committees being a fundamental arena in which legislative proposals may be debated and negotiated.

[47] In an interesting twist, Ayala et al 2011 provide evidence that whereas 80 percent of Lower Chamber Chairs were legislators prior to the term in which they were chosen for the position, an equivalent 80 percent of Chamber Chairs do not remain in the Chamber upon concluding the term during which they held the position.

Comparative research has shown the centrality of standing committees as determinants of legislative outcomes. Various authors (from Gilligan and Krehbiel, 1997, onwards) have studied the level of specialization of legislators in various policy domains, specialization that is connected to the specific policy jurisdictions of legislative committees in most legislatures around the world. One commonly used indicator of specialization is the number of committees in which legislators participate.[48] It is clear that too many committees vie for legislators' time and attention. In terms of the legislature's role in the policy-making process, a system with too many committees may overextend legislators, create duplication of their work, or both, becoming an obstacle to the acquisition of specialized knowledge, and hindering competent performance. As Figure 5 shows, throughout recent history, Chilean legislators have been more specialized than Argentine legislators. Today Argentine deputies belong, on average, to nearly five committees, while their Chilean counterparts belong on average to less than two. (In the figure, interruptions in the lines correspond to democratic breakdowns, during which the legislature was closed.)

Figure 5. Committee Assignments through Time, Chile and Argentina



Source: Danesi (2010).

[48] This is obviously a rough indicator to provide detail insight on the level of specialization within any given Congress (Krehbiel, 1991; Shepsle and Weingast, 1987; Weingast and Marshall, 1988; Jones et al., 2002), but it is a natural first comparison. We expect to provide deeper measures of specialization in these two cases in later work.

The fact that the existence of too many legislative committees is an obstacle for effective legislative work is well understood by legislators themselves, as suggested by Nolte (2002) and reproduced below in Table 12, where 90 percent of Argentine senators agree with the statement that there are too many legislative committees, making their legislative work less effective, while only 25 percent of Chilean senators agree with that statement. The table also shows that 90 percent of Chilean senators believe that legislative policy committees serve as an instance for the technical discussion of *proyectos de ley*, while only 54 percent of Argentine legislators believe so.

Table 12. The Workings of Legislative Committees in the Upper Chamber - (Comparison of four Latin American Cases)

Q: In response to the following sentences regarding the Senate Committee System, please indicate if you "mostly agree" or mostly disagree".	**Argentina** Mostly Disagree (%)	Brazil Mostly Disagree (%)	**Chile** Mostly Disagree (%)	Uruguay Mostly Disagree (%)
Legislative committees are not instances where bills are debated on technical grounds.	53,8	87,9	89,2	69,6
Currently there are too many legislative committees, which hinders the workings of the system.	10,7	75,8	75	100
Committee work is not sufficiently valued by some senators, who limit their participation to signing documents rather than actively participating in legislative debates.	17,2	43,8	74,3	40,9
Total of respondents	N=52	N=35	N=37	

Source: Nolte (2002)

The explanation and dynamics behind the number and structure of committees is illustrative of both the reasons and the self-fulfilling dynamics leading to Congresses with different degrees of institutionalization and of relevance in policymaking. In the case of Argentina, the number and size of legislative committees bear no correspondence with the size of the legislature, but also provide a poor match with the structure of the presidential cabinet (Jones et al., 2007). Although committees in the Argentine Congress have specific jurisdictions, each defined by subject matter, these definitions do not reflect the structure of administrative or cabinet agencies. In fact, while some committees have far too broad a focus, others have a far too

narrow one (Jones et al., 2007: 63). Since the return to democracy in 1983, the number of standing committees increased from 27 to 45, while the number of deputies increased only slightly, from 254 to 257. Danesi (2004) argues that the creation of new committees in this period has more to do with the need to assign a committee chairmanship or other leadership positions to politicians of some importance than with legislative needs. This fact is reflected in the vague wording used to justify the creation of each new committee, a point made by several authors.

Budget Allocation.[49] A fundamental aspect reflecting levels of Congress institutionalization is the evolution of resources available to congresses for their diverse needs. The congressional budget affects a range of issues, from legislators' salaries to resources for technical and administrative support. Polsby (1968) suggests that the level of expenditures made by Congress is an indicator of internal complexity, growth in expenditures implying higher levels of internal complexity. Table 13 below shows that congressional expenditures have tripled in real terms since 1991, although they have decreased slightly as a function of national expenditures. Even though the preliminary nature of the Argentine data makes a conclusive comparison difficult, the tentative evidence suggests that the growth in Congressional expenditures in real terms has been much lower in the Argentine case.

