VOLUME 30
ISSUE 1

Summer 2011

VOX POP Newsletter of Political Organizations and Parties

An official section of the American Political Science Association
Produced by the Ray C. Bliss Institute of Applied Politics, The University of Akron

Party Systems and Country Governance

(Paradigm Publishers, Boulder CO, 2011)

Kenneth Janda, Northwestern University, with Jin-Young Kwak, Konkuk University

Our title, *Party Systems and Country Governance,* deserves some discussion. *VOX POP* readers understand "Party Systems," of course, but they (and most others) may be unclear about the meaning of "Country Governance." In Chapter 1, we define country governance as *the extent to which a state delivers to its citizens the desired benefits of government at acceptable costs.* We then address the question, "Does the nature of a country's political party system affect the quality of its governance?"

A leading authority, on democratization and governance, thinks parties do have significant effects, although the governmental role they perform is far from clear. Thomas Carothers describes "the standard lament" about political parties as follows: they are corrupt, self-interested, do not stand for anything except winning elections, squabble with one another, and are ill-prepared for governing.[1] In fact, he calls political parties the "weakest link" in establishing popular control of government in new or struggling democracies.[2] Nevertheless, Carothers believes that parties "are necessary, even inevitable" for workable democratic pluralism.[3]

International organizations and non-governmental organizations agree. They have poured millions of dollars into party development under the rubric of democratic assistance. These expensive party aid efforts have generated mixed results. According to one scholar, African leaders have "only grudgingly permitted multiparty politics under donor pressure" against "a current of underlying skepticism," arguing that parties breed conflict, represent urban elites not the grassroots, and are themselves corrupt.[4] Another scholar sees the same skepticism in Asia.[5]

In truth, people across the world have a love-hate relationship with political parties. Parties are highly valued by most scholars for enabling popular control of government but are mistrusted by many leaders and citizens. Our book proposes and tests a theory of party system effects on country governance explicitly designed to pin down the contributions of political parties.

Normative or Empirical Theory?

Most western comparative scholars, U.N. officials, and others engaged in promoting democratic government in developing countries are guided by a normative theory: *It is good to have political parties competing to control government in open elections.* Normative theory that values political parties, however, also assumes the existence of an empirical relationship: *Countries with competitive party systems perform better than those without competitive party systems.* In practice, that assumption has been accepted as true without testing to see whether it is false. By and large, international efforts to promote party politics in developing countries have been guided by normative judgments relying on assumptions that have not been adequately tested through empirical research, if they are tested at all. They often go untested for three major reasons.

One stems from the value commitment to political parties in normative theory. Those who value political parties may think it *obvious* that countries are governed better when a reasonable number of stable political parties compete for votes in free elections—compared with countries that hold no elections, or countries that have elections but no parties, or those that have only one party. Why document the obvious?

Another reason flows from the difficulty in settling on research rules for acceptable answers. What evidence might show that democratic party systems "perform better" than non-democratic systems? What do you mean by performance? How can performance be measured? One might even ask: What do you mean by a competitive party system? How can one identify and measure the characteristics of political party systems?

Yet a third reason has prevented determining whether countries with competitive party systems perform better than those without competitive party systems. Even if scholars could settle on an acceptable research design, the research might be blocked because of difficulties in collecting the necessary data. One might find adequate party system data on about thirty established democracies and on a like number of developing countries, but what about the more than one hundred remaining countries whose party systems are rarely studied systematically? And where would one find the matching country data on government performance?

The Theory to Be Tested

This study converts the underlying empirical assumption about the performance of political parties into an empirical political theory of party system effects on country governance. The full theory, which consists of conditions assumed to be true and propositions to be tested, is formally presented in Chapter 6. From a set of seven assumptions, we deduce four broad empirical propositions about party system effects on country governance.

Countries with popularly elected non-partisan parliaments score higher on governance than those with unelected parliaments without political parties.
The more competitive the party system, the better the country governance.
The more aggregative the party system, the better the country governance.
The more stable the party system, the better the country governance.

That is the *theory.* It is an empirical theory with origins in normative theory. Whether or not the observable facts conform to the theory remains to be determined. That is the task of our book.

(Continued on page 2)

(Continued from page 1)
The Challenge of Country Governance

People generally recognize that country governments differ in their ability to deliver ordinary goods and services to their citizens. They see that some governments fare much better than others. Most people suspect that public rule is notoriously bad under dictators. Regardless of how nasty their autocratic rule, all dictators head governments that keep some degree of order and control over civil life. Some countries, like Somalia, have no dictator but little or no government either.

Somalia qualifies as a "failed state"—one whose central government had little practical control over much of its territory. In contrast to dictatorship and failed states, consider Costa Rica, which abandoned its standing army in 1948 and entered a sustained period of democratic elections. Or consider the tiny land-locked nation of Bhutan, tucked between India and China in the Himalayan mountains. Bhutan had been an absolute monarchy, where kings functioned as dictators, but in 2005, Bhutan's king announced that he would transform his country into a democracy.

Or take the island nation of Iceland, small like Bhutan. Whereas Bhutan had been an absolute monarchy, Iceland claims the world's oldest continuous parliament, a history of multiparty politics, and competent democratic government. Until 2008, Icelanders enjoyed one of the highest incomes per capita in the world and also one of the most egalitarian distributions of wealth. Iceland, however, suffered heavily in the 2008 global financial meltdown, and in 2009, Iceland's voters ousted the free-market Independence Party that had governed the country for two decades and replaced it with a governing coalition of the Social Democratic Alliance and the Left-Green Movement.

