

THE
OXFORD
HANDBOOKS
OF
POLITICAL
SCIENCE

GENERAL EDITOR
ROBERT E. GOODIN

EDITED BY
MICHAEL
MORAN
MARTIN
REIN
ROBERT E.
GOODIN

≡ The Oxford Handbook of
PUBLIC POLICY

CHAPTER 27

INSTITUTIONAL CONSTRAINTS ON POLICY

ELLEN M. IMMERGUT

SOCIAL scientists became interested in studying the impact of institutional constraints on public policies for both practical and theoretical reasons. First, in the late 1960s and early 1970s, a wave of ambitious policy making—like Lyndon Baines Johnson’s “Great Society” initiative in the United States or the expansion of the powers of the federal government through constitutional reform in Germany—met with disappointment. Despite unprecedented popular support for using the tools of government to improve societies, many of these programs did not achieve their ends. The problems to be addressed were not solved; the monies that had been allocated were in some cases not even spent (Pressman and Wildavsky 1984). Second, as scholars sought to understand the roots of these policy failures, their theoretical attention turned away from societies, and towards institutions. As the following sections of this chapter will detail, there is thus a historical and theoretical affinity between policy studies and institutional theory. Institutions have affected policies, and policies have changed our understandings of institutions. Indeed, policy studies have led to an institutionalist interpretation of politics, and new theories about democratic governance.

1. THE IMPACT OF POLICY STUDIES ON INSTITUTIONALIST THEORY

In the 1950s and 1960s, both political science and policy studies might have been termed “society centered.” Politics were often understood as a “vector-sum” of group pressures or as the outcomes of long-term societal trends summarized by the shorthand term “modernization.” On this view, various societal interests competed for governmental resources by forming interest groups, and by using any available channel of access to government in order to press for policy concessions. As long as the “multiple memberships” of group adherents (members of a parent–teacher organization, for example, might belong to several different religions or ethnic backgrounds) restrained group leaders from becoming too extreme, and as long as “potential interests” (citizens that could potentially mobilize to defend an interest, especially that of the overarching constitutional framework or “rules of the game”) restrained both groups and government from departing from the rules of the game, interest group lobbying could produce both democratic and effective public policies. Indeed, by providing a mechanism for representing the interests of citizens to government, the “governmental process,” as Truman called it, both tamed democracy and provided for responsive government, attuned to changing problems caused by economic and social development (1971/1951; see also Dahl 1961). The pluralist model thus assumed an efficient transmission of preferences from citizen to state, and viewed political decisions and outcomes as the result of a natural equilibrium of citizen and group preferences. The pluralists saw the state and other institutions as neutral arbiters of interest group competition, and expected rapid adaptation to a changing environment.

Critics attacked the “pluralist” view of public policy for not addressing inequalities in power that preceded the onset of the interest group process, such as the “privileged position of business” (Lindblom 1977), the tendency of political decision making to be restricted to a “power elite” occupying the “command posts” of both government and the “military-industrial complex” (Mills 1956), and the importance of non-decisions—the areas of policy that never even make it onto the political agenda (Connolly 1969; Crenson 1971; Lukes 1974). Similarly, a renewed interest in class relations and the “capitalist state” led to the suspicion that interest group bargaining might simply serve to hide the more significant power relations—in this case related to the economic system—that could better explain patterns of policy, and perhaps thus the failures of the 1960s reform era (Offe 1984; Alford and Friedland 1985).

Crenson’s book, *The Un-Politics of Air Pollution* (1971) provides a good example of this “third face” of power, as Lukes has called it. In Gary, Indiana—the location of the headquarters of US Steel—there were no complaints in the early 1950s about air pollution, whereas across the river in East Chicago, Illinois, complaints by housewives about dirty laundry evolved into a full-scale social movement that successfully pressured local government to enact legislation to introduce air pollution controls. If

we assume an efficient policy process, and imputed preferences from the political process, we would conclude that citizens in Gary were less interested in clean air than those in East Chicago. Crenson argues that it is more plausible to assume that the large number of persons employed by US Steel made citizens in Gary hesitate to make a stink about air pollution, as air pollution controls might cause a loss of jobs for the city. In other words, issues of importance to citizens do not automatically lead to the formation of protest or interest groups. Consequently, we cannot assume that public policies have merit because they were produced by a democratic process; instead, we must judge both the quality of political participation in policy decision making and the resulting public policies by independent, substantive standards, such as environmental quality or social justice.