[49] The evidence in this section is highly preliminary and subject to adjustment in future versions.

Table 13. Congressional Expenditures: Chile and Argentina 1991-2011

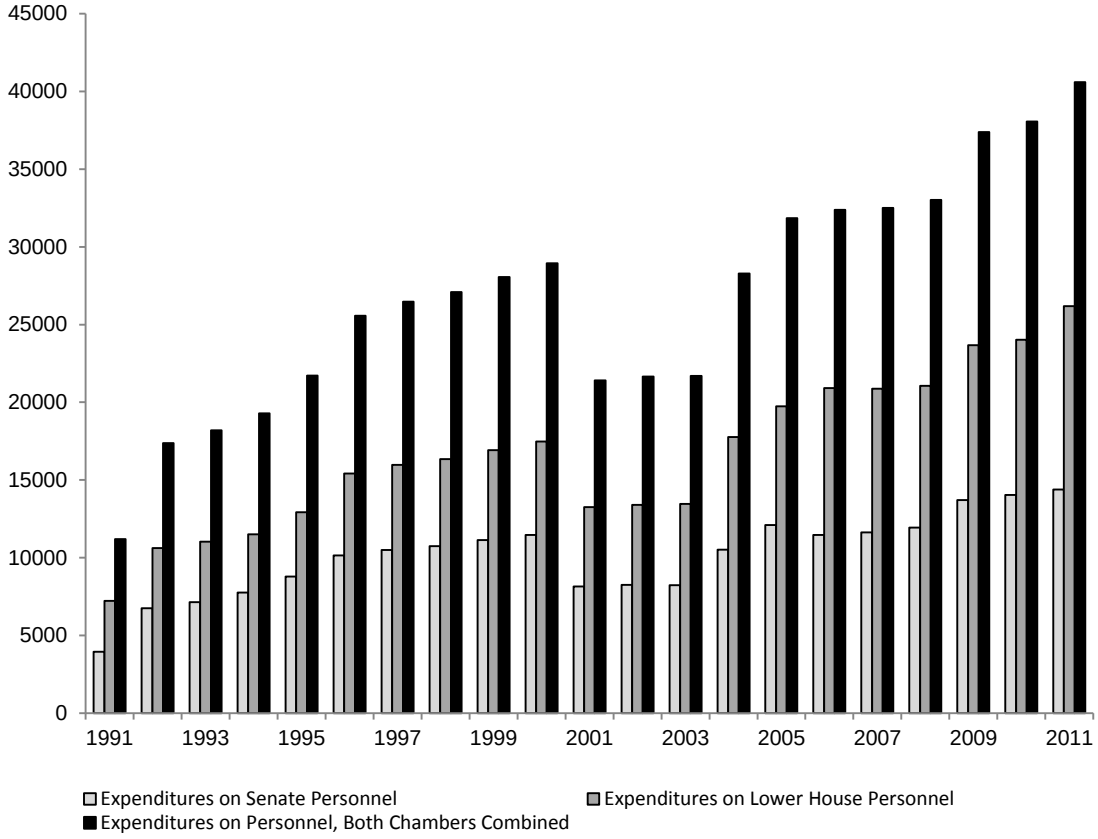
Year	**Chile** Congressional Expenditures (CPI adjusted)*	**Argentina** Congressional Expenditures (constant dollars)**
1991	33,063	-
1992	37,624	-
1993	41,026	393.408
1994	41,479	423.927
1995	44,351	447.037
1996	46,227	418.709
1997	47,988	367.916
1998	50,075	362.031
1999	51,728	-
2000	53,871	-
2001	56,394	389.877
2002	58,234	207.277
2003	58,705	123.083
2004	62,978	136.878
2005	66,346	156.826
2006	70,981	180.828
2007	74,551	210.057
2008	78,181	259.421
2009	86,537	318.281
2010	85,971	369.506
2011	90,090	480.934

Source: Dirección de Presupuesto, Chile.
*Millions of Chilean pesos. Alegre (2012)