Finally consider the enormous country of China. Under one-party dictatorial rule, the Chinese government depended on substantial annual growth in GNP to satisfy the material needs of over one billion citizens. Confronted with the 2008 collapse in the world economy, its government launched a huge stimulus program in early 2009. In contrast, the U.S. government operated under a vigorous two-party system and faced more constraints in devising its stimulus plan. After both programs had operated for six months in 2009, the U.S. economy remained flat with rising unemployment while the Chinese economy grew by nearly eight percent.

Clearly, governmental dictatorships differ from the failed government of Somalia—and both sets of countries differ from the democratic governments of Costa Rica and from the monarchical government of Bhutan. Although Iceland, China, and the United States all pursued economic growth, they did so under very different party systems. Iceland operated under a multiparty system that decisively punished economic failure. China's one-party government could concentrate its resources on economic recovery without fear of losing power. The United States' two-party system forced the government to balance competing interests while trying to craft its economic policy.

Is it possible to meaningfully compare such diverse nations concerning how well they deliver the benefits of government? We think so. This book uses country governance as a criterion for determining the effects of country party systems. Although we identify and explain the effects of two other major factors (country size and country wealth) on selected measures of governance, we do not claim to represent the complex relationships among all the variables that account for all the cross-country variance in governance. Our focus is on the independent effects of party systems (after controlling for country size and wealth) on country governance. In the language of research, party systems traits are our independent variables, and country governance is our dependent variable.

Overview of Research Design

Studies that compare politics in different countries usually employ either the "most similar systems" design, matching countries on shared characteristics. We follow the "most different systems" research design, comparing a large number of very different countries (ideally, every country) with maximally different party systems: competitive and noncompetitive, fragmented and aggregative, volatile and stable, and even countries without political parties. It focuses on a common set of dependent variables (measures of country governance) and independent variables (measures of party systems) and ignores most of the countless other variables on which the countries differ.

In keeping with this design, we analyze the data on six different indicators of country governance created by scholars at the World Bank for 212 countries in 2007. We determine whether party system traits have any statistically significant effects on country governance across all countries. Although we draw heavily on quantitative data, we present relatively few tables. Instead, we display data graphically in reporting our findings. Moreover, we explain in simple terms alternative methods for scoring data, the meaning of a correlation coefficient, how to interpret a regression equation, and the gist of statistical significance. We think that our presentation is digestible for undergraduate students, even those who never had a course in statistics.

We supplement our quantitative analysis by noting where five countries score in the distribution of a summary measure of country governance, from top to bottom:

Iceland—the nation at the top of the 2007 World Bank mean governance scores.
United States—a nation scoring high on governance but not at the top. (It is #23.)
Korea—a nation scoring near the 25th percentile, toward the top (#50).
Russia—a nation scoring near the 75th percentile, toward the bottom (#164).
Somalia—the nation scoring at the bottom of the World Bank scores (#212).

Our book consists of twelve chapters grouped under three parts. Part I, "The Nature of Country Governance," inquires in some detail into the origin and development of the term, "governance," discusses issues in conceptualizing and measuring country governance, and describes the Worldwide Governance Indicators.

Part II, "Environmental Effects on Country Governance," begins by considering whether the quality of country governance is a cause or an effect of environmental conditions. It contends that country governance is clearly affected by country size, which is usually determined long before any particular government is in place. It also argues that country wealth is a cause of country governance, especially in the short term. To assess the relative effects of country size and wealth on country governance, we conduct elementary statistical analysis. To explain the analysis to readers unfamiliar with correlation and regression analysis, we proceed slowly, describing with few formulas (but numerous boxes and graphs) the meanings of essential terms: correlation, statistical significance, a regression coefficient, and explained variance. Understanding these terms is essential to understanding the data analysis, which shows strong and consistent effects of country size and wealth on country governance.

Part III, "Party System Effects on Country Governance," addresses the main topic in a series of chapters. This section explains the normative and empirical theory underlying the study. It also describes the data collected to test the theory and various ways to measure party systems. Relying on the statistical knowledge conveyed in Part II, a set of chapters assesses the effects of party systems on country governance, beginning with the twenty-three countries that have no parties. For the other 189 countries, the chapters assess the effects of party system competitiveness, aggregation, and stability. The final chapter reviews the theory and research. It concludes that party systems have significant and mostly consistent effects on improving country governance. The findings should hearten those in international agencies who have spent millions of dollars to strengthen political parties in developing countries on the normative assumption that strong competitive, stable party systems promote countries' ability to deliver to citizens the benefits of government.

END NOTES

[1] Thomas Carothers, *Confronting the Weakest Link: Aiding Political Parties in New Democracies* (Washington, DC: Carnegie Endowment for International Peace, 2006), p. 4.
[2] *Ibid.*, p. 13.
[3] *Ibid.*, p. 213.
[4] Edward R. McMahon, "Catching the 'Third Wave' of Democratization? Debating Political Party Effectiveness in Africa since 1980," *African and Asian Studies*, 3 (2004), 295-320, at pp. 295, 300-303.
[5] Allen Hicken, "Stuck in the Mud: Parties and Party Systems in Democratic Southeast Asia," *Taiwan Journal of Democracy*, 2 (December, 2006), 23-46, at p. 25.

Nominations for President and Executive Council 2011-2012

President: Marc J. Hetherington

Executive Council:
David Dulio, Oakland University
Michael McDonald, Binghamton University
Paul Frymer, Princeton University
Dara Z. Strolovitch, University of Minnesota