

Chapter 4: The Continuum Between Autocracy and Parliamentary Rule²⁰

1. Introduction

In their early days, parliaments were often consultative bodies with little real policymaking power; the main locus of power was lodged in the executive branch with the king, queen, or emperor. The selection of members of parliament were a mixture of royal and local appointments, which often emphasized loyalty and genealogy rather than talent or broad support. These appointment procedures gradually changed through time and often created more or less independent parliaments grounded in family or local government. Most parliaments also secured the power to veto new taxes at a relatively early date, which gave them a bit of power over major decisions including war, which often required new taxes or contributions. However, the use of broad-based elections to select members of parliament became commonplace only in the late nineteenth century, even in countries where parliamentary systems existed for many centuries.

This suggests that there is nothing inherent in parliamentary systems that favors democracy over dictatorship. Indeed, given the early history of parliamentary systems, it might naturally have been concluded that parliamentary systems of government were suited only for maintaining royal control or for empowering local elites in relatively broad territories. That as to say, these earlier king dominated parliamentary systems can be regarded as systems designed to make regional elites act as agents of the crown, or alternatively as institutions that allowed local elites to band together for common defense, to reduce interregional competition, and to protect their rents from property and commerce. In neither case could parliament be regarded to be an obvious precursor or prerequisite for democratic governance. Nonetheless, the parliamentary template became the most widely used architecture for constitutional democracy.

In many contemporary democracies, the terms “parliament” and king or their linguistic equivalents are explicitly used in constitutional documents. This is most obviously the case in the constitutional monarchies of Europe (Belgium, Sweden, the Netherlands, Norway, and Spain) and similar systems in other parts of the world (Japan, Kenya, ...). In most cases, however, the powers associated with the office of king have been granted to other individuals with new titles. For example, in presidential systems, the executive branch is headed by a president rather than a king or queen, who in democratic systems have been independently elected. Within modern parliamentary systems, a Prime Minister or Chancellor chosen by parliament often heads the executive branch. In the remaining monarchies, the king or queen is assured a place of honor but retains little executive or veto power.

The contemporary balance of power between the executive and parliament is obviously quite different than it was during most of the past thousand years. It varies a bit within democratic systems of governance, but the basic “king and council” architecture remains in place. There is a legislature of more or less equals and an executive branch headed by a single individual. These common features of modern democracies and medieval systems of governance suggests that democracies have evolved gradually through time, rather than being revolutionary new charters designed whole cloth.

Despite the historical importance of mixed governments, the analytical properties of such governments have received relatively little attention in the modern political science and political economy literatures.²¹ For example, Schap (1986) and Carter and Schap (1987) demonstrate that an executive can veto can affect the decisions of the legislature and policy outcomes in general. They demonstrate that an executive veto can also contribute to stability in policy choices. Persson, Roland, and Tabellini (1997) demonstrate that electoral feedback can induce a divided government to adopt policies that are more favorable to voters than would have been adopted by unified governments in cases when candidates are not systematically different with respect to policy preferences. Dixit, Grossman, and Faruk (2000) analyze self-enforcing divisions

²⁰ This chapter is based on a paper presented at the Millennium Plenary Session of the European Public Choice Society Meetings in 2000 that was subsequently published in *Constitutional Political Economy*. The author would like to thank several participants of that session, Gordon Tullock, Dennis Mueller, Robin Hanson, and two anonymous referees for a variety of helpful comments and suggestions.

²¹ The modern analytical literature on democracy and democratic constitutions is huge. See Mueller (2000) or Persson and Tabellini (2000) for comprehensive discussions of the main strands of these literatures. The literature on dictatorship is much smaller. A good place to start is Wintrobe (1998), Tullock (1987), and Olson (2000), who collectively provide a good overview of the issues and historical evidence regarding the policy-policy choices of dictatorships.

of political or economic surplus between two parties within a democracy that interact repeatedly through time and find that stable rules for dividing a nation's resources can emerge in a divided government that is entirely self-interested, but whose relative power shifts randomly through time. These papers, however, generally assume that the division of policy making power is exogenous for the purposes of analyses.