Besides the global evolution of the congressional budget, which we take to be an indicator of the evolution of internal complexity, the way in which budgets are allocated internally provides a valuable indicator of levels of specialization. Specifically, we care to know what portion of the budget is allocated to personnel, as we expect that higher salaries, particularly for congressional staff, may imply greater technical abilities of such staff. Figure 6 shows the evolution of congressional expenditures on personnel. While the figure does not distinguish between expenditures on legislators' salaries vis-à-vis expenditures on staff, we can see that it has almost quadrupled in real terms during the period we analyze, growing in relative

terms from conforming approximately one third of congressional expenditures in 1991 to practically one half of total congressional expenditures in 2011.[50]

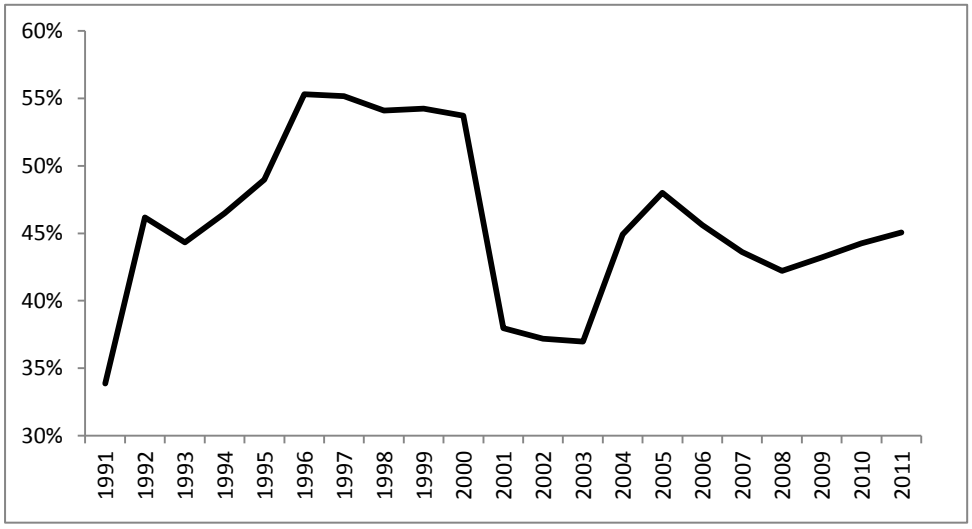
Figure 6.a. Expenditures on Congressional Personnel: Chile, 1991-2011



Source: Dirección de Presupuesto, Chile. * Millions of Chilean pesos.

[50] We expect to provide a comparison to the Argentine case in later work.

Figure 6.b. Congressional Expenditures on Personnel as a Percentage of Total Congressional Expenditures, Chile, 1991-2011*



Source: Dirección de Presupuesto, Chile. * Millions of Chilean pesos.

6.3 Where Does Congress Institutionalization Come From?

The evidence summarized above suggests that, since the return to democracy, the Chilean parliament has established itself as a stronger institutional player and more relevant arena in the policymaking process than the Argentine one. This is connected to a number of indicators of a higher level of institutionalization, such as the facts that: a legislative position is a more valued step in the career of Chilean politicians than in that of Argentine politicians, an important number of Chilean legislators have *static ambitions*, in the sense that remaining in their post in the legislature is a desirable career objective; while Argentine legislators tend to have *progressive ambition* towards a number of desirable positions in national *and subnational* political and policymaking positions; congressional committees are more institutionalized and powerful in the Chilean case; seniority is a more valued commodity in the Chilean Congress; Chilean legislators last longer and accumulate more experience and expertise within committees; and even though public perceptions of legislatures in Latin America are everywhere low, the Chilean Congress always enjoys a more positive perception than the Argentine one.

How did two countries with similar cultural backgrounds and comparable levels of socioeconomic development present such divergent patterns of institutional development? In this section we provide some tentative hints of the directions we believe need to be explored in

further research to attempt to answer these questions. These speculations have the purpose of guiding the extant research agenda in attempting to achieve a better theoretical understanding of the process of institutionalization of political institutions, and to guide the additional digging and empirical work necessary to discern among explanations within the context of this comparative case study. The idea is to move back and forth between the different levels of empirical analysis of this project, between the explanations that suggest themselves from these two cases, to the cross-country econometrics. Disentangling these arguments should also serve for broader theoretical speculation on institutions and institutional dynamics.

We list below a number of lines of explanation, which for brevity we present as alternatives, although it is probable that a complete answer engages a combination of various explanations. In particular, within the family of "institutional" explanations, we focus on the potential effects of one variable at a time, while the actual behavioral outcomes are likely to be the result of broader institutional *configurations*.