In contrast to the pluralist and structural power views of public policy, an alternative approach looked to features of government and the polity to explain both the enactment and implementation of public policies. In part inspired by neo-Marxist theories of the capitalist state, the "state-centered" approach took its main guidance from the works of Weber, Hintze, and Tocqueville (Skocpol 1985). On this view, states should be conceptualized both as actors and as structures. As actors, individual bureaucrats and politicians within the state acted according to their ideas regarding good government, and their interests in advancing their own careers or the stature of their agency. As structures, states shaped the policy-making process by their organization, and hence the access of various groups and social strata to governmental decision making, as well as the pattern of policy implementation. Skocpol has pointed out several different mechanisms by which states might shape public policies. The career paths of politicians may make some policies (but not others) attractive to the particular politicians in strategic locations in the polity for launching policy initiatives. This, was the case for example in the legislation of the New Deal. Labor legislation such as the Wagner Act guaranteeing the right to union representation was more central than many aspects of the welfare state that could not pass through the gauntlet of congressional committees unless slimmed down to exclude many basic social rights, such as health care and the right to live according to a national or universal standard of "decency and health" (Skocpol 1980). Such political decisions continued to set constraints on future public policies by affecting states' strategic capacities and establishing policy legacies. In the United States and Britain, Keynesian policies were impeded, because state capacities for economic modeling and access to economic expertise were less institutionalized than in the Swedish case, for example (Weir and Skocpol 1985). In a similar vein, Zysman (1983) points out that national industrial policies depend upon a particular organization of the banking system: if firms depend upon equity markets for capital, governments do not have the capacity for governing industrial development; if firms, by contrast, rely on national or regional banks, governments can promote particular investment policies and hence, influence industrial development.

Previous policies also impart a lasting legacy to policy making by affecting the views and opinions of both citizens and the political elite. The subordination of US Civil War pensions to patronage politics and the spoils system created a suspicion of

social programs amongst American policy activists who might otherwise have fought for an expanded welfare state during the Progressive era (Orloff and Skocpol 1984). More generally, as Pierson (1994) has argued, pension policies create lock-in effects because citizens must plan for retirement far ahead, and are thus not inclined to support radical changes in these public programs, such as converting public plans to private insurance or vice versa.

Past policies may also help to “socialize” or “privatize” conflict, as Schattschneider (1960) put it, by encouraging groups to organize, and to view their problems as legitimate grievances, which deserve public, and hence governmental solutions. The impact of government policies on the organization and mobilization of interests was termed by Skocpol (1985, 21) a “Toquevillian” view of the role of the state. A classical example was provided by Selznick in *TVA and the Grassroots* (1984/1949). Selznick argued that the TVA’s decision to implement its “grassroots philosophy” by signing agreements with local farmers’ organizations diverted the organization from its original aims. For example, TVA agricultural demonstration programs funded mainly the distribution of phosphates rather than nitrates, a decision that benefited large farmers, but left tenant farmers out in the cold, because their strips of land were not large enough for the use of phosphates, as this required crop rotation. To be sure, phosphates were preferable from an environmental point of view. However, in the land use policy of the TVA, the interests of large farmers rather than the environment were decisive: following protests by landowning farmers the TVA radically reduced the strips of land surrounding the electric power reservoirs that were incorporated into the public domain for conservation purposes. Thus, by trying to co-opt the influential farmers belonging to the American Farm Bureau Federation into its very organizational structure—with the aim of being better able to actually implement its policies—the TVA surrendered its ability to make independent policy decisions, and tipped the balance of power away from environmentalists and the poor, and towards the wealthier farmers. Later research on the TVA pointed to yet another instance of political bias: to avoid conflict with influential local parties, the dormitories of the TVA were strictly segregated, a racial policy not in line with federal guidelines.

Similarly, social policies have affected the balance of the “democratic class struggle” by giving organizations representing working-class interests both moral and economic resources. Universal social policies, for example, encourage solidarity (and therefore collective action) across occupational categories, whereas programs organized around more narrow occupational groupings undercut broader class mobilization. In addition, to the extent that social protection becomes enshrined as a social “right,” political mobilization aimed at expanding or maintaining social policies gains in legitimacy (Esping-Andersen and Korpi 1984; Klass 1985). Unemployment insurance administered through unions—the “Ghent” system—was used as a selective incentive to attract members, and thus led to higher rates of union membership in countries that organized unemployment policy in this way (Rothstein 1992).

