

**Perfecting Parliament:
Constitutional Reform
and the Origins of Western Democracy**

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This book is dedicated to my teachers, colleagues, family, colleagues and friends, without whose support and thoughtful criticism over many years, it could never have been written.

Chapter 1: On the Origins of Western Democracy

A. Introduction: On the Evolutionary Character of Western Democracy

Most of us in the West take our contemporary political theories and form of governance largely for granted. That is to say, we largely accept and support both the philosophy and architecture of representative democracy. That all citizens should be equal before the law, that governance should be grounded in the consent of the governed, that various civil liberties should be essentially absolute, are all broadly accepted in the West. The practices of selecting representatives through elections based on broad suffrage, concentrating legislative authority in elected parliaments (legislatures), and the holding of annual meetings of parliaments to adopt laws in a manner consistent with standing constitutional procedures and constraints are also accepted and supported in the West. Indeed, it's hard for many of us to imagine any other sort of government.

At the same time that most of us accept the “newness” of existing democratic ideology and political institutions, most of us also accept the evidence that many of the ideas that underpin contemporary Western governance and much of its general architecture are far older than contemporary governments. The foundation of our democratic political theories can easily be found in classical Greek philosophy, as for example in Aristotle's *Politics* written in approximately 330 BCE. The idea of the rule of law, if not equality before the law, is far older than classical Greece and can be traced back at least to the code of Hammurabi which was chiseled into stone tablets in approximately 1775 BCE. Parliaments, themselves, date back at least to the late middle ages, as do elections for seats in parliament. In these respects, it might be argued that there is nothing new in contemporary governance.

However, to simultaneously accept the “newness” and “oldness” of contemporary political theory and institutions is not evidence of poor training or confusion, but rather

acknowledgment that there are elements of continuity in political theories and institutions. Although the ideas of popular suffrage and representative governance are quite old, broad support for the ideas of popular sovereignty, equality before the law, and universal suffrage is much newer. Indeed, it may be argued that such ideas largely disappeared from European philosophical and political discourse in the thousand years prior to the sixteenth century. And, although parliaments have long played a role in Western governance, membership in medieval parliaments was not grounded in broad suffrage and parliaments had very limited authority over public policies. Medieval parliaments were, for the most part, populated from relatively wealthy families, and were subordinate to their kings or queens who could call them into session whenever convenient and dismiss them at a whim. Medieval parliaments were not self-calling.

The emergence of contemporary Western democracy from the medieval template required two major reforms of parliament, and these reforms were widely adopted in Northern Europe during the nineteenth century. First, political authority had to shift from kings to parliaments. Second, representation in parliament had to become more broadly grounded in popular suffrage.

Perhaps surprising, these reforms were not products of war nor of sudden breaks with the past. Indeed, even in the United States and France where “revolutionary” wars were fought, the wars themselves did not produce democratic parliamentary governance. Nor was there an obvious trend in medieval governance that somehow culminated in the nineteenth century. Something extraordinary had happened during nineteenth-century Europe and Japan that gave rise to a series of largely peaceful reforms of governance over the course of a century or so.¹ This book explains (i) why contemporary governance is based on historical templates rather than revolutionary reforms, (ii) why the transition in Europe occurred during a relatively short period of time in the nineteenth century, (iii) why powerful men and women voluntarily supported such reforms, and (iv) how interests, ideas, and preexisting institutions affected the particular reforms adopted.

¹ Similar reforms were adopted in the English colonies that became the United States a century or so earlier than in Europe, although universal suffrage finally emerged at about the same time as in Europe.

B. Interdependence between Industrialization and Democratization

It has often been suggested that industrialization played a role in the constitutional reforms of the nineteenth century. Only the countries that industrialized, democratized, and only the countries that democratized industrialized.

To the best of my knowledge, however, no one has provided a political mechanism through which industrialization—itsself largely an economic activity—may induce major constitutional reforms. Whether economic development induces constitutional reform or constitutional reform induces industrialization is not obvious. After all, it is political decisions that define what can and cannot be traded, and it is political decisions that largely determine how contractual rights and obligations will be enforced. Economics suggests that such political decisions, along with technological advance, can have large effects on a nation's path of economic development by affecting transaction costs, market size, and rates of technological innovation. Indeed, one could argue that national governance largely determines market activity, even in a fairly complete model of political economy.