By focusing on two "most similar" cases in a way we are already disposing of some potential explanations in which the independent variables take the same values in Argentina and Chile, such as constitutional factors as being presidential. Staying within the most aggregate "institutions as rules" line of thought, some of the most important "macro level" differences between the two countries are in the constitutional legislative and control powers of the legislature, their electoral systems, and in the fact that Argentina is a federal country while Chile is a unitary one.

One constitutional factor of potentially direct impact on Congress institutionalization is the constitutional prerogatives of the legislature. These prerogatives are most often depicted in the literature as a zero-sum distribution of powers between the Executive and the Legislature. There are various different ways of measuring such constitutionally endowed capabilities (Llanos and Nolte, 2006, summarize and discuss various such measures and their application across Latin American cases). In Table 8 above we have depicted two commonly used combined indicators, one of the legislative powers of the President (the "complement" supposedly being the legislative powers of the legislature), and one of the formal political control capabilities of the legislature. In Table 8a (from UNDP, 2004), the Chilean President appears as the most powerful in Latin America in terms of his/her legislative powers (0.66 in a scale 0-1,[51] while the

[51] This is driven by a number of reactive (veto) powers, as well as some prerogatives in the budget process.

Argentine President ranks sixth, with an average of 0.44, below the Presidents of Chile, Brazil, Ecuador, Colombia, and Peru. Table 8b (from Alcántara et al., 2005) shows the Argentine legislature among the highest and the Chilean one as the third lowest in the region in terms of its formal prerogatives to control the Executive. So, by well accepted metrics of constitutional powers, the Argentine Congress is, in terms of formal rules, more powerful than the Chilean one. These cases constitute, then, an important "puzzle" from the point of view of a naïve explanation centered on such formal rules. We come back to this point below, when we connect these institutional differences with equilibrium practices that go in a theoretically surprising direction.

Important strands of literature have emphasized a number of differences in political and policy outcomes emanating from basic characteristics of the electoral system. Applied to the issue that concerns us here, features of the electoral system that lead to a more or less personalized vote might in turn impact on the way in which the different incentives of legislators impinge upon the tendency to make Congress a key political and policy arena.

Not only is Argentina a federal country, but there are also a number of peculiar features of its federal organization that impinge upon the configuration of the party system and the incentives of key political players, in a way that has tended to make legislators more dependent on provincial level party leaders, and that might have influenced the relative weakness of the Congressional arena.

Beyond the most standard macro-level institutional variables, there are a few more specific features of the lawmaking rules that need to be highlighted for their potential to contribute to the explanation of these diverging paths. In particular, there are two features of the Chilean institutional structure that are often considered as adding veto points to the lawmaking process: the supermajoritarian requirements to amend policies enacted as *Leyes Orgánicas Constitucionales* (a more restrictive legal status than that of ordinary statutes) and the inclusion of the Constitutional Tribunal in the lawmaking process, intended to hold back legislation conflicting with the Constitution. We definitely need to explore the nature and implications of these policymaking rules, but here we can briefly speculate on their potential impact on the issue at hand. Both features constitute veto-like instruments, making policy change more difficult, and they might be part of the explanation why Chilean policies are more stable than Argentine ones. That said, it is far from obvious which is the expected theoretical connection between these further veto instances and the tendency of relevant actors to take Congress more seriously and

invest more in Congress, our focus here. At a very rough level, these further vetoes (focus on the Constitutional Tribunal, for simplicity) tend to weaken the legislative powers of both the Executive and Congress. A linear interpretation of this fact would then, suggest a further reason why the Chilean Congress should be weaker and less relevant in policymaking than the Argentine one (given that there is no equivalent of this constitutional tribunal in Argentina).[52] If these features contribute somehow to the opposite result, it has to be through a more subtle connection that needs to be explored theoretically. For instance, it might be the case that in a two-player bargaining situation in which there is a dominant player (generally the Executive in Latin America), the addition of a third player with veto capabilities might alter the distribution of power among the original two players in such a way that increases the relative weight of player "two" (the legislature). Another channel through which some of these institutional rules might lead to Congress institutionalization in equilibrium relate to another family of explanations that relate to specific *conjunctural aspects* of the transitions from military rule and early democratic experiences in these two countries.

For instance, the supermajoritarian requirements in Chile have combined with the partisan and coalitional composition of Congress in the 1990-2010 period in such a way that it gave the conservative opposition the chance to veto, which forced the *Concertación* government to negotiate in Congress, thereby increasing the centrality and relevance of this arena. More generally, this particular configuration of forces in the post-authoritarian democracy, which started under the shadow of the previous dictatorship and with a substantial number of relevant actors with affinity to the outgoing dictatorship, combined with a moderate and measured style of the initial *Concertación* presidents, lead to a careful and consensual policymaking style, in which negotiations *in Congress* became the norm. This connects to the fact that early post-authoritarian Chilean presidents "chose the high road" in spite of their substantial constitutional powers. In the words of Siavelis (2002: 81): "Despite working within what has been characterized by scholars as one of the most powerful presidencies in the world, the first two postauthoritarian governments represent models of what should be done by executives in transitional situations." ".. while Chile's institutional structure is characterized by an exaggerated presidential system, its two postauthoritarian presidents Patricio Aylwin and Eduardo Frei, have

[52] Further work will explore in more detail the intervention of the Judiciary in the policymaking of the two countries more broadly, to speculate on the way in which that "third player's strategies affect the institutionalization of Congress. (See Magaldi de Souza, 2010)

been decidedly moderate and measured in the use of presidential prerogatives." "… the unique characteristics of the party system, the extent of presidential support in the legislature, and the political situation created by the democratic transition have provided incentives for presidents to avoid resorting to the use of extreme presidential power. In the process, the legislature has emerged as a more powerful and significant actor than it might be in other contexts." (See also Nolte, 2003)

This "good start" of the Chilean legislature might have "carried over" throughout the democratic period because of the very reinforcing aspects of the investments that various actors have made in the institutionalization of Congress. The new and different configuration of forces (with a right-wing president) since 2010 constitutes and interesting test of the stability of such practices. Were the Chilean Congress to come out of the Piñera period as strong as it was, it would be prima facie evidence in favor of the "durable" lines of explanation. If this transition would lead to a more permanent decrease in the importance of Congress, then the conjunctural explanations (without extensive durability mechanisms) would gain credence.

Relatedly, various authors have suggested anchoring explanations of modern Chilean political practices on longer term historical trends and "cultural practices." Many of the features that we attribute to the 1990-2010 Congress might have been also present in earlier periods. If that is the case, further research will need to determine whether the outcomes remain similar because key explanatory factors also remain more or less the same, or for given historical causes, reinforcements and path dependency reasons lead to the current state. Such research efforts lay beyond the scope of this initial exploratory paper, but we reproduce from secondary sources some evidence on the past strength and institutionalization of the Chilean Congress and about possible carryover mechanisms.[53]

"The Chilean legislature is a long-standing legislature that has been able to function for more than a century-and-a-half, notwithstanding interruptions in 1924-1925, 1932, and 1973-1989. The fact that the Chilean legislature reemerged after these interruptions *departing slightly from previous forms and routines, even under new constitutions*, suggests that it has become a meaningful political actor in the Chilean polity over the years and points to earlier times when it

[53] See Obando Camino (2009) for a very valuable dissertation on the institutionalization of Chilean Congress in the period 1834-1924.

gradually acquired stability, permanence and distinctiveness among Chile's political organs" (Obando Camino, 2009: 2).

Montecinos (2003), referring to *the post-democratization period*, argues that the great influence of technocratic cadres gained in pre-transition politics led to a spillover of technocratic policy conventions from the executive branch to the legislature, and that this may have fostered democratic accountability, raising the policy stature of the legislature and expanding its ability to challenge government actions and policy preferences in what the author characterizes as a "super-presidential system." Referring to *earlier eras*, it has been argued that the high level of institutionalization that characterized the Chilean party system, the significant degree of inter-branch cooperation, and more generally, the stability and legitimacy of Chilean democracy were anchored in Congress's ability to serve as an arena of compromise. Particularistic legislation, clientelism and patronage effectively moderated ideological polarization and permitted Congress to participate in the policy process to a much greater extent than its formal constitutional prerogatives allowed (Valenzuela and Wilde, 1979).

"To assess current concerns regarding the policy capabilities of the legislature, it is helpful to consider that, as stated in scholarly analyses, the Chilean Congress has long possessed the ability to influence policy making to a relatively greater extent than other legislative bodies in the region. In the early 1970s, members of Congress could proudly state that Chile was "the only Latin American country with a century and a half of continuous parliamentary life" (Agor, 1971: 146). Stable congressional careers, norms regulating the structure, membership and operation of congressional committees, as well as the existence of a capable staff contributed to the use of specialized knowledge, moderated partisan conflict and facilitated the scrutiny of government performance and considerable congressional control over budgetary matters.

The Chilean Congress of the past was usually described as a strong and influential legislature. For example, Federico Gil (1966: 117-118, cited by Nolte 2003: 44) writes: "Unlike many Latin American legislatures, the Chilean Congress is not a rubber-stamp body. It is an independent, properly elected, deliberative assembly, which often challenges the authority of the executive and participates actively in the determination of national policies."[54]

[54] See Nolte (2003) and Valenzuela and Wilde (1979) for further description of the strength and capabilities of the Chilean Congress in the earlier periods, as well as for speculations on the reasons for that strength.

7. Concluding Remarks

This paper sketches an agenda to study the determinants of and the processes by which strong policymaking institutions develop, with particular emphasis on one of the most central democratic institutions: the legislature. It reviews extant theories of institutionalization, and proposes some further ways of specifying and studying the concept. It draws from the notion of "institutions as equilibria" and emphasizes the notion that investments by and beliefs of various political and socioeconomic actors are the driving forces of Congress institutionalization and, hence, of its relevance in the policymaking process.

The paper provides some preliminary measures of Congress institutionalization across Latin American countries and in broader international perspective. It also provides evidence on the effects of Congress institutionalization, as well as some tentative evidence on its causes. Developing better measures of Congress institutionalization is a priority for further progress in this inquiry.

Given that one of the theoretical arguments and tentative findings is that the institutionalization of legislatures is a process which includes various self-reinforcing dynamics, the paper also undertakes the preliminary steps of some comparative case studies to analyze the evolution of Congress institutionalization in two Latin American countries, Argentina and Chile.

The comparative description of institutionalization in those two countries needs to be developed further, and must be followed by a theoretical cum historical exploration on the candidate hypotheses (differences in formal rules, structural factors, multiple equilibria, institutional dynamics) to explain those divergent paths.

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Appendix: Definitions and Sources of Variables

Administrative Easiness: Average of responses to the question: Starting a new business in your country is generally: 1=extremely difficult and time consuming; 7=easy. Source: Global Competitiveness Report.

Age of Democracy: defined as (2000 – first year of uninterrupted democratic rule)/200 and varying between 0 and 1, with US being the oldest democracy (value of 1). Source: Persson and Tabellini (2003).

Autonomy: Measure of institutional autonomy that aggregates the following variables: *no_decree* (dummy variable equal to 1 if the legislature can vote no confidence in the government), *no_veto* (dummy variable equal to 1 if laws passed by the legislature are veto-proof), *no_review* (dummy variable equal to 1 if the legislature's laws are supreme and not subject to judicial review), *no_gate* (dummy variable equal to 1 if the legislature has the right to initiate bills in all policy jurisdictions), and *no_impound* (dummy variable equal to 1 if the expenditure of funds appropriated by the legislature is mandatory). Source: Fish and Kroenig (2009)

Average Experience of Legislators: "Assesment of the average years of experience of legislator (E), calculated on the basis of the reelection rate of legislators (r) and the average length of the legislative term (D): $E = \frac{D}{2} + \sum_{i=110} \quad r^i D$. Source: IDB (2005) from Saiegh (2005) and Proyecto de Elites Latinoamericanas (PELA) (2002).

Average Number of Committee Memberships per Legislator. Source: IDB (2005) from Saiegh (2005).

Bureaucratic Quality Index: Based on the following variables and sources: Bureaucratic Merit Index, Bureaucratic Functional Capacity Index, and Bureaucratic Efficiency Index from Columbia University State Capacity Survey, and International Country Risk Guide "Bureaucracy Quality" rating. Source: Berkman et al. (2008).

Confidence in Congress: Average percentage of respondents who stated they had "a lot of" or "some" confidence in Congress. Source: Latinobarómetro (1996-2010).

Confidence in Parliament: How much confidence do you have in Parliament? A great deal of confidence (1), quite a lot of confidence (2), Not very much confidence (3) or none at all (4)?

Source: Berkman et al. (2008) based on World Values Survey. This index is constructed using data for the years 1984, 1993, 1997, 2002, and 2008.

Congress Institutionalization Index: Based on Legislative Efficiency and Confidence in Parliament. Source: Berkman et al. (2008).

Coordination of Public Policies: Index based on Global Competitiveness Report and Profils Intitutionnels. Source: Berkman et al. (2008).

Corruption Perception Index: Perceptions of the degree of corruption as seen by business people and country analysts and ranges between 10 (highly clean) and 0 (highly corrupt). Source: Transparency International.

Credit Index: Mean of the GCR questions "How easy is to obtain loan in your country? (1=impossible; 7=easy)" and "How easy is to get capital for entrepreneurship? (1=impossible; 7=very easy)". Source: Mecikovsky, Scartascini, and Tommasi (2010), based on Global Competitiveness Report.

Decisiveness and Adaptability of Public Policies: Index based on questions from the Bertelsmann Transformation Index, Columbia University State Capacity Survey and Profils Intitutionnels. Source: Berkman et al. (2008).

Democracy: Based on the variable Polity2 that ranges from -10 (strongly autocratic) to +10 (strongly democratic). Democracy is equal to 1 if Polity2 is greater than 0 in every year since 1990 (Table 2) or 2000 (Tables 2-7). Source: POLITY IV Project (2010).

Effectiveness of Lawmaking Bodies: See Legislative Efficiency.

Efficiency of Education Spending: Data envelopment analysis on 2006 PISA results considering as inputs: expenditure in education and student to teacher ratio. Source: Scartascini, Stein and Tommasi (2009).

Efficiency of Public Policies: Index based on, Global Competitiveness Report, EIU and Profils Intitutionnels. Source: Berkman et al. (2008).

Elected: dummy variable equal to 1 if all members of the legislature are elected and 0 otherwise. The variable, therefore, assesses whether the executive lacks the power to appoint any members of the legislature. Source: Fish and Kroenig (2009).

Ethnolinguistic Fractionalization: index of ethnolinguistic fractionalization, approximating the level of lack of ethnic and linguistic cohesion within a country, ranging from 0

(homogeneous) to 1 (strongly fractionalized) and averaging 5 different indexes. Source: Persson and Tabellini (2003).

Federal: Dummy variable equal to 1 if the country has a federal political structure and 0 otherwise. Source: Persson and Tabellini (2003) from Adserà, Boix and Payne (2001).

Formal Sector: Average of responses to the question: What percentage of businesses in your country would you guess are unofficial?: (1=less than 5%; 2=6-10%; 9=more than 70%). Source: Global Competitiveness Report.

Fragmentation of Legislature: The probability that two deputies picked at random from the legislature will be of different parties. Source: DPI.

GDP growth: Average growth of GDP per capita in PPP, 1990-2008. Source: WDI.

HDI Growth: Average growth of Human Development Index, 1990-2009. Source: UNDP.

Implementation and Enforcement of Public Policies: Index based on the Bertelsmann Transformation Index, Global Competitiveness Report and Profils Intitutionnels. Source: Berkman et al. (2008).

Improve Competitiveness: Average of responses to the question: Organized efforts to improve competitiveness in your country are: (1= nonexistent; 7= widespread and well coordinated). Source: Global Competitiveness Report.

Infrastructure Index: Average of responses to the question: General infrastructure in your country is (1=poorly developed and inefficient; 7=among the best in the world). Source: Global Competitiveness Report.

Index of Congress Institutionalization LAC: Simple average of the following eight components: confidence in Congress, effectiveness of lawmaking bodies, average experience of legislators, percentage of legislators with university education, number of committee memberships per legislator, committee strength, place to build career, and technical expertise of legislators. (1=poor congressional capabilities of legislators; 3=high congressional capabilities of legislators).

Internal Conflict: Assessment of political violence in the country and its actual or potential impact on governance. Its components are Civil War/Coup threat, Terrorism/Political Violence, and Civil Disorder. Source: International Country Risk Guide.

Judicial Independence: The index ranks countries according to their level of judicial independence (0-4) and is based on the following three variables: *gcr_judicial_01_09* (the

judiciary in the country is independent and not subject to interference by the government and/or parties to disputes (1=not true, 7=true). Source: Global Competitiveness Report 2001-2009), *bti_jud_08* (does an independent judiciary exist? Source: Bertelsmann Transformation Index 2008), and *fraser_jud_00_07* (rating of independence of judiciary. Source: Fraser Index 2000-2007). Source: Berkman et al. (2010).

Legal Sytem: Dummies equal to 1 when the origin of the legal system is either British, French, German, Scandinavian or Socialist. Source: Mecikovsky, Scartascini, and Tommasi (2010).

Legislative Efficiency: Effectiveness of lawmaking bodies (1= very ineffective to 7 = very effective). The index is an average for the 2002-2012 period. Source: Global Competitiveness Report (several years).