Urban policies that encouraged class segregation, as in Britain, ultimately encouraged political organization based on class identities, whereas those based on ethnic identities resulted in a bifurcation of politics and class, with class important at the workplace and ethnic identity in politics, as in the United States (Katznelson 1985). Similarly, British colonial rule in what later became southwest Nigeria privileged tribal or ethnic identities at the expense of religious cleavages (Laitin 1985).

This interplay between state and society—and indeed the networks of relationships that link social interests to the polity—was a central focus of neocorporatist theorists. These scholars argued that institutionalized relationships between government and interest groups created entry barriers for new groups and new political issues. Consequently, interest group negotiations took place within nationally distinct institutions of interest intermediation that changed the array of organized interests as well as their impact on government policies. In some countries, but not in others, interest groups were functionally specialized, centrally organized, and enrolled high numbers of members. This allowed them to play a useful role in both preparing and implementing legislation, such as public health insurance, and in promoting more informal policies, such as incomes policies to control inflation (Schmitter and Lehmbruch 1979; Berger 1981; Goldthorpe 1984; Katzenstein 1985; Maier 1987).

Thus, research on public policies—the welfare state, urban policies, tax policy, economic policy, health policy, environmental policy—helped reawaken interest in institutions. As study after study showed that policy outcomes could not be accounted for by the preferences of citizens, the balance of interest group opinion, or larger social structural forces or actors (such as “classes”), scholars’ attention turned to how the organization of the polity affected policy making and implementation (Hall 1986; Scharpf 1997; Czada, Héritier, and Keman 1998; Peters 1998, 2001). Moreover, as such a variety of factors outside of the strict purview of government were relevant, the emphasis on the state gave way to a more general “institutionalist” perspective that viewed governmental institutions as “political configurations,” and broadened the scope of the analysis to include more non-governmental factors (Immergut 1992*a*, 3 ff., 24–8; Skocpol 1992, 41 ff., 47 ff.; Thelen and Steinmo 1992; Hall and Taylor 1996; Immergut 1998). These studies differed with regard to which institutions precisely were most relevant in a particular case, ranging from the impact of the electoral system on party competition (Steinmo 1993), the relationship between legislatures and the courts (Hattam 1993), and “political opportunity structures” (Kitschelt 1986), to a much broader set of institutional effects, including standard operating procedures, windows of opportunity, and norms and ideas (Weir 1992). Nevertheless, these studies share a common conclusion: that institutions and institutional effects unbalance the purported level playing field of the pluralist model, and so channel policy decisions onto some paths but not others, as in models of path dependency (Pierson 2000).

2. THE IMPLICATIONS OF INSTITUTIONALIST THEORY FOR PUBLIC POLICY STUDIES

If policy studies have improved our understanding of institutions, can an institutionalist perspective help us to improve public policies? In any given area, policy analysis depends upon a host of information and technical knowledge that does not necessarily have anything to do with institutions, politics, or society. Yet, the decisions about what to do about this information is a *political* or *social* or *public* choice, to use some of the terms that are commonly used. Once we have defined public policy as “collective choice” we face a number of questions to which political science and social science have quite a bit to say: Who shall make these choices? What procedures should be used to make these choices? How are we to distinguish “good” from “bad” choices?

The institutionalist model of democratic choice seeks to improve the *substance* of public policy choices by improving the *procedures* used to make these choices. Many institutionalists, such as Lowi, write of going beyond “process” or “bargaining” to “procedures,” and to replace “what is merely popular” with what is “truly public” (1979, 61, 63, 297). To some extent, this is just a play on words, but the point that is expressed is that one must look more critically at the political process, and if necessary, adjust the rules of the game in order to improve the normative quality of the results. Institutionalists seek procedures that allow for meaningful political participation, such as supports for political arenas that allow for goal-setting discussions to take place, or judicial procedures that allow citizens to press for justice. Elster (1986) describes the institutionalist vision of democratic choice as a “forum” in which decisions are made and interests defined through adversarial discussion, as opposed to a “market” where interests or preferences are aggregated; the former relies on a logic of “arguing;” the second on a logic of “bargaining.” March and Olsen (1986) likewise discuss the difference between merely “aggregating” versus truly “integrating” preferences.

Lowi’s (1979) work on “juridical democracy” provides a good illustration of this approach. Lowi argues that with the expansion of the role of the president and the executive administration in US politics since the New Deal has come an unacknowledged constitutional change, which he refers to as the “Second Republic.” American political debates are disconnected from these realities of executive power and interventionist government, pretending to revolve around the poles of “more” or “less” government, when in fact, both major parties support more government spending, but differ mainly on the purposes to which it should be put. The consequence is a tendency to devolve government power to administrative discretion and negotiations with private interest groups. As in Max Weber’s classic work on the proper relationship between politics and administration (1978/1918; see also Aberbach, Putnam, and Rockman 1981), Lowi urges the legislature to wrest power away from administrative agencies by making laws with clear purposes that allow politicians to monitor the

activities of the administration. More broadly, these political representatives should be engaged in political deliberation to produce a “public philosophy” which drawing on the work of Lippmann, Lowi defines as “any set of principles and criteria above and beyond the reach of government and statesmen by which the decisions of government are guided and justified” (1969, 82). Such a public philosophy “will emerge from a kind of political discourse in which few of us have engaged during the false consensus of our generation” (1979, 298) and requires “meaningful adversary proceedings . . . [with] conflict among political actors at the level where each is forced regularly into formulating general rules, applicable to individual acts of state and at one and the same time ethically plausible to the individual citizen” (1969, 84).

Thus, like Weber, Lowi believes that legislative power should be firmly in the hands of the legislative branch of government, and that politicians should decide on the *ends* of policy through public debate. Here, Lowi makes it clear that what is important is reaching agreement on the substantive aims of politics through a deliberative and adversarial process, by which the quality of political participation and political discussion rather than the breadth of participation is what counts: “The juridical approach does not dictate a particular definition of justice, of virtue, or of the good life. . . . It does not reduce the virtue of political competition, but only makes access to some areas of government a bit more difficult to acquire” (1979, 311). Thus, the title of the book has a double meaning. *The End of Liberalism* means both that the previous classical liberal era of big versus small government is over, and that political representatives must engage in a new debate about the goal or “end” of government in this new era, or “Third Republic.” In a similar vein, Selznick complained that because the substantive content of the TVA’s grass-roots philosophy was never clearly defined, its leaders had the scope to choose a means of policy decision making and implementation that devolved public power to private groups and thereby allowed agriculture interests to hijack the agency. As he wrote, “Means tyrannize when commitments they build up divert us from our true objectives. Ends are impotent when they are so abstract and unspecified that they offer no principles of criticism and assessment” (1984/1949, iv).

The American “War on Poverty” can serve as a case in point for this institutionalist perspective. In contrast to the New Deal, which introduced its social policies by a law (the Social Security Act of 1935) that provided relatively clear guidelines as to which social risks were to be insured by government, the War on Poverty proposed a strategy of “maximum feasible participation” (“maximum feasible misunderstanding” in Moynihan’s (1969) famous phrase). The idea was to fight poverty by politically empowering the poor and other disadvantaged groups. This strategy was legitimized by the pluralist philosophy of government, which hoped that by correcting unequal access to the interest group process, government outcomes would be made more in line with the public interest. However, the result was much money misspent and few results. Substantive justice would have been better served, according to Lowi, by deliberating in Congress about the ends and means of anti-poverty policy, and then drafting a new law. Formal procedures and not informal processes

are thus the route to defining the substantive goals of public policy, and choosing the means for reaching these goals.

Even Lowi admits, however, that not every single detail of public policy can be made a matter of a legislative decision. Therefore, he urges that better procedures be used for administrative policy making as well. To govern fully according to the rule of law means, according to Lowi, to force administrative agencies to deliberate about the rules they are implementing and to forbid them from granting exceptions to the rules to particular groups. If necessary, the agencies should refer the case to Congress to ask for a reinterpretation or revision of the original law. Much as a case brought before a court of law serves to improve the definition of justice and the legal rules themselves, administration of laws should lead to the adoption of better rules, and in many cases, better laws. Nonet (1969) used the case of deliberations about workmen's compensation to show how such an approach can lead to "administrative justice." Many nations have introduced courtlike procedures for adjudicating about bio-ethics.

Thus, by critiquing procedures for democratic choice, institutionalist research can provide guidelines for drafting policy procedures involving not just making laws but the administrative decision making that inevitably follows. Indeed, many policy solutions entail introducing a set of guidelines for administrative decision making rather than directly legislating a policy outcome. The implication of the institutionalist perspective is that the quality of administrative decision making depends upon the procedures for decision making themselves. However, the impact of institutions also depends upon their social and political context.

Here, a classic policy study may serve as illustration. As a result of their path-breaking study of the implementation of the Economic Development Act in Oakland, California, Pressman and Wildavsky (1984) came to the conclusion that implementation requires agreement at many points in a chain of decision making. Even if the probability of agreement at each decision point is quite high, say 0.9, the effect of multiple decision points (N) will be to reduce the probability of a final agreement by the formula $(0.9)^N$. The types of decision points that caused problems in Oakland were things like negotiations with interest group and community leaders about plans to build a new airport to create jobs and the criteria for distributing small business loans. By the time local administrators had met with interested parties in multiple rounds of meetings, it became increasingly difficult to spend the allocated funding at all, let alone developing substantively rational criteria for placing people in jobs or supporting small businesses. The explanation advanced by Pressman and Wildavsky is typical of an organization theory approach: the organizational procedures for decision making (and not political disagreements or differences in political power) are responsible for the policy outcomes. Their own evidence, however, points to the importance of more *political* factors. The Washington, DC, headquarters of the Economic Development Administration (EDA) purposely chose Oakland, California, for its pilot development program, because of its weak local political structure. Rather than having a directly elected mayor, Oakland was run by a City Council with an appointed city manager. Further, local interest groups were weak and poorly

organized. The theory was that this would make it difficult to mobilize local resistance to EDA plans. The consequence, however, was that it was difficult to find local leaders that could organize meetings and help get things done. Had the EDA chosen a city with an effective political machine, like Chicago, the impact on local employment might have been far greater. Indeed, in their study of social assistance, Piven and Cloward point out that the “street-level bureaucrats” of the city of Chicago distributed welfare payments to recipients effectively during the 1950s and 1960s, whereas in New York, it took political pressure from newly organized groups representing the poor to open up city administration to these under-represented citizens (1971, n. 41, 335–6; Lipsky 1980). Thus, in practice, the impact of the procedures for implementation depends upon local political structures and patterns of political mobilization and not simply the formal rules.

3. INSTITUTIONAL CONSTRAINTS ON PUBLIC POLICY

Given that institutional rules and procedures have a large impact on both the politics of policy making and the implementation of various policy designs, what lessons can we learn from the institutionalist perspective for policy design? Research on the exact impact of institutional procedures on policy decision making and the interaction effects of institutional rules with political, social, and even historical contexts is still in its infancy. What has been learned so far?

One approach has consisted of typologies for comparing political systems. Lijphart (1984, 1999) divides democracies into two types: majoritarian and consensus democracies. The political institutions of majoritarian systems provide for the creation of strong majorities and provide few constraints on government actions, whereas consensus democracies focus on including minorities and providing those minorities with institutional mechanisms for blocking majority decisions. He determines whether the political system of a given nation belongs to the first or second type by considering a number of variables that he groups into two dimensions, the “executive-party” dimension and the “federalism-unitary” dimension. The executive-party dimension is measured by indicators such as the frequency with which one governing coalition is in power, the number of political parties and the types of divisions or ‘cleavages’ that characterize them (socioeconomic, religion, language, ethnicity), the average duration of governments, and the disproportionality of the electoral system. The more these indicators show a pattern of concentrated government power, the more “majoritarian” the ranking of the political system on the executive-party dimension. The federal-unitary dimension is characterized by bicameralism, tax decentralization, and constitutional rigidity, all of which Lijphart uses to indicate federalism. He finds a statistical association between consensus

democracy and higher levels of economic growth, lower inflation rates, more encompassing welfare states, and greater levels of citizen satisfaction with democracy, causing him to conclude that “consensus democracy tends to be the ‘kinder, gentler’ form of democracy” (1999, 275).

However, as Lijphart himself is well aware, we find consociational political institutions in “divided societies,” as he puts it—those divided for example, by ethnic or religious cleavages (1969). These divisions are the historical reason for various sorts of veto powers for minorities. Consequently, it may not be the *political institutions* that result in the kinder, gentler democracies, but perhaps the “*divided*” *societies* that have these sorts of political institutions may have also tended to develop integrative social institutions of various types, precisely to overcome the divisions that led to political blockages. This “chicken-and-egg” problem in institutional development is often referred to as the problem of “endogeneity.”