Evidence also suggests, however, that causality is not unidirectional from the political sphere to the economic one. For example, an interdependence clearly exists between economic and political activities in the small, as when individual pieces of legislation or administrative rulings are influenced by the testimony and lobbying efforts of organized economic interests. The present analysis suggests that this is also true in the large, because major constitutional reforms may also be induced by politically active groups whose economic interests can be advanced by such reforms. As a consequence, technological progress may create new opportunities and new pressures for constitutional reform that favor particular political and economic interests.

For example, industrialization tends to increase the importance of the tax instruments controlled by parliaments, because new military and public service technologies tend to increase royal demands for tax revenues. This potentially allows parliaments to trade tax reforms that increased national revenues for additional control over public policy. Industrialization in the nineteenth century also generated new support for liberal arguments favoring both more open markets and more open politics.

The analysis developed in this book suggests that the road to democracy requires the support of politically active groups with an interest in more liberal forms of political decisionmaking. The relative increase in the strength of liberal ideological and industrial interest groups, together with changes in economic and other political circumstances, persuaded those already represented in parliament to increase suffrage gradually.² The effectiveness of such groups may be enhanced by industrialization, but are not products of it.

C. Weaknesses of Revolutionary Explanations of the Emergence of Parliamentary Democracy

The leading alternative to the industrialization explanation for the rise of the West is what might be called the “revolutionary hypothesis.” There is a sense in which all contemporary constitutional democracies can be regarded as revolutionary forms of government. Parliaments were commonplace throughout medieval Europe, but their members were for the most part members of elite families who served as essentially a birthright. Even those elected to office were often from aristocratic families. The locus of policymaking authority was centered in a single royal man or woman and his or her appointed councilors.

² I use the term “liberal” in its European sense, throughout the book. It bears noting that there was not much difference between European and American usage during the nineteenth century. The liberal movement included persons and groups that would now be regarded as being to the “right” and “left” of “center.” Liberal groups favored expansion of suffrage, markets, and civic equality, although they rarely favored completely universal suffrage or completely open markets. In the nineteenth century, liberals included most abolitionists, many economists, most contractarian and utilitarian philosophers, and a broad cross-section of the free-trade, suffrage, and labor movements. Their conservative opponents, by in large, defended the medieval order, with its family-based hierarchy and established religion.

Prior to 1700, there were no national governments whose policymakers were elected on the basis of broad suffrage. Only citizens, narrowly defined, could vote in Athens; only the wealthiest 5-10 percent voted in medieval cities such as Sienna and Florence during their “republican” periods; only a small fraction of citizens could vote for the English House of Commons until well into the nineteenth century.

Perhaps, radically new ideas swept through Europe persuading everyone of the merits of new forms of government. Perhaps, such new ideas induced popular uprisings, the overthrow of the ancient regimes, and the drafting of radically new constitutions. There is some prima facia support for such claims. For example, most early twentieth century constitutions explicitly mention popular sovereignty and equality before the law. These theories clearly contrast with claims made in older documents which stress noble family trees, divine providence, and history. And nineteenth century reforms were often associated with large popular demonstrations in favor of expanded suffrage, in which the participants were influenced by such ideas.

However, the timing is wrong. Most influential theories of popular sovereignty and civic equality were penned many decades before the reforms of the nineteenth century began. Locke, Montesquieu, Rousseau, Paine, Smith, and Madison wrote in the seventeenth and eighteenth centuries, rather than the nineteenth century. And, the work of these influential political and economic theorists was preceded by earlier arguments and documents associated with the Dutch revolt of the late sixteenth century and by the English Levelers and colonists of the early seventeenth century. Although enlightenment scholarship—as well as nineteenth-century restatements and extensions of them—affected debates on institutional reform within both literate society and parliaments in the nineteenth century, it seems clear that simply putting such “revolutionary” ideas on paper was not sufficient to cause institutional reform in the nineteenth century.

Alternatively, perhaps nineteenth century constitutional reforms required a post-enlightenment ideological trigger. Perhaps, labor movements encouraged by Marx and other proponents of blue collar organizations generated the democratic revolutionary

impulse, rather than enlightenment scholars. Again there is some evidence in support of this idea. Large scale demonstrations organized by labor unions and political parties based on blue collar support occurred in the late nineteenth century, and these often supported suffrage expansion even if their main goals were economic. However, again the timing is wrong. Shifts of authority from kings and the gradual increase in suffrage began well before labor movements emerged and was largely completed before they became potent political forces.

It also bears noting that the demonstrations in most cases, tended to be peaceful affairs rather than violent ones. Revolutionary wars require hierarchical organizations and guns, which tend to promote post-revolution dictatorship, rather than democracy. Here, one can recall that civil wars in England, France, Russia, and China, produced Cromwell, Napoleon, Lenin, and Mao, rather than democratic rule by the people. Outside of France, there are no cases in which armed conflicts produced even temporary democratic reforms during the nineteenth century or early 20th century. And, neither of the French revolutions created durable democratic systems of government. The first Republic quickly succumbed to the Committee of Public Safety, followed closely by the empire of Napoleon I. The second Republic lasted just four before yielding to Napoleon III. The eventual success of the Third Republic after Napoleon III was largely evolutionary in nature, because the French Parliament had gradually acquired greater authority over public policy before King Louis-Phillipe abdicated in the face of a popular uprising.

In cases in which the force of arms played a role in assembling new more centralized nation-states, as in Germany and Italy, the new national governments were at best only slightly more liberal than the typical regional governments they replaced. In cases in which wars of secession were successful, as in the Belgium and the United States, relatively democratic representative systems of governments were already in place prior to secession. Military strength normally determines what territory is governed by which government, rather than the organization of government.

Shifts to democratic governance in the nineteenth century were rarely sudden, and did not require a radical break with older institutions. Rather, new systems of governance emerged gradually as long-standing political institutions were revised a little at a time. In some countries the steps were larger than others, but in no case did parliamentary democracy emerge in a single great constitutional leap. Moreover, there was nothing particularly unusual about the adoption of modest constitutional reforms. Individual constitutional and regulatory reforms of similar magnitude had occurred in previous centuries in most of the West. However, in the nineteenth century there was a trend to the changes, rather than a random series of reforms and counter-reforms. At the end of this series of more or less peaceful reforms, there was a completely new method of choosing parliaments and completely new division of policymaking power between the king and parliament.

D. The King and Council, Divided Government, and Constitutional Reform

The gradual emergence of modern parliamentary democracy is evident in the core architecture of contemporary governance. The most obvious cases are those in which a monarch still occupies the national throne, as in the United Kingdom, Koninkrijk der Nederlanden (the kingdom of the Netherlands), Konungariket Sverige (the kingdom of Sweden), and Royaume de Belgique (the kingdom of Belgium). However, modern republics also generally have an executive branch headed by a single person and a parliament or legislature organized more or less as a large committee that makes decisions by casting votes. This template for governance might have been called a “chief and a council of wise men” in early societies, a “king and royal council” in early medieval times, or a “king and parliament” in the late medieval period.

In practice, most governments include both a “king” and a “council,” that is, a branch of government headed by a single chief executive and another composed of a committee of *more or less* “equals” who make important decisions by counting votes.³ By sharing this essential architecture, modern parliamentary governments reveal their deep historical roots and also suggest that more or less divided forms of governance have long histories.⁴

Together, the policy and procedural dimensions of policymaking authority allow a wide variety of governments to be formed from a single template or essential architecture, by distributing authority over public policies between the king and council. Such divisions of authority allow king and council regimes to be characterized as: dictatorships, mixed governments, or democracies. For example, in dictatorships the executive has most of the policymaking and appointment authority, and the council serves in an advisory role. In such cases, the council makes suggestions to the “ruler,” rather than rules, and kings and presidents accept or reject their advice insofar as it advances his interests or not.

In mixed or intermediate forms of the king and council architecture, authority to direct governmental resources to particular courses of action is held by both the king and council. For example, the “king” may decide on international relations, and the “council” may decide on budgets and domestic policies. In other policy areas, the authority to select policies may be shared by dividing veto power, agenda setting, and appointment powers among the principal decisionmaking bