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The Politics of Institutional Choice: The Formation of the Russian State Duma

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ONE

CHOOSING LEGISLATIVE

INSTITUTIONS IN RUSSIA

THE TUMULTUOUS developments in Russia since the late 1980s have offered a rare opportunity to observe the creation of new legislative institutions—not just once but through a sequence of changes in the Soviet Union to the creation of the Federal Assembly and its two houses. To be sure, Russia is not the only place where democratization is under way, but developments in Russia are well documented by press accounts, official documents, and scholarly studies. We exploit this opportunity to explain the emergence of key features of the new legislative process in the Russian Federation. In doing so, we test and qualify competing positive theories of legislative institutions. Specifically we examine the fit of electoral, policy, and partisan accounts of legislative behavior and institutions to the choice of an electoral system, a leadership structure, a committee system, and floor behavior in the State Duma.

The choice of institutional arrangements within the Duma illustrates the contingent nature of rational action by Russian politicians, the importance of sequence in the emergence of institutional options and the relevance of politicians' goals, and the distinct contributions of several goals to the explanation of legislators' behavior. While we are sympathetic to the bias for parsimony reflected in current positive theories of legislative institutions, we are critical of approaches that attribute a single dominant goal to political actors. We demonstrate that over a very short period of time, Russian parliamentarians crafted a new legislature that did not represent a single logic but instead reflected their multiple political goals.

The challenge is to provide an explanation of institutional choices made in a context in which it is easy to demonstrate that electoral, policy, and partisan interests may be at work. In fact, as we move from feature to feature of the new Duma, potential electoral, policy, and partisan bases for the choices made are readily identified. We argue that the certainty of the relationship between a goal and the institutional choice varies widely but systematically. Plausible connections between, say, electoral interests and the formation of a parliamentary party system are complicated by the existence of other factors that interact with the party system to produce outcomes with implications for electoral interests. These fac-

tors are often unknown and their effects not understood. In other situations, however, the relationship between personal political interest and institutional choice is readily comprehended. When politicians can directly relate their personal political interests to proposed institutional features, and can do so with little uncertainty, these direct interests will trump other interests that are less directly and less predictably related to their goals. Politicians simplify choices, we posit, taking account of the relative clarity and relevance of alternatives to their goals. The core features of the Russian Duma, we show, are the product of the members' many separate choices, with each choice structured by the goal or goals most directly and clearly affected by it.

In this chapter we review the recent history of Russian legislative institutions, first outlining the theoretical problems involved in explanations of institutional change and then narrowing our focus to a specific set of events and the competing explanations for them. In chapters 2–6 we develop and test propositions representing different explanations for the behavior of Russian parliamentarians. In chapter 7 we return to the lessons that can be drawn about theories of institutional choice from the early stages of democratization in Russia.

Russian Parliamentary Institutions, 1989–1999

In 1989 Mikhail Gorbachev inaugurated competitive elections to the USSR's hierarchy of soviets.¹ Under the Gorbachev reforms the process culminated in elections to a reformed Union-level parliamentary body, the Congress of People's Deputies. Although their fairness and competitiveness varied across the USSR, the elections produced a set of reform-minded deputies who formed, for the first time in Soviet history, an independent political caucus in the national legislature. Under Gorbachev's plan the Congress elected a much smaller full-time working parliament, called the Supreme Soviet, which was assigned responsibility for deliberating on proposals for new legislation required by Gorbachev's political and economic reform program. Many of the newly elected USSR deputies took their duties seriously, some also helping to form political coalitions in the reformed parliaments elected in the national republics of the USSR in 1990. In the Russian Republic, which also adopted a two-tiered legislative structure consisting of a Congress of People's Deputies and a Supreme Soviet, a substantial body of reform-minded deputies was elected in the Russia-wide elections of deputies held in March 1990. Many of these reformers, joined often by moderate bureaucratic nationalists eager to acquire greater power over Soviet assets on Russian Republic territory, fought the Union government for

greater republican autonomy. Through 1990 and 1991 the Union-level and Russian-level parliaments fought over jurisdictional rights and policy direction for the country.

Gorbachev's parliamentary institutions allowed him to control parliamentary decisions. But Gorbachev needed to gain even greater power to overcome resistance to his policies in the Communist Party, the vast Soviet bureaucracy, and many republican governments, so he demanded that the parliament amend the constitution to create a presidency and that it elect him to fill the post. Gorbachev's effort to gain greater control over Union institutions provoked Boris Yeltsin and his supporters to create a parallel set of institutional arrangements in the Russian Republic that would give them the means to check the power of the central government over the republic. Gorbachev's parliamentary and presidential reforms therefore failed to contain the "war of laws" that undermined the Soviet state, and indeed tended to exacerbate it.

Gorbachev's hopes to revitalize Union-level institutions came to an end following the August 1991 coup attempt, when a group of hardliners in the Union government tried to seize control and restore central power. Although the coup collapsed within days, Gorbachev's power as USSR president declined rapidly after this, while Yeltsin's political star rose. Yeltsin, who had been elected chairman of the Russian parliament in June 1990 and subsequently president of Russia in June 1991, rallied deputies in the Russian Congress and Supreme Soviet in resistance to the coup leaders. In turn, Yeltsin demanded that the Russian Congress grant him emergency powers to enact radical reforms on Russian territory. This the Congress did at the end of October 1991.

Yeltsin's success was temporary. The Russian Congress refused to grant his demands for a new constitution that would grant him, the president, greater control over the government. Negotiations over the constitution were complicated by sharp differences regarding the balance of power between the central government in Moscow and the powers of the constituent units of the Russian Federation, themselves differing in constitutional status between privileged ethnic republics and ordinary administrative territories. These cross-cutting divisions, which would prove to be lasting, produced an impasse over a new constitution, with Yeltsin and Congress refusing to accept each other's constitutional proposals. The conflict between Yeltsin and Congress intensified as the effects of Egor Gaidar's economic stabilization program, initiated in January 1992, began to be felt.

The impasse was resolved in September 1993, when Yeltsin issued decrees dissolving the Congress and Supreme Soviet and declaring that elections were to be held in December to a new parliament that did not, constitutionally speaking, yet exist. He also ordered a referendum on a

draft constitution that would establish the new institutions. The constitutional draft was similar to one hammered out by a large and broadly representative constitutional assembly, convened by Yeltsin in the summer of 1993 as a forum bypassing the Congress's own constitutional commission. The version of the constitution drafted by the assembly gave Yeltsin much but not all the power he demanded.

Yeltsin's decrees dissolving parliament met determined resistance from a portion of the deputies. Some blockaded themselves inside the parliament building—the White House—and refused to recognize Yeltsin's decrees as legally binding. The chairman of the parliament, Ruslan Khasbulatov, once an ally of Yeltsin but later a bitter rival, led the resistance. Following a ten-day standoff a body of paramilitary forces, loosely allied with the parliamentary opposition, stormed the barricades and joined the opposition camp inside the White House. With the help of supporters on the streets, they attempted to overthrow the Yeltsin regime. But the White House was shelled by Yeltsin's forces, killing some inside, and the resistance leaders were arrested.

Thus the December 1993 vote for deputies to the new Federal Assembly and the vote on the proposed constitution were conducted in the shadow of the events of October 1993. Nonetheless the constitution was approved by a majority of those voting, and most major political forces agreed to abide by its provisions.² The constitution provided for a strong presidency, but with elements of a parliamentary system as well. The president named the head of government, but parliament's confirmation of the appointment was required. Similarly parliament could deny the government its confidence, forcing the president to choose between naming a new government or calling new parliamentary elections. Parliament could initiate impeachment proceedings. The president lacked the power to call a referendum. However, the president had the constitutional authority to make policy in the form of decrees without seeking parliamentary approval, so long as these did not contradict either federal law or the constitution. It was a constitutional scheme with a decidedly presidential tilt, but by no means so one-sided as many observers believed.

The new Federal Assembly, created by the 1993 Constitution, is bicameral. Earlier parliamentary models—the Supreme Soviet structures in the past—had been nominally bicameral, but the high centralization of control over parliamentary agenda and voting exercised through the Presidium vitiated any meaningful separation of voting patterns in the two chambers. The Federal Assembly, however, provided for two chambers with different numbers of seats, different means of election, and without a common leadership or executive committee. The lower or popular chamber, the State Duma, consisted of 450 seats. Half of these were filled in territorial single-member district races by plurality vote. The other 225

were filled by proportional representation from candidates elected on party lists, subject to the requirement that to receive any seats a party must win at least 5 percent of the party-list vote. There is no compensatory seat rule; each set of 225 seats is filled independently.

The upper house is named the Federation Council. It is composed of two representatives from each of Russia's eighty-nine territorial constituents, called the "subjects of the federation," regardless of population or territorial status. The transitional provisions governing the 1994–95 parliament required that the members of the Federation Council be elected in at-large, two-winner races in each subject of the federation. However, a 1995 law provided that in the future the Federation Council would be comprised of the heads of the executive and legislative branches of each territorial unit. The terms of office for members of the Federation Council were therefore determined by their terms as elected officials in their home regions.

The Russian constitutional system adopted in 1993 is a hybrid in several respects. As in other semipresidential systems, it combines presidential with parliamentary forms of executive power. Shugart and Carey (1992) would treat the Russian case as a "president-parliamentary" system, which they consider inherently prone to stalemate and breakdown because the government must answer to both the president and the parliament. It is also a mixed system in its electoral law. Both the electoral system decreed into place by President Yeltsin in 1993 and the new law passed by the Duma in 1995 (see chapter 5 below) employed a mixed plurality-proportional method of electing deputies to the State Duma. Finally, the new constitution mixes unitary and federal elements. The leaders of the regions are automatically given seats in the upper house of parliament, yet the constitution fails to define any reserved sphere of rights for subcentral jurisdictions. Russia's case offers us an almost unparalleled laboratory setting, therefore, for testing the effects of institutional variation on the choice of new representative structures, since political and social context can be held constant in order to assess the impact of institutionally determined influences on actors' strategic choices.

Explaining Institutions

Explaining the evolution of institutions is a central problem of the social sciences. Institutions are sets of rules that guide behavior. They provide guidance by informing individuals and groups of the likely consequences of their behavior. Institutions lend order to interactions between individuals and groups, and interact with other institutions. They generate patterns in behavior by creating incentives of varying strength.³

Institutional change is as complex as social life itself. Institutions are nested within other institutions. At times institutions change thoroughly and quickly, at other times incrementally, almost imperceptibly. And the layers of institutions can change at different times and rates. In the case of a legislative body, the institution is located within a larger institutional setting, a single chamber is located within a bicameral legislature, and a legislative party or committee is located within a chamber of that legislature. Change affecting that legislature may come in many degrees and sequences. A presidential system might be radically changed into a parliamentary system, a committee system might be reformed wholesale, or the rules and practices of individual committees might be changed in a piecemeal fashion.

To make matters more complex, institutions are grounded in both formal and informal rules. Most political institutions combine formal and informal rules to give some order to decision-making processes. For a legislature, constitutions and statutes, as well as chamber, committee, and party rules, combine with accepted practices to lend predictability to decision making. Informal rules are adapted to formal ones; formal rules emerge where informal ones are judged inadequate; and recognized precedents, sometimes recorded, serve to fill the gap between discretionary informal practices and more rigid formal rules. Processes described as steps outlined in formal rules may miss critical informal features that create biases. In a similar way, a mere description of informal norms probably will not capture features of important formal rules, which easily fade out of immediate view if they go unquestioned by the actors.

These complexities of institutions make a comprehensive theory about the choice of institutions an unrealistic objective but should not discourage the development of theory on more narrowly defined features of a set of institutional arrangements. That is our approach. Because the constitution was imposed in short order and before the convening of the new parliament, we consider the constitution as exogenous to the choices of parliamentary institutions that followed in 1994. We also limit our attention to four important features of the new Russian Duma—the electoral system by which its members are elected, the organization of a system of parliamentary parties, the new Council of the Duma through which the Duma sets its agenda, and the relationship between standing committees and parties. By nearly any measure, these are among the Duma's most important institutional features.

The four sets of institutional choices have several important characteristics. First, all four features were determined by members of the Duma at readily identified times and places. In two of the cases, the outcome represented clear discontinuous change; in the other cases, the party

and committee systems, the Duma largely continued an inherited practice with important modifications. In all four cases, the members of the Duma ultimately voted to retain, modify, or reject inherited practices. Consequently an explanation of choices about these institutional features must place emphasis on the members themselves. We can more safely build a theory on the foundation of individual choices of legislators than we could for many other forms of institutional change.

Second, all four institutional features were created by formal rules. We are setting aside those informal institutional features that develop gradually, are less likely to be adopted purposely, and, as North (1990) put it, are likely to develop through spontaneous interaction. Undeniably the behavioral strategies produced by informal institutions may carry over from one formal institution to another, and so may be critical to understanding the way the formal institutions do or do not change. But our focus on formal institutions allows us to define the institutions chosen and the alternatives that were discarded.

Third, these changes occurred within a broader context of rapid change in the institutional environment. Radical changes in constitutions and an influx of a large number of new legislators, stimulated or imposed by Gorbachev and Yeltsin, compelled legislators to confront the problem of creating or re-creating institutions. While legislators could borrow from past legislative practice in structuring new legislative institutions, they could not avoid making explicit choices about which institutions should be continued and which should be changed. The more normal process of institutional change, it is often argued, is for actors to make marginal changes, first in informal rules and then in formal rules, often without consciously seeking relevant information (North 1990, 8).

Fourth, the self-conscious process of choosing new institutions meant that legislators were likely to seek relevant information to evaluate their options and make choices as best they could. This is not to argue that legislators had complete information or could avoid acting on partial theories, subjective models, or biases acquired over time. Rather, more than in many or even most situations, legislators and other close participants articulated arguments, generated data, noted historical experiences, published proposals for change, and consciously evaluated alternative sets of rules.

Finally, it bears noting that we are focusing on the early stages of a new national legislature. Technically all members were new to the institution, although some had considerable experience in predecessor institutions. The politicians making choices about the institutional setting were not merely readopting a set of rules inherited from the distant past that could be defended, if need be, on the basis of tradition and long experience.

Clearly these characteristics of recent institutional change in Russian parliamentary institutions limit the degree to which we can generalize to all forms of institutional change. We will not attempt to do so. But we do think that our cases are of more than parochial interest. Minimally, legislative bodies that adopt formal rules to govern themselves are likely to have much in common with the experience in the Duma.

The characteristics also approximate the conditions assumed by the new economics of institutions, a class of theories initially developed in economics but now pursued in political science as well.⁴ Explanation is founded in an account of the interaction of purposive individuals. Individuals pursue strategies to achieve a goal (wealth, for the economist) in a particular institutional context (rules). They do so by acting consistently with the interest or goal when confronted with alternative strategies. The collective choice is explained as a product of the individuals' strategies. If those strategies are stable for the individuals involved, the collective choice represents an equilibrium that will remain in place until some important feature of the strategic context (the individuals, their goals, information, and so on) change.

Beyond the concept of equilibrium, two central features of the new economics of institutions are property rights and transaction costs. Individuals seek property rights—rights to control and use valuable assets—to increase the probability and certainty of success. Rights often are embedded in formal rules. They are enforced by a variety of institutional processes. These external devices are complemented by efforts of individuals and groups to multiply and protect their assets. The use of valuable assets often involves mutually advantageous exchanges, which in turn are based on contracts or rules to help specify and enforce agreements about those exchanges.

Efforts to measure, exercise, enforce, and protect rights and assets entail costs—transaction costs. Transaction costs, which vary widely but are nearly ubiquitous, reduce the value of property rights and exchange, and bend strategies away from the efficient ones predicted by neoclassical theory. Institutions, by adding credibility to property rights, providing ready-made monitoring and enforcement mechanisms, and standardizing exchanges, may greatly reduce transaction costs and enhance the net value of the exercise of property rights. Put differently, institutions greatly influence the value of property rights and the severity of transaction costs. Organizations of many kinds form in society as individuals and groups seek to protect rights and reduce transaction costs.⁵

The central proposition of the economics of institutions is that transaction costs are substantial in human affairs (Coase 1960). Communicating, negotiating, recruiting, hiring, monitoring, enforcing, and other activities are essential to any coordinated action—from everyday group

decisions about social activities to the maintenance of a core task for a firm or organization to the functioning of parliaments and other national political institutions. They must be addressed by groups engaged in some collective activity. In institutional settings in which many individuals interact on a recurring basis, formal rules and elaborate informal rules are likely to emerge. These can have long-term consequences. Because the strategies of individuals and groups reflect the relative costs of interacting with others, the strategies will also reflect the institutional arrangements for managing transaction costs. Over time, individuals and groups will develop a vested interest in those institutional arrangements; that is, once means for reducing transaction costs are invented, they tend to be used to manage new costs as they arise.

Parliaments are complex packages of rules that embody rights and restrictions governing collective choice under a decision rule, usually majority rule. Many rules concern rights of participation in decision making. Rules define the set of players, spell out permissible moves, and specify the sequence of play (Bach 1989; Tsebelis 1990, 93–94). Other rules concern the allocation of tangible resources—staff, access to information, and so on. Some rights are allocated by stage in the legislative process, such as those defining when proposals may be offered or amendments considered. Others are allocated by policy jurisdiction. Some establish special privileges for elected or appointed leaders; others are allocated to parties or factions. Agenda-setting processes, veto powers, and other features that allocate rights affect the nature of the options for choice offered to members.

All four institutional features studied here involve the parliamentary equivalent of property rights. Elections determine who gains status as a parliamentarian and whatever resources come with the office. Rules governing the registration and privileges of parliamentary parties establish a variety of rights of participation in the agenda-setting process, in committee and floor decision making, and in interchamber negotiations. Membership on the Council of the Duma determines who has a voice in setting the chamber's agenda. And the committee system may allocate control over policy jurisdictions and a set of parliamentary privileges for committee leaders and members.