Legislative Powers of the President: Index based on proactive (v.g. decree, budget) and reactive (v.g. veto, exclusive initiative) and plebiscite powers of presidents. Source: UNDP (2004).

Legislators Reelection Rate: Authors' compilation using data from Matland and Studlar (2004) and IADB (2005). Source: Berkman et al. (2008).

Legislators with university Education: Percentage of legislators with university education. Source: IDB (2005) from Proyecto Elites Latinoamericana (PELA) (2002).

Parliamentary Influence on Executive: An index measuring the legislature's influence over the executive. This variable is a count of the number of powers related to the legislature's influence over the executive that the national legislature possesses. The variable ranges from zero (least powerful) to nine (most powerful). Source: Fish and Kroenig (2009).

Parliamentary Powers Index: An index gauging the aggregate strength of the national legislature. The PPI ranges from zero (least powerful) to one (most powerful). The PPI score is calculated by summing the number of powers that the national legislature possesses and dividing by thirty-two. Source: Fish and Kroenig (2009)

Party System Institutionalization: Index created using variables from the Bertelsmann Transformation Index, DPI, World Values Survey, Mainwaring and Zoco (2007) and Jones (2005). A higher value means a more institutionalized political party sytem. Source: Berkman et al. (2008).

Policy Index: Mean of Decisiveness and Adaptability, Stability, Coordination, Implementation and Enforcement, Efficiency, and Public Regardedness. Source: Berkman et al. (2008).

Place to Build Career: Qualitative assessment on whether Congress is a good place to build career. Source: IDB (2005) from authors' own compilation, PELA (2002), and Saiegh (2005).

Presidential System: dummy variable equal to 1 if system is presidential and 0 otherwise. Source: DPI.

Productivity Policy Index: Mean of Infrastructure Index, Tax Neutrality, Administrative Easiness, Credit Index, Improve Competitiveness, Subsidies Neutrality and Formal Sector. Source: Mecikovsky, Scartascini, and Tommasi (2010).

Proportional Representation: "1" if candidates are elected based on the percent of votes received by their party and/or if our sources specifically call the system "proportional representation", "0" otherwise. Source: DPI.

Protests: Source: Cross National Time Series Database. 1990-2008

Public Regardedness of Public Policies: Index based on, Global Competitiveness Report and Corruption Perception Index (Transparency International). Source: Berkman et al. (2008).

Resources: Dummy variable equal to 1 if the legislature controls the resources that finance its own internal operation and benefits of its members. Source: Fish and Kroenig (2009).

Riots. Source: Cross National Time Series Database. 1990-2008

Stability of Public Policies: Index based on the Bertelsmann Transformation Index, Global Competitiveness Report and Profils Intitutionnels. Source: Berkman et al. (2008).

Strength of Committees: Qualitative assessment of the strength of the committees based on the number of commitees, their juricdictions, and the overlap with other ministries from the executive. Source: IDB (2005) from authors' own compilation and Saiegh (2005).

Strikes. Source: Cross National Time Series Database. 1990-2008

Subsidies Neutrality: Average of responses to the question: Government subsidies to business in your country (1=keep uncompetitive industries alive artificially; 7=improve the productivity of industries). Source: Global Competitiveness Report.

Tax Neutrality: Average of responses to the question: The level of taxes in your country: (1=limits incentives to work and invest; 7=has limit impact of those incentives). Source: Global Competitiveness Report.

Technical Expertise: Qualitative assessment of the technical expertise of legislators. Source: IDB (2005) from authors' own compilation, PELA (2002), and Saiegh (2005).

Term Limit: Dummy variable equal to 1 if legislators are eligible for re-election without any restriction. Source: Fish and Kroenig (2009).

TFP Growth: Total factor productivity growth. Calculations based on Heston, Summers, and Aten (2006), World Bank (2008), and Barro and Lee (2000). Source: IDB (2010).

Trust: Based on WVS questions about trust on other people. Source: Berkman et al. (2008).

Unions Contribution to Productivity: Average of responses to the question: "Labor unions in your country (1=prevent productivity improvements, 7=contribute to productivity improvements)". Source: Global Competitiveness Report.

Volatility of GDP: Normalized standard deviation of GDP per capita in PPP. Source: Berkman et al. (2008), based on WDI.

Wastefulness of Government Spending: Average to the question How wasteful is Government Spending (1=extremely wasteful to 7). Source: Global Competitiveness Report.

Weighted Conflict Index. Source: Cross National Time Series Database. 1990-2008.