Powell (2000) has produced a similar typology based on the formal constitutional rules for electing representatives and making policy decisions, in which he refers to the “majoritarian” and “proportional” visions of democracy. The “majoritarian” vision calls for electoral rules that allow a majority of voters to elect a government, and for that government to enact policies without institutional impediments. The majoritarian vision allows a political party to assume governmental power and to enact its political program with full accountability to the voters. The proportional vision by contrast is more concerned with minorities that might never be represented in a majoritarian system, and calls for proportional representation, coalition governments, and mechanisms of power sharing, such as bicameralism, and the representation of the opposition in parliamentary standing committees.

Persson and Tabellini (2002) divide electoral rules and political regimes into two types: majoritarian versus proportional electoral systems; and presidential versus parliamentary regimes. They focus on the individual incentives of politicians as the link between formal political institutions and political behaviour. They argue that in single-member district electoral systems, politicians in a political party must focus on maximizing the number of districts they win; this means focusing on policies targeted to voters in a particular district, such as employees of a particular company that might be given a government contract, or other types of “pork barrel” policies. Lowi has referred to these policies as “distributive” (1964, 1972). Under proportional representation, by contrast, politicians need to maximize votes and not districts; for this purpose, redistributive policies that appeal to broad strata of voters, such as national health insurance or public pension plans, are better.

Attempts to characterize political systems in terms of discrete political institutions share three problems, however. First, no political system is an ideal-type combination of these various institutions, but a conglomeration of institutional details that come together as a semi-coherent whole. Second, the functioning of political institutions depends upon the exact distribution of votes amongst political parties in elections, and the ways in which institutional rules and procedures convert those vote shares into distributions of parliamentary seats and shares of governmental power, as well as the decision-making rules for making governmental and legislative decisions. Third,

these approaches consider the institutions as interdependent variables, but institutions are not political actors. Instead institutions in combination with particular distributions of votes should be viewed as incentive structures, and hence as intervening variables, and not as actors.

Immergut (1990, 1992*b*) characterizes political systems in terms of their “veto points” which are formed by the combination of constitutional rules and political majorities at any given point in time. A “veto point” is defined as a political arena with the jurisdictional power to veto a government legislative proposal, in which the probability of veto is high. This model assumes that politicians within the executive or legislative branch have decided to propose legislation, and considers the points in the subsequent chain of decision making in which veto is likely. Although it is tempting to overextend this model to call any locus of political disagreement a “veto point,” the original intent was to present a restricted definition. If, for example, a law must be passed in the two chambers of a bicameral parliament, and the second chamber is controlled by a different majority from the first chamber, then disagreement between the two chambers and hence, second chamber veto of first chamber decisions is likely. Under these conditions, the second chamber should be considered a veto point. Other examples of potential veto points are: constitutional courts, presidents, and referenda. In the European legislative process, the European Parliament (EP) has only been a veto point since the co-decision procedure was introduced by the Treaty of Maastricht (1993).

Tsebelis has incorporated the “veto points” model into a more general “veto players” theory (1995, 1999, 2002). Veto players theory also focuses on the policy-making capacities of executive governments, but defines “veto player” positively as any institutional or partisan actor whose agreement is necessary for approval of legislation. The institutional veto players are identical to the veto points. But the veto players theory goes further by also considering the members of the governmental coalition as veto players, as the members of the different parties in the coalition must all agree in order for legislation to be proposed. Tsebelis also considers the policy distances and policy cohesion of the various veto players. The veto players theory says that policy change will be made more difficult as the number of veto players increases, and also their policy distance and cohesion.

Attempts to test these theories about the impact of institutions on policies and policy making have resulted in mixed conclusions. Armingeon (2002) tests variables from Lijphart’s typology and comes to the conclusion that one must distinguish between different dimensions of “consensus” democracy: corporatism (the organization of interests), consociationalism (need for agreement amongst relatively large numbers of parties), and counter-majoritarian institutions (institutions for blocking majority decisions). Huber, Ragin, and Stephens (1993) and Schmidt (2002) find support for the impact of constitutional structures and both veto points and veto players on social policy, but find that one must examine interaction effects between partisanship and political structures. In a study of attempts to renegotiate the policies of coordinated market economies, Immergut and Kume (2006) and collaborators find that “public beliefs” set limits to the ability of policy makers to transform their