The next three analytical history chapters explores possible mechanisms through which gradual and peaceful transformations of medieval governance may have come about. This chapter analyzes how policy making power can be divided between a king and council. This is not normally not simply a matter of giving each veto power as in Tsebelius (2002) which may lead to stalemates and worse in settings in "zero sum" settings, as suggested by Hobbes' (1651) analysis of sovereignty. Dividing the power to control the agenda and power to veto, however, avoids this less analyzed Hobbesian dilemma. The chapter also shows that it allows the possibility of constitutional exchanges which advance the interest of both decision makers in a way that mutual veto power cannot. A usable continuum of power sharing when the king and council template, thus, exists because veto power and agenda control can be distributed differently over a broad range of issues that are routinely decided by an organization's government. Political power is not single dimensional and hence gains from trade can be realized as circumstances and interests change from time to time.

Section 2 analyzes the long and short run implications of dividing agenda control and veto power between a king and parliament, and discusses how the assignment of such powers can be used to strike constitutional bargains. That analysis also demonstrates that the king and council form of governance tends to generate more moderate and stable policies than either pure form of governance.

Section 3 discusses how parliamentary dominance can emerge from the king and council template as a result of a series of correlated political shocks. An implication of the section 2 is that a strong king or council can often trade veto or agenda control to the other branch at little cost in the short run. A series of such trades can allow the gradual emergence of parliamentary dominance—and reversion to dictatorship—without violent revolutions or wholesale constitutional revision.

Although, the analysis applies to non-governmental organizations as well as governments, the discussion focuses on governmental organizations and uses examples from Europe to illustrate the relevance of the results.

2. The Division of Power: Agenda Control and Veto Power within the King and Council Template

Distributing veto and agenda control powers among branches of government for specific policy areas may have significant effects on policy outcomes in both the short and the long run, although this is also less apparent than one might at first expect. The analysis below demonstrates that both the initial policy position, and the specific assignment of agenda control and veto power can influence policy decisions, especially in the long run.²²

Veto and Agenda Control with Decisive Councils

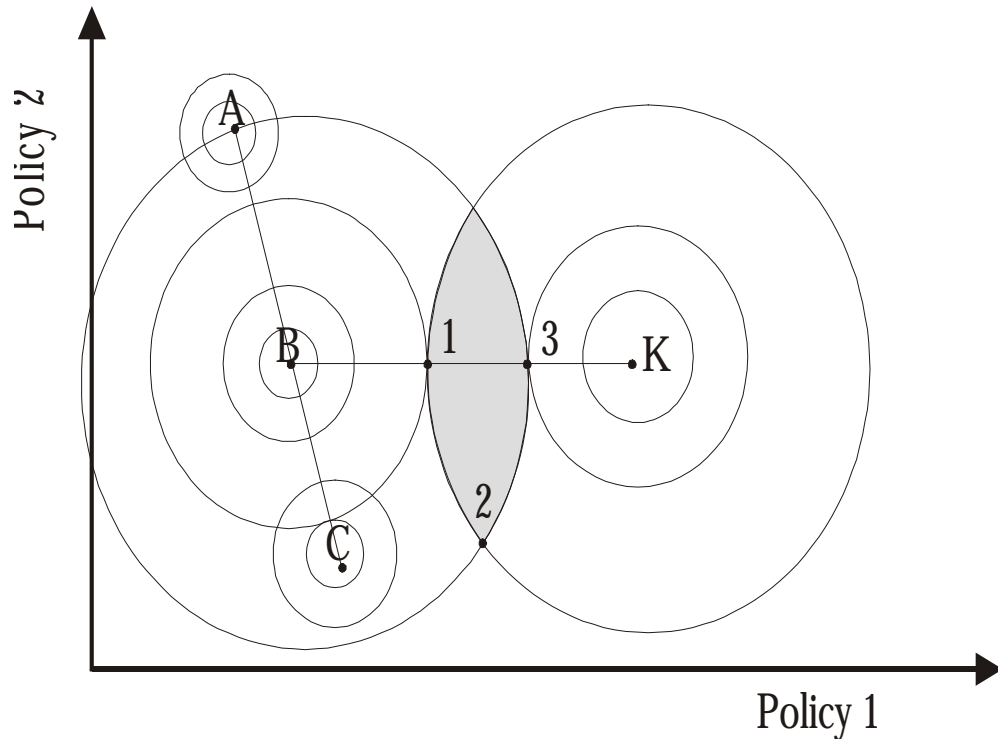
Many of the potential effects of assigning agenda and veto power among the king and council can be analyzed using Figure 1. Figure 1 depicts the preference profile of a decisive three member council composed of members A, B, and C; and the king, K. The ideal policy combinations for each is denoted with a capital letter. Distance from their respective ideal points is assumed to characterize each person's rank orders of alternative policies.

To see the importance of the initial policy position, consider the case in which the reversion policy is the king's ideal point K. In this case, granting the council veto power or agenda control has no effect on policy. If the king has agenda control, he proposes K, which confronts the council with a "choice" between K and K. Clearly K continues as the law of the land regardless of whether the council vetoes the policy or not. If the king has veto power and the council has agenda control, he may veto any proposal made by council to move away from K. A similar conclusion would hold for policy B in the case where the council has either agenda control or veto power to the executive when B is the reversion point. (B is the median voter of the council, and B's ideal policy will be chosen if the council makes its decisions using majority rule.) The pivotal council member can simply block any policy proposal by the king that attempts to move away from policy combination B by using veto power or agenda control to

²² David Schap (1986), has previously examined cases where veto power may affect policy outcomes in a setting where the legislature has agenda control and the executive has veto power. In most cases, his analysis examined bargains regarding new areas of policy, which as demonstrated below are the ones where the distribution of veto and agenda control are most important.

block any change in the status quo.

Figure 1. Effects of Veto and Agenda Power



Either branch of government's ideal point can be defended by that branch as long as it has either veto or agenda control. Consequently, in a stable setting it is clear that a dominant branch of government can give the other branch direct power over policy, "consent," without affecting policy in the short run. In economic terms, devolving veto power or agenda control to the weaker branch of government is very inexpensive for the stronger branch, at least in the short run when the political setting is stable. The willingness of the other branch to trade much for such authority would obviously be fairly limited unless the weaker branch has a *relatively longer* planning horizon, or the possibility of exercising power is generally believed to increase the prestige of office, which seems likely.

In the long run, political circumstances may change in a manner that affects the preferred policy combination of the chamber initially favoring the status quo. And, it is because of such changes in policy preferences, as well as the emergence of generally new areas of policy, that the transfer of veto or agenda power from one branch to the other is generally more significant in the long run than in the short run.

To see this, suppose that political circumstances change because of technological or political shocks that change the ideal points of both council members and the king. (Such a shift does not require a change in tastes, only in the perceived consequences of the policies.) In this case the status quo, reversion point, may resemble a policy combination similar to that labeled "2" in Figure 1, which can now be interpreted as the *previous* ideal point of the stronger branch of government. In the absence of a veto by the weaker chamber, the stronger chamber would simply adopt its new ideal point as the official policy of the realm. However, an honest application of the weaker chamber's veto power now will block such moves. Policy combination 2 is preferred by the king to B, and by the median council member to K. The policies that might be proposed and not vetoed are identified by the shaded lens or football shaped area.

The best result that a king with agenda control can achieve is policy 3, given the veto power of the council. While in the converse regime, the best policy that an agenda setting council can hope for is policy 1, given the veto power of the executive. In these circumstances, it is clear that both agenda setting and veto power have significant effects on policy outcomes. This possibility of political shocks also suggests that agenda control allows a branch of government to better advance or protect its interests through time as policy circumstances change, although this will be affected by the bargaining solution that finally obtains.