Managing transaction costs is an ever present problem in parliaments. Parliaments, of course, are created to provide a means to reduce insurmountable transaction costs associated with collective action by a society. But as multimember bodies with formal equality of membership, most parliaments confront both severe transaction costs and important constraints on how transaction costs can be managed. Formal and informal rules of many kinds reduce the associated transaction costs and lend predictability to parliamentary processes, as do leaders, committees,

parties, and other organizational structures invented by legislators. Parliamentarians, having invested in particular forms of these institutional arrangements, tend to use them to solve new challenges to collective action as they arise.

New Directions in the Economics of Institutions

Institutional change designed to allocate property rights or reduce transaction costs may have one of three consequences: It may increase the collective welfare of parliamentarians, advantage some actors at the expense of others, or merely advantage some actors relative to others (Knight 1992; Moe 1990; Tsebelis 1990). Enhancing collective welfare represents the classic problem of coordinating individual or group interests to improve collective benefits—that is, to improve aggregate efficiency. Outcomes that advantage some actors more than others are a natural product of competition among individuals to advance political causes—that is, to realize redistributive gains. Tsebelis (1990, 104–5) illustrates the distinction in a way similar to that depicted in Figure 1–1. Changes in the upper right improve the condition of both actors, while other changes advantage one actor at the expense of the other. In the upper right, a change might improve the welfare of one actor more than the other even when both actors are at least somewhat better off, as we illustrate. In fact, we can readily imagine actors choosing among alternative efficiency-improving institutions, with the outcome reflecting the strength of the contending forces. Thus efficiency-enhancing improvements may generate intense conflict.

The distinction between efficiency-improving and redistributive institutional changes is important for understanding democratizing systems in formerly command economies. A major theme of arguments for democratic reform is its importance for economic reform. Whether aggregate well-being recovers quickly, if at all, from the initial drop in living standards caused by deflationary stabilization programs depends, in large measure, on the distributional effects of the initial economic policies and the political outcomes generated by those effects. The “J-curve” model of the effects of radical economic stabilization policies is widely accepted, but there is debate over its political implications.⁶ Many observers call attention to the possibility that the political polarization occasioned by high adjustment costs from structural reform may lead to a renewed authoritarian rule, or at least a reversal in initially liberal reform policies (Haggard and Kaufmann 1995; Przeworski 1991; Przeworski et al. 1995). But, as Hellman (1998) notes, it is the “early winners” from

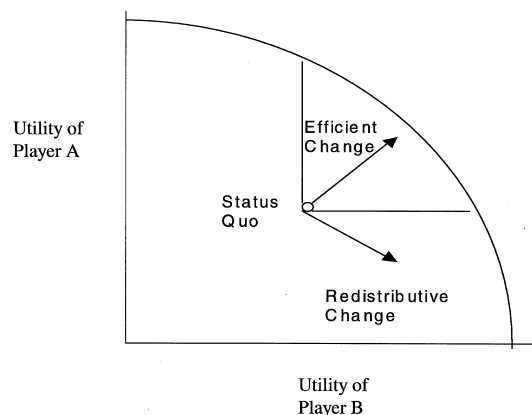


Figure 1.1. Efficient and Redistributive Institutional Choices

initial liberalization, those who capture rent-seeking opportunities, who are likely to provide a base of support for the new regime. The open question is whether the early winners are strong enough to deflect the regime from further liberalization.

The credibility of initial government policies, which depends on who controls the institutions of government, also matters. A survey of economic performance from postcommunist countries found that, in general, the more decisive the breakthrough to stabilization, the earlier and more successful the economic results (Aslund, Boone, and Johnson 1996). One reason for this outcome is that economic actors judge the credibility of the government's commitment to maintaining its reform course. A government that might be persuaded to relax budget constraints and reverse privatization generates weaker incentives for various economic and political actors to accept the costs of adjusting to a liberal system. A credible governmental commitment to reform speeds the adjustment process (Johnson, Kouvelis, and Sinha 1997; Diermeier et al. 1997).

Plainly the distributional consequences of early economic reform decisions often generate intense political conflict among policy makers, even where long-term, aggregate welfare is enhanced by stable liberalizing policies. Parliament, and other institutions of government, are subject to demands from three separate groups: those who seek to lock in their initial gains in control over economic assets, those who seek to ease the pain of adjustment, and those who seek to reverse the initial distributional consequences of liberalization. Because institutions may have effects on

policy choices, the intense conflicts engendered by liberalization spill into conflicts over institutional arrangements. Intense conflict about both policy and institutions surely characterizes the first few years of the new Russian Federation and its parliament.

But even in Russia, where deep divisions about economic reform permeated politics in the early 1990s and where we would expect complexity in the political goals of politicians and the dimensionality of the issue space, we might find some efficiency-improving institutional choices by parliamentarians. Parliamentarians, after all, may have certain common interests (preserving a career in parliament, perhaps) that lead them to fashion institutions that promote those interests. Moreover, whatever the divisions among parliamentarians over their initial institutions, parliamentarians would be expected to adjust to those institutions and, maybe very quickly, make investments in pursuing their personal goals under those rules. Thus, with time, expected gains and costs from changing the rules may become more similar across the membership, such that no majority coalition can be made better off by a significant change and institutional arrangements appear to stabilize. Still there are many potential sources of instability for institutional preferences among parliamentarians: change in the parliamentarians, change in the parliamentarians' goals or environment, change in the larger institutional context of the parliament, and so on. In real time, the factors may change at least as fast as the opportunities for change in the procedures and structures of a parliament.

Predicting the contours of conflict over institutional arrangements, such as the procedure and internal structure of parliament, is clearly not easy. With shifting societal conflicts, an evolving party system, and the emergence of new political elites, specifying what parliamentarians want and what the shape of alignments among them will be is nearly impossible. Parliamentarians may have common interests (such as in the power or resources of the parliament) that generate efficient institutional choices at times, while divisions rooted in economic and social factors produce institutional choices with strong distributional consequences.

Our study contributes to the theory of institutional change in two ways. First, we seek to elaborate a theory of redistributive politics. The new economics of institutions has emphasized efficiency. Efficiency improvement through the creation of institutions often takes the form of solving a collective-action problem, such as a prisoner's dilemma, public goods problem, or a tragedy of the commons problem. Institutions help to solve the problem of coordinating the behavior of individuals who otherwise would behave in self-interested ways that do not maximize their individual or collective welfare. This subject is well-developed theoretically, and we leave a review of the literature to others (see Tsebelis 1990, 107–

10). Redistributive changes, more frequently the concern of political science than of economics, have not been subject to general theory (Moe 1990). Redistributive politics must be approached in terms of the specific actors, their goals and preferences, and the procedures for changing rules. Redistributive politics is precisely where the emerging theory on legislative institutions is problematic and contested, and where the new economics of institutions is in need of extension. We hope to clarify the difference between efficiency- or redistribution-seeking in the policy domain, where intense conflict among the winners and losers from reform determines the stakes of institutional choice, and the efficiency- or redistributive consequences for parliamentarians of institutional arrangements when other goals are at stake.

Second, we seek to make progress toward a theory of institutional choice. Studies that fall under the heading of new institutionalism, the new economics of institutions, positive political theory, or social choice share an important weakness—the literature on the consequences of institutions is much more developed than the literature on the choice of institutions. The comparative statics design of this literature is best illustrated in political science in the literature on electoral systems. Variation in electoral systems is associated with variation in the party system and candidate strategies (Cox 1997). The theory and empirical analysis of the study of electoral systems is perhaps the most rigorous and thoroughly developed of any field of institutional studies. Yet the literature on the choice of electoral systems is remarkably thin (see Lijphart 1992; Bawn 1993; Geddes 1996; Remington and Smith 1996; Cox and Neto 1997). The working assumption of the scholarship in this field seems to be that the consequences shape the choices, and yet the choices themselves have been subject to systematic investigation in only a few systems.

Electoral, Policy, and Partisan Interests in the Duma

Although wealth maximization is usually taken as the unproblematic goal of individuals, firms, and organizations in theories of the economy, goals have proven problematic in theories of politics. The value of service in a parliament to the parliamentarian may reside in many attributes of the institution. The policy-making process may produce valued legislation, provide the means to block implementation of unfriendly policies, or merely provide a way to advertise long-term policy goals. The contacts and visibility of membership may be valuable assets in the pursuit of higher office. The opportunity to participate, power, or the perquisites of office may be valued in themselves. In addition, the parliament's or party's success may be valued—perhaps for its own sake but

also for instrumental reasons. An effective parliament or parliamentary party might be viewed as essential to democracy, for example, or may be instrumental to the parliamentarian's policy or electoral goals. In other legislative contexts these possibilities are reflected in a variety of contrasts—party-ideology-constituency, reelection-policy-power, and so on.⁷

The theoretical temptation is to posit that parliamentarians sum up the values of parliamentary service and base their strategies on the value of the alternative behaviors that might be pursued. Unfortunately such a general utility maximization model (equivalent to a theory of consumer tastes) yields no testable predictions about institutions. Utility must be given specific arguments. Moreover, such complex accounts of micro-level political motivation are an obstacle to theorizing about the macro-level phenomena. Sociologist James Coleman (1990, 19) properly observes that a student of social systems must choose between a complex psychological view of the individual and a rich account of social systems. Given our current state of knowledge in the social sciences, the complex profile of the individual may yield insights into the individual decision maker but serves as an obstacle to aggregating individuals and assessing the outcome of individuals' interaction.

To build a viable theory, scholars of the American Congress have usually posited some specific goal as dominant and then generated propositions about the individual behavior and institutions. Predictably, different goals have produced contrasting theories. In fact, they typically are brought to bear on somewhat different aspects of legislative institutions, which has created some misunderstanding of the relationship between goals and institutions. Three general perspectives underpin the alternative approaches, which provide a useful guide to our study of institutional choice by Russian parliamentarians.⁸

A Policy Perspective

The first model emphasizes variation in the distribution of policy preferences among the legislators as a driving force in institutional change. Institutions are created and changed as the players seek rules that facilitate the achievement of their established policy goals. In this case, the distribution of policy preferences among deputies of the Duma would shape their choice of parliamentary institutions. Spatially, legislators' policy preferences and policy proposals can be treated as points in a unidimensional or multidimensional space. Legislators then favor policies close to their own preferences and choose institutional arrangements that facilitate the adoption of such policies.

The policy model is a distributional perspective that emphasizes the conflict over policy and process. Expectations for institutions turn on the precise nature of the conflict. A cohesive majority would be expected to choose a majoritarian governing system that restricts the rights of minority factions or parties. It might also establish a strong central leader who, on behalf of the majority, directs the activities of the committees and staff. In the absence of a cohesive, policy-based majority, deputies would be unwilling to create a strongly centralized or majoritarian decision-making process that could be used against them. The governing structure might limit the power of a central leader, ensure ample rights for minorities to influence the legislative agenda, and widely distribute resources such as committee chairmanships and staffing. The absence of a highly centralized decision-making process and the adoption of a party-based, power-sharing arrangement in the Council of the Duma suggests that the Duma lacked a cohesive majority bloc after the 1993 and 1995 elections.

Theories of institutional choice founded on assumptions that actors attempt to maximize policy utility by manipulating institutional arrangements yield tidy predictions of institutional choices only to the extent to which they yield tidy predictions of policy choices. If the conditions under which the median voter theorem applies are met—that is, actors' policy preferences are well ordered and single-peaked, and the preferences can be arrayed along a single dimension—then the equilibrium outcome of the social choice is identical with the median voter's preference. The median voter, who determines the policy position of the majority, also determines the procedures under which policies are approved. Krehbiel (1991) labeled this relationship the principle of remote majoritarianism. In a multidimensional space, no single median voter may exist, majorities are unstable, and point predictions of policy and institutional choices are not possible. As Riker (1980) observed, the instability of majorities is transferred to the institutions themselves. Still, depending on the inherited rules and alignment of preferences in the multidimensional issue space, the range of likely policy and institutional choices is not unlimited and is often quite restricted.

A warning is in order. The policy perspective should not be equated with spatial theory but rather should be viewed as a special application of spatial theory. In the typical spatial theory of legislative politics, preferences determine choice at the instant of decision and may be influenced by any number of political considerations—including but not limited to long-term policy commitments. Thus the policy model is consistent with the typical operationalization of preferences in tests of spatial theories, but the policy perspective should not be equated with spatial theory.

A Career/Reelection Perspective

A second perspective rests on the assumption that legislators seek reelection (Mayhew 1974) or other political offices. The reelection or career perspective posits that legislators seek reelection and do so until they pursue a more highly valued office. They also seek institutional arrangements that enhance the prospects of reelection. Whether institutions are designed to meet the electoral needs of all or just some legislators depends on whether reelection is a positive- or zero-sum game for legislators.

The Russian system is especially important for the examination of electoral incentives because of the mixed electoral system for the Duma. Fifty percent of the deputies are elected from party lists (PL) and 50 percent from single-member districts (SMD). The electoral fate of PL deputies is dependent on party—their party's electoral success and their placement on the party list. Deputies affiliated with different parties are in direct competition with one another for reelection; all else being equal, an increase in the support for one party reduces the number of seats allocated to other parties. In contrast, the electoral fate of SMD deputies depends entirely on election outcomes in local districts. They do not run directly against one another and may prefer institutional arrangements that enhance every SMD deputy's prospects for reelection. Thus the party list system tends to create a zero-sum, redistributive game in parliamentary politics, and the SMD system creates incentives for positive-sum, efficient institutional choices, that is, arrangements that enable all members to be made better off.

It is noteworthy that in all-PL and all-SMD systems the opportunity to evaluate the effects of electoral incentives is far more limited than in mixed electoral systems. In most PL systems, the electoral incentives for legislators to adhere to a party line are so strong that there is little variance in individual behavior to observe and explain. In many SMD systems, two sources of variation appear to be significant. The first is the means of nomination. Differences in the party's control of the nomination—placement on the ballot—affects the degree of independence from the party experienced by legislators. Party control of nominations not only varies across political systems but also may vary among parties within a party system, although this latter source of variation is likely to be limited over the long run. A second source of variation is in the political composition of districts. In American-styled systems, variation in local constituencies (or at least local political conditions for legislators) provides a basis for predicting differences in behavior, but all legislators confront the same general strategic problem of garnering plurality or majority support in a geographically limited district. Mixed systems provide far greater variation in the electoral context and therefore greater opportu-

nity to observe the consequences of the mode of election for preferences about parliamentary institutions.

For expectations about the institutional implications of these two sets of deputies, we can borrow from the extensive literature on the subject. PL deputies should favor a system that is generally party-oriented and gives more power to central party leaders, who are needed to maintain and enhance party reputations and who have the leverage with PL deputies to gain compliant behavior. PL deputies see reelection at least partially as a zero-sum game among the parties. SMD deputies prefer freedom to associate with parties as they wish, freedom from the binding constraints of strong parties, and freedom to pursue issues of concern to local constituencies in a more decentralized decision-making process. They are more likely to see reelection as a positive-sum game for deputies. We look for a relationship between the participants' mode of election and institutional preferences.

A Party-Based Perspective

A third class of influences on institutional choice derives from the collective benefits of party membership. Like other public goods, partisan benefits may be provided inefficiently if entrepreneurial party leaders do not assume the costs and gain the benefits associated with organizing and maintaining a party following. The literature on parties in the United States Congress suggests, however, that party leaders may produce policy and electoral benefits that their fellow party colleagues cannot gain individually (Shepsle and Weingast 1995, 170–74; Cox and McCubbins 1993). Party organizations and leaders may help members pursue policy and electoral goals more efficiently, such as by structuring the agenda to reduce the tension between goals when divisive issues arise. In the American case, however, it is argued that the electoral or policy interests within legislative parties are diverse. Consequently legislators will not create party organizations that are capable forcing them to behave in a manner inconsistent with their personal electoral or policy interests.

In the study of many non-American parliamentary bodies, the individual legislator is ignored in favor of a strictly party-based theory of legislative politics. Near-perfect party discipline leads scholars to set aside individuals and to theorize directly about party strategy. Individuals are assumed, usually implicitly, to have compatible electoral and policy interests; individual differences can be ignored without significant consequences. For example, the theories of the formation of government coalitions generally treat the parliamentary party as a unitary actor and attribute political objectives or goals to the party (Laver 1999).

The Russian case requires that we retain the individual legislator as our unit of analysis. The system of parliamentary parties—or factions, as they are officially known—was decided, in part, by votes cast on the floor of the Duma during the first three months of its first session. Plainly we cannot take as given the existence of any particular mix of parliamentary factions when the deputies so explicitly, and individually, cast votes to shape that mix. We consider these choices in chapter 2. Still, partisan interests may require attention. In fact, we argue that Russian partisan interests are not fully decomposable into electoral and policy interests of individual legislators, for two reasons.

First, if parliamentarians find themselves better off by pursuing goals collectively, they may be willing to sacrifice something in order to realize those gains. The gains from collective action create incentives for parliamentarians to accept collective electoral or policy strategies that are not entirely consistent with the strategies they would have pursued acting individually. Moreover, the strength of these incentives may vary among parliamentary factions. Evidence for varied partisan effects is scattered throughout the book and is more fully developed in chapter 6, where we directly consider variation in party discipline.

Second, partisan interests are not entirely a function of the collective interests of the members of parliament associated with the parliamentary faction. Most Russian parliamentary factions are associated with electoral parties that predate the formation of parliamentary factions and have an organizational presence external to the parliament. Parliamentarians rely on these parties, to varying degrees, for a place on the ballot, a position on the party list, campaign resources, a network of political contacts, and so on. And many parties are led by prominent individuals who can promote the career of a parliamentarian inside or outside the parliament and politics. With resources of their own, acquired outside parliament, parties and their associated factions may be able to influence legislators' strategies.

Partisan effects are considered throughout this study. As for electoral and policy interests, the affected partisan interests usually are transparent for institutional choices examined. But their influence is likely to vary among factions and across the institutional choices confronting members of the Duma.

Common Interests, Convergent Goals, and Efficient Institutions

Policy, electoral, and partisan interests need not generate divisions among parliamentarians. As we have noted, common interests may generate a choice of institutions that make most or all parliamentarians better off. We must recognize this possibility. Parliamentarians may have readily settled on the internal procedures and structures of the Duma.

However, they did not, at least not on some of the most fundamental features of the new parliament. Still, the divisions that emerged may have rested on judgments about what was best for the parliament collectively, judgments that were distributed more or less randomly among the parliamentarians. For that reason we test the importance of policy, electoral, and partisan differences against the null hypothesis that none of those differences shaped preferences about the institutional choices considered by parliamentarians. Our working hypothesis is that policy, electoral, and partisan differences among parliamentarians structured their preferences, in varying ways, about the internal organization of the Duma.

In asking whether legislators' various goals lead to different strategies, we are questioning a working assumption of many political theories. A common approach to theorizing about politicians' goals is to assume that the various goals are mutually supportive. In theories of the U.S. Congress, for example, it is convenient to assume that legislators' electoral interests and personal policy views dictate the same strategies. A theory that posits that legislators' maximize their chances of reelection is essentially the same as one that posits that legislators' seek to minimize the distance between their policy ideal points and the collective outcomes.

Similarly, in theorizing about the choice of institutions in four central and Eastern European systems (other than Russia), Geddes (1996) collapses all politicians' goals into one—career advancement. She argues:

In advancing this argument, I do not deny that political leaders represent the interests of constituents and prefer some policies to others. But for politicians considering institutional changes, interest in furthering their careers usually converges with interest in achieving the policy goals of their constituents. The same institutions that will improve their chances of winning elections will also improve their chances of achieving policy goals, since the greater the likelihood that they and their party allies will be elected, the greater the chance of passing the legislation they favor. (18)

We are sympathetic to this argument. Goal or incentive compatibility surely is a factor in self-selection for political careers, in the recruitment efforts of leaders and parties, and in the competitive electoral process. Liberals are more likely to run and to win in liberal districts, for example.

Missing from this reasonable approach is the recognition that stable institutions—electoral rules, decision-making processes, and so on—facilitate the selection of politicians with internally consistent goals. Of course there is reason to be suspicious of this claim, even in stable systems. Fenno (1973) demonstrated, for example, that the specific goal matters in predicting the committee-related strategies of members of the U.S. Congress. More important, when institutions themselves are unstable or yet to be chosen—when the rules of the game are uncertain—

goal convergence is likely to be more problematic. Politicians may have difficulty determining whether their multiple goals, or the multiple interests placing demands on them, are compatible. And as they confront a series of choices about basic institutions, they may find that they must choose between valued objectives.

Layered Institutions, Evolving in Time

The early development of Russian parliamentary institutions illustrates one way in which the political context—defined institutionally and temporally—allows actors with multiple and partially incompatible goals to behave rationally. We argue that single-goal theories cannot explain important features of choices about parliamentary institutions. While there are sound reasons for grounding theory on assumptions about the electoral and policy goals of legislators, our thesis is that the importance of each of these influences varies with political context. The thesis rests on several propositions about goal-oriented legislators.

First, *legislators are motivated by multiple political goals*. Legislators not only often have strong personal policy preferences but they weigh their electoral, career, and influence interests in the balance as well. Therefore their behavior is a weighted function of their personal policy preferences, the preferences of electorally relevant actors (party officials, contributors, and constituents), and the preferences of career- or influence-relevant actors (party leaders, the president, and so on).

Second, *legislators are opportunists*. Legislators do not find all their goals equally relevant to each of the policy or institutional choices they confront. Variation in goal relevance, transaction costs, and information across contexts leads legislators with complex goal profiles to pursue goals opportunistically. A single goal may often dominate other considerations in the context of a choice about a particular feature of parliamentary institutions.

Third, *the value of an institutional feature to legislators' goals may vary with time*. This is the result of two processes. One is that legislators' investments in an institutional feature—a party or committee system, for example—accumulate over time. Sunk costs in a particular means of managing transaction costs reduce legislators' willingness to adopt new arrangements. A second is that conditions change in unforeseen ways. For example, the partisan balance of forces within the parliament may shift so that the implications of a set of rules change.

Fourth, *legislators are locally, not globally, rational*. Choices about institutional arrangements in the immediate environment may have consequences for a broader set of institutional arrangements, but legislators'

(and scholars') ability to evaluate the institutionally and temporally distant consequences of a decision about immediate rules is limited. The quality of both the essential information and the theory required to evaluate that information is likely to deteriorate as legislators consider the more distant consequences of institutional alternatives. Goals relevant to immediate institutions will be given greater weight in legislators' decision-making calculus.

In short, legislators' strategies are the product of their *goals*, the *weight* assigned to each goal, the *relevance* of particular choices to their goals, and their *certainty* about the consequences of their choices for their goals. As the weight, relevance, and certainty of a goal increase, the more important that goal is in a legislator's choice. If these considerations vary systematically and similarly among legislators, as we argue they often do, then some institutional choices will reflect the effect of one goal while other choices will reflect another. More than one goal may be critical to an adequate explanation of an institution's evolution, even over a short period.

Our argument should not be confused with the "nested games" thesis of Tsebelis (1990). Tsebelis asserts that (scholarly) observers often err by defining the game and strategic options confronting decision makers too narrowly. By so doing, observers too readily label behavior nonrational and turn to other explanations of the decision makers' behavior. Once the larger set of nested games and strategic options are properly specified, either by recognizing the multiple arenas in which actors participate or by discovering how actors changed the rules of the game, the rationality of the strategic choices becomes transparent. Critically, however, Tsebelis notes that perfect information about the larger set of nested games allows actors to assess their interests and produces redistributive outcomes. Imperfect information about the long-term consequences of institutions leads actors to hedge their bets and accept efficient institutions.

Tsebelis's argument is compelling, but our emphasis differs in an important way. Although we agree that good theory must account for the nesting or layering of "games" and institutions, Tsebelis limits his theoretical analysis and empirical examples to single-goal episodes. As we demonstrate in the following chapters, none of the usual political goals—policy, electoral, partisan—successfully explains preferences and strategies about all important parliamentary institutions. We explicitly account for multiple goals, which present decision makers with obstacles to rational choice whether they are embedded in a single game or in nested games. And we argue that the importance of the various political goals varies systematically and predictably.

If goal relevance varies from choice to choice, so will the nature of the relevant information. The strategic context of institutional choice must be defined for the specific choice to be made. For that reason we separate our discussions of the Duma's choices about a party system, an agenda-setting committee, the committee system, and the electoral law. Even then we find that specific decisions about each of these institutional features vary in goal relevance and informational context.

A Preview

Most Russian parliamentarians readily articulate and conspicuously pursue policy, electoral, and partisan goals. The relevance of the goals and the certainty of their implications vary widely across the institutional choices parliamentarians confront in establishing a new parliament. Specifically, (1) the choice of an electoral system has direct and predictable consequences for their reelection and partisan goals but uncertain effects on policy goals; (2) the internal party and committee systems have implications for policy, electoral, and partisan goals; and (3) everyday voting choices have direct and predictable consequences for policy but uncertain effects on electoral goals. As a result, the choice of an electoral system is most likely to be shaped by legislators' electoral goals, the choice of party and committee structures within the parliament are likely to be influenced by multiple goals, and everyday floor voting is most likely to reflect parliamentarians' policy preferences. Thus institutions are not merely the projection of political goals at play in everyday policy making.

In chapter 2 we analyze Russian deputies' early decisions in creating a system of party factions with privileged status under Duma rules. Deputies debated at the outset the distribution of rights of representation to political factions and to other deputy associations that were not arms of electoral associations. One of the most contentious disputes was whether all small deputy groups would be allowed to enjoy the rights of party factions. Another was how and whether parties should be represented on the steering body of the parliament. The result was a generally party-oriented but nonmajoritarian arrangement, a system that has proven durable since its establishment in January 1994.

Chapter 3 then details the creation of the Duma's steering committee, called the Council of the Duma. Deputies decided not to give committee chairs voting rights on the Council, but also not to represent factions and groups proportionally. The Council was denied some of the gate-keeping and agenda powers enjoyed by its predecessor, the Presidium, but it was established as the central management institution for both

political agreements and housekeeping, and the chamber's chairman was declared its agent.

We discuss the creation of a system of standing committees in chapter 4. We analyze the chamber's decisions as to how leadership positions were to be distributed and the relationship between party factions and committee work. We test alternative explanations for the finding that committees were given relatively weak jurisdictional rights vis-à-vis the floor, the Council of the Duma, and the parties.

In chapter 5 we assess the deputies' choice of a new electoral law. Despite pressure from the president to increase the proportion of single-member district seats in the Duma, and on the part of other forces to increase the share of party list seats, the deputies chose to retain the equal balance of list and SMD seats. In explaining this outcome, we weigh the relative importance of electoral, policy-based, and partisan factors.

Chapter 6 returns to the issue of partisanship and asks how to account for the relatively high degree of cohesiveness we observe in floor voting. A simple preference-based explanation would hold that parties themselves add nothing to an explanation derived from knowledge about the homogeneity of ideological outlooks among members. An electoral explanation would suggest that deputies with similar electoral backgrounds would tend to vote alike. A third possibility is that party affiliation produces an additional, observable degree of cohesiveness that neither a purely preference-oriented or electoral/career rationale can offer. We test this possibility and offer reasons for the results we find.

The final chapter extends our analysis of institutional choice in the State Duma to the new Dumas elected in 1995 and 1999. The new deputies were confronted with choice over whether to replicate the same set of governing arrangements as in 1994 or to replace them with new ones. For the most part, the deputies chose to continue the same arrangements—the Council of the Duma, the faction system with the same threshold for groups to acquire factional rights, an identical election system, comparable committee rules. We suggest reasons for the apparent stability of these early choices, summarize our general argument, and reflect on the implication of our findings for the future direction of theory about the development of legislative institutions.

NOTES

1. The literature on the political events of the 1989–93 period is extensive. See, for example, Hough 1997; Colton and Hough 1998; Lowenhardt 1995; Sakwa 1996; and White, Rose, and McAllister 1997.

2. The voting on the constitution was marred by a number of irregularities, some very serious. Inexplicably, the number of voters enrolled on the registration lists maintained by the Central Election Commission fell by two million between April 1993, when a referendum was held on approval for Yeltsin and his government, and the December vote. Whether coincidentally or not, the lower number of registered voters meant that the threshold for a valid result—50 percent of all registered voters—was thus substantially easier to reach. Vote tallying in the regions was left in the hands of officials controlled by regional executives, who had their own interests in the election (many were running for seats in the new upper house) and who were under heavy pressure from the presidential administration to ensure both a sufficient turnout and a favorable result on the constitutional referendum. All the ballots were destroyed shortly after the election, preventing any recount, and evidence, both circumstantial and statistical, suggested that fraud was at a high level in the voting. Still none of the major political parties called for a recount.

3. An accessible introduction to the extensive literature on institutions may be found in Shepsle and Bonchek 1997.

4. Eggertson (1990) provides a review of this literature.

5. It is the introduction of property rights and transaction costs in the new economics of institutions that has widened the scope of neoclassical economics.

6. The J-curve refers to the initial sharp drop in living standards (plotted on the Y-axis) as price controls are lifted, taxes raised, and government credits, subsidies, and spending cut. In principle, time (on the X-axis) brings about a gradual improvement in living standards as the economy recovers and growth is stimulated. For a comprehensive discussion, see Przeworski 1991.

7. Students of American politics have long sought to measure the effects of party, ideology, and constituency influences on the behavior of individual members of Congress. The list of relevant studies is long. See MacRae 1958, Clausen 1973, and Kingdon 1973. These studies reflected an attitudinal model common to behavioral studies in the 1950s, 1960s, and 1970s. The distinction between reelection, policy, and power originated with Fenno 1973.

8. Kaare Strom (1990) shares our general perspective on the goals of political actors. In his case the issue is the basis for predicting the formation of government coalitions in parliamentary systems. We owe our perspective to the work of Fenno (1973) on the motivation of members of the U.S. Congress and the shaping of institutional arrangements of the committees on which they serve.