This illustration also suggests that *policy shifts are moderated* by the king and council organizational form as technological and policy shocks arise. Elementary geometry implies that the policy shifts induced by political shocks are generally smaller, and can not be larger, than those which would have been associated with either pure form of government. (A movement from 2 to either 1 or 3 is smaller than a movement from 2 to either K or B.) Insofar as stable policies tend to promote economic growth by *making the legal framework more predictable for both firms and consumers*, the king and council template may be said to promote economic development in an uncertain world.

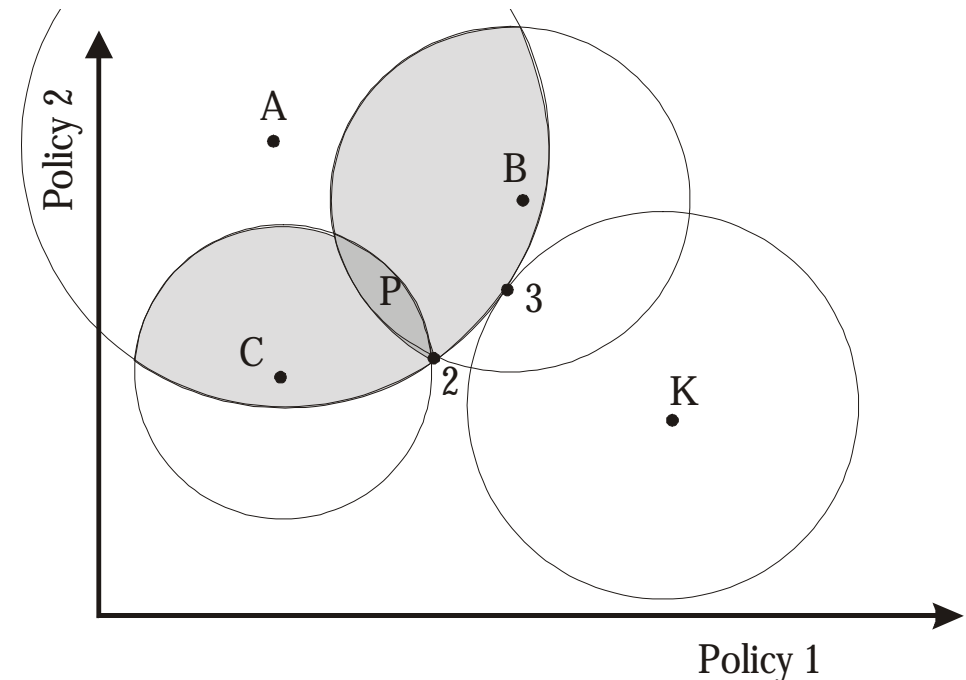
Veto Power and Agenda Control with Non-Decisive Councils

Consider next cases in which the council is *non-decisive*, or weak, in the public choice sense that no pivotal voter exists. In this case, only one division of agenda control and veto power is really feasible, that is to say only one part of government is actually capable of making policy decisions. To see this consider the geometry of figure 2 in which the preferred policies of council members are such that they can not make a definitive decision because of majoritarian cycles. Every possible proposal can be defeated by some counter proposal, in principle before it is put into practice by the executive. Such cycles may exist but would be observable to those outside government only as a lack of decisiveness. Such a democratic council can not exercise agenda control since no stable or series of majorities can agree on ideal policy. In this case, the executive branch can use either agenda control or the executive veto to stabilize the government policies. (This is the case explored in Carter and Schap, 1987.)

Figure 2 illustrates the potential power of agenda control by the king in the setting where the council can not settle on a specific policy recommendation. Suppose, as above that some political or technological shock has changed the ideal points of the council and/or king so that the status quo policy is no longer near the ideal points of the king, nor in the Pareto set of the council. Assume, for purposes of illustration that the status quo is policy 2, which is Pareto-dominated among council members by policies within lens-shaped area P. Note that a king with agenda control can propose policy 3 which will secure majority approval over policy 2.

Moreover, if a series of policy proposals can be voted on, the non-decisive distribution of voter ideal points is such that the king may now, potentially, secure his own ideal policy combination—not withstanding the veto power of the council. In effect the king can play the three council factions off one another in a series of policy refinements leading to his preferred policy (McKelvy, 1976), although this will often require the king to sacrifice his own interests in the short run.

Figure 2. Agenda Control with a Weak Council



How long this might take in real historical time is clearly a matter beyond the scope of the present analysis, but this possibility does suggest that a strong (forward looking king) faced by a weak (non-decisive) council can offer veto power or agenda control in exchange for council acquiescence on other pressing issues or as compensation for service to the crown at a relatively low cost in stable political and technological circumstances. The mere *appearance of power* may make council membership a more impressive positional good and allow the king to secure a talented council at low cost. It may also serve to legitimize the regime in the citizenry as a whole insofar as they believe their interests are represented by the legislature.

The executive's risk is limited to cases where a council becomes decisive (has a median voter or other undominated policy preference) and where his political circumstances change in a manner that substantially affects his preferred policies.

In cases where the king has a shorter planning horizon than the council, as in a royal emergency or crisis of some kind, a forward looking decisive council can

rationally make current policy concessions in exchange for expansions of their long-term power to veto or control the agenda. In the long run, because of unanticipated political shocks, such a council can secure greater power over policy than even a hard pressed king would have agreed to in the short run.

*Historical Examples of Constitutional Exchange
between Kings and Their Councils*

There are many historical examples of formal agreements conferring power to councils or parliaments in European history. For example, in the thirteenth century, several social compacts between kings and major land owners were signed that formally established bipolar governments. A council of barons with veto power over royal edicts was established in 1215 in England, and a royal council with veto power over taxation was established in 1319 in Sweden. In both cases, a king's financial requirements caused him to have relatively weak bargaining positions. Such circumstances allowed advisory councils to increase their control over the kings taxation policies both in the short and long run. For example, the English King, John, granted some continuing veto power to the baronial council in exchange for reduced resistance to his rule.²³ Implications of the medieval fiscal constitution are developed in the next chapter.

After a period of absolutism during which many councils were reduced to advisory roles during the 17th and 18th centuries, several European kings formally granted limited veto power to (narrowly) elected parliaments as a means of reducing resistance to royal policies within both the elite and ordinary citizens. For example, a constitutional monarchy was established by Louis XVIII in 1814 with an elected Chamber of Deputies chosen by an electorate composed of very wealthy land owners. The King of Denmark established the Advisory Provincial Assemblies in 1834, and formally ceded additional power to the legislature in 1849 under a new constitution.

New bipolar constitutional arrangements were also adopted in the Netherlands in 1814, in Belgium in 1831, in Sardinia-Piedmont in 1848, Prussia in 1850, in Greece 1864, and in Japan in 1889.

In most of these cases, the constitutional documents characterized parliaments that had very limited policymaking powers and whose members were elected via quite narrow electorates.²⁴ The division of control over legislation was modified from time to time as the bargaining power of parliament improved relative to that of the king. For example, in 1830, the French Assembly passed a vote of no confidence in the government appointed by the king. The king, Charles X, called for new elections hoping for a new more congenial assembly membership, but the new legislators affirmed the earlier decision of the Assembly. The result was a minor shift of power to the chamber (renamed the Constituent Assembly) and the king (now Louis-Phillipe) agreed to abide by the new balance of power.

Similar transfers of power from the king to the parliament were also evident in countries with well established parliaments, as in Denmark, the Netherlands, Sweden and England, during the late nineteenth century. The king and council template continued in place but with a gradual expansion of suffrage and increase in the policy making power of parliament relative to the king.

3. An Evolutionary Path to Parliamentary Governance

The previous section suggests that in many circumstances a king can grant a parliament policymaking authority at an initially low expected cost. Thus, one can imagine circumstances in which a king with an advisory council would voluntarily grant his council a veto over tax or other policies as a method of obtaining support or service from council members on issues where their support can be a significant advantage in the short run, perhaps even during a king's entire lifetime. The reverse is also true

²³ In most cases, the early European parliaments were composed of representatives of important and well-organized groups (noblemen, church officials, and other major land holders).

The famous English compact, the Magna Charta, was originally negotiated to protect the interests of the barony from the powers of the central government created by the previous king, Henry II. The rights of the Magna Charta were gradually extended to include lessor land owners, merchants, and eventually the non-propertied classes O, (Strayer and Gatzke, 1979).

In the Swedish case, the Letter of Privilege of 1319 was less an agreement between a king and council than agreement among the Swedish elite to constrain a very young (three year old king). However, the document which the Swedish elite agreed to became generally accepted as the law of the land, as the first Swedish Constitution (Wiebull, 1993).

As noted above, informal forms of bipolar government predate these formal documents. For example Petersson, 1994, notes that somewhat representative councils played a role in making legal judgments and electing the kings in Sweden, Norway, Germany, and Denmark for many centuries prior to the establishment of written instruments of governance.i

²⁴ A good deal of constitutional history is now available on the world wide web. See for example: <http://www.um.dk/english/danmark/danmarksbog/kap1/1-9.asp#1-9-1> for an overview of Danish constitutional history. See <http://www.uni-wuerzburg.de/law/> for a very complete listing of modern constitutions and brief constitutional histories.

insofar as a decisive council can in similarly stable circumstances grant “special” or “emergency” powers to the executive branch at a similarly low cost in the short run insofar as it retains veto or agenda control.

Together, these suggest that a series of random political shocks would cause the division of power between king and council to behave more or less as a *random walk* through time. During some periods the executive will increase its control over policy, and at others the council will increase its power as political shocks change the bargaining positions of king and council as well as the reversion points of policy. Through time, one would expect to observe all constellations of power within a single polity, as has been the case for many nations in Europe.

Sometimes, changes in the balance of policy making power shifts very rapidly. For example, the balance of power between the English king and parliament in 1630 was one with a dominant king, policymaking was dominated by parliament in 1650, and characterized by an intermediate form of the bipolar template in 1670, with both king and parliament retaining policymaking power. The Glorious Revolution of 1688 shifted additional power to the parliament, but retained the bipolar template (Morgan, 1997: 310, 326, 334, North and Wiengast, 1989: 817). Sweden began the 18th century with policymaking power concentrated largely in the king, followed by a period with a dominant parliament, the so called “age of freedom,” from 1719-72. Sweden closed the 18th century with a king-dominated government and the restoration of royal prerogatives after 1789 by Gustav III (Wiebull, 1993: 53, 61, 74). Nineteenth-century France experienced a king-dominated bipolar government from 1814-48 with a gradual shift of power from the king to the assembly, followed by an assembly dominated government in 1848-1851, autocratic rule from 1852-70, and finished the 19th century with the third republic and parliamentary dominance.²⁵

Yet, political and technological shocks may not have mean zero, but bias bargaining situations in favor of one of the other parties. For the past century and a

half, there has been a worldwide trend toward council/parliament dominated forms of the king and council template. One explanation of this recent trend is that a series of changes in the circumstances confronting kings has lead them to gradually bargain away most of their control over policy in exchange for favorable policy decisions on pressing matters, reduced resistance to policies that serve the king’s immediate interest, and/or a continuation of royal lifestyles. Three sorts of shocks have recently favored parliament.

Genetic shocks. One systematic source of drift toward council domination of policy formation is variation in the talent or planning horizon of kings through time. Insofar as competition for membership in the council or parliament is more open than that for king—particularly in dynasties—the talent of the council tends to be high and fairly consistent through time. On the other hand, the vagaries of training, tastes, and breeding imply that the talent and interests of the king would vary considerably through time. (There is substantial evidence of reversion toward the mean in the children of talented persons.) Alternatively, a succession of kings may, because of their own immediate interest in revenues or leisure, simply allow a relatively talented council to make more and more policy decisions directly. A weak or disinterested king may be simply out-bargained by a very talented council. (A parliament’s bargaining power is often increased by the unexpected death of a king, as with that of Karl XII in 1718.) Insofar as the occasional farsighted or very forceful king is unable to fully recapture the authority given up by weaker rulers—perhaps because of deference to traditions or precedents that help legitimize state authority—genetic shocks generate a systematic drift toward council control—other things being equal.

Technological Shocks. Technological changes, in principle, may affect the relative cost of maintaining control over the polity in a manner that favors either pole of a bipolar government. Patterns of trade may cause wealth to be more or less concentrated among elites, and also affect the royal household’s interest in raising funds via taxation. The cost of alternative forms of monitoring and control can

²⁵ A major reform in the French bipolar template was adopted in 1848 with an elected president replacing the king as the executive. This reform was not a peaceful transfer of power from the monarchy to the parliament, but followed a major revolt in Paris. However, in what must have been an unpleasant surprise to those who had caused the new constitution to be adopted, the first election of the new second republic produced a monarchist super majority in the legislature (this under universal male suffrage!). Such electoral preferences allowed the balance of power to shift back to the executive. Prince Louis-Napoleon was reelected president by an overwhelming popular mandate in 1851.¶

However, a year after his election to a ten year term under the new constitution, President Louis-Napoleon declared himself emperor and adopted the name Napoleon III. A bicameral assembly continued to meet during his tenure, one chamber of which was popularly elected with universal male suffrage. (See, Strayer and Gatzke, 1978.) However, in the words of Colton and Palmer, 1965: 411: “For the first time since 1815 France ceased to have any parliamentary life. It was ruled by a dictatorship, more demagogic, more calculating, more hollow and more modern than any that the first Napoleon had ever imagined.” (A good over view of this period of French constitutional history is provided in Palmer and Colton, 1965: 444, 456, 476, 579; see also Bély, 1998: 90-96.)

increase or diminish the importance of broad public support. Changes in the complexity of policy analysis may make relatively more representative councils informationally more or less superior to less representative councils.

However recent technological shocks have favored parliament. Many of the same innovations in organization, transport and communication that allowed hundreds and thousands of persons to be organized into productive industrial concerns have also been used to organize other large scale organizations: unions, political parties, and other large scale interest group organizations. Industrialization tends to take place in towns and cities, and the greater population densities of cities allows industrialists, tradesmen, and laborers to more easily organize to resist the policies of a king and unrepresentative councils. Moreover, with the advent of the industrial revolution the policy consequences of taxation, regulation, and torts became relatively more difficult to assess, but relatively more important to the economic development of the polity, which increases the informational advantages of representative councils.²⁶

Insofar as shifts of power between king and council tend to favor those whose ability to exert effective political pressure through resistance and advocacy, industrialization tends to favor democratization—an increase in the range of policies decided by (a more broadly elected) parliament.

Ideological Shocks. Changes in the positive and normative theories of governance may also affect the costs of control and resistance by changing the norms against which current institutions are judged. That is to say, changes in ideology which undermine the legitimacy of king-dominated end of the king and council continuum tend to reduce the productivity of efforts to maintain control or produce what Wintrobe (1998) terms “loyalty.” The ideological shifts of the past two centuries have often directed previously unorganized groups or individuals toward common interests which reduce organizational costs. The liberal, union, and socialist tides that took place in the

industrialized societies of the 19th and 20th centuries clearly helped to motivate a wide range of public demonstrations and affected the opinions of those in government as well. Belief in the divine right of kings was gradually replaced with the ideals of popular sovereignty and popular suffrage. This, as we will see, proved to be essential for the adoption of suffrage reform, but they also tended to favor the parliament over the king.

Recent ideological shifts tended, on balance, to increase resistance to the king’s policies both inside and outside government, increasing the bargaining power of parliament and yielding new arrangements for power sharing. These changes in the division of power were not always through violent means. And, even in those cases where violent rebellions played a role, as in France, the dead weight loss of conflict was often reduced by trading formal power for acquiescence in a manner that was broadly advantageous to both the king and council under the new circumstances.²⁷

Of course, both technology and ideology may also move in directions which favor rule by a strong leader, in which case power would tend to shift back toward the executive branch of government. This often happens during times of national crisis. Here a council may cede authority to the executive branch as a means of increasing decisiveness or, in a few cases, the perceived legitimacy of parliament.²⁸ Moreover, one can imagine shifts in information processing technologies that allow a talented king to rely less upon a council for policy advice.

However, on the whole, the pattern of all three of these classes of political shocks have broadly favored the transfer of power from kings to parliaments for most of the last two centuries. In such historical circumstances, it is clear that more *democratic institutions may evolve* directly from the king and council template without major revolutionary events, or civil warfare, as policymaking *powers* are gradually shifted to the parliamentary branch of government and the franchise is extended. Such relatively peaceful incremental transitions from authoritarian regimes with advisory councils to

²⁶ Evidence of the importance of technological developments for political organization is developed in Dudley (1991, 2000) who provides a nice historical analysis of how informational technologies can affect the size and scope of national governments. Although his analysis emphasizes institutional revolutions rather than the evolution of governance, his analysis of the importance of information technologies is very much in spirit of that developed here.

²⁷ Mommsen (1995: 11-14) among others suggests that the German Constitution of 1871 was adopted by Bismark in large part to counter liberal and socialist pressures that were emerging in the rapidly industrializing Germany. Considerable power was transferred from the monarchs of Sweden and the United Kingdom to their respective parliaments during the 19th century without significant bloodshed or departures from the rule of law. (See Morgan 1997, Verney 1957, or Voigt 1999a, b).

²⁸ In cases where a council/parliament is decisive it is by no means clear that shifting power to the executive would increase the governments ability to respond to rapidly changing developments. On the other hand, in cases where relevant policies seem to be in areas where the council is not decisive, it is clear that ceding policymaking authority can be in the interest of council members as well as the executive.

parliamentary governance are implicitly ruled out by analysts who neglect the intermediate range of the king and council template. The discrete "all or nothing" models suggest that the emergence of parliamentary rule requires a radical change in governance, because it implicitly rules out the possibility of a gradual reassignment of policymaking power among existing branches of a bipolar government. The bipolar continuum analyzed in this paper allows parliamentary rule to emerge gradually as policy making power is gradually shifted from king to a broadly elected council.

4. Conclusions

A large portion of the public choice literature has analyzed the properties of alternative forms of democratic government to select public policies. A smaller but significant body of research has analyzed the properties of dictatorship and noted advantages and disadvantages of that form of government. This chapter has shown that a convex combination of these two extreme forms of governance may have advantages over either extreme. In economic terms, the king and council template appears to be a concave technology for producing government policy.

Beyond providing an efficiency explanation for why we rarely observe kings without councils or councils without chief executives, the analysis suggests that the balance of policymaking power between king and council will be affected by exogenous political and technological shocks that change the relative bargaining power of the two branches of government. Genetic shocks may place relatively untalented or inexperienced persons at the head of state. Technological or ideological shocks may encourage the formation of new or better organized groups outside of government with enhanced ability to resist or influence policy implementation. These politically relevant shocks may make one or the other branch of government worse off, but the new circumstances will often provide new unrealized gains from trade that can be realized by trading policymaking power for other, perhaps short-term, policy agreements, or in order to reduce losses from conflict.

There is a sense in which the model developed above is contractarian, in the sense that institutions emerge from agreement rather than domination. However, it is not contractarian in the normative sense in which that term is normally used. The normative properties of the bargaining model of policymaking power within the king and council template differ from those of the more studied constitutional convention model. Since many of these agreements involve only a small number of the persons

affected by governmental procedures, no claim of general Pareto efficiency can be associated with the fluctuating balance of policymaking power between king and council. All that is claimed is that *shifts in the assignment of power between kings and their councils make those in government better off than they would have been without them, in the circumstances faced.*

On the other hand, the analysis as a whole does suggest that the king and council template is a relatively efficient method of governance. It is for this reason that both rational rulers and constitutional conventions often adopt intermediate collective choice procedures that divide policymaking responsibilities between a single executive (king, president, prime minister, cabinet) and a committee (council, congress, assembly, parliament). And it is partly for this reason, that the king and council constitutional template is so durable and so nearly universal in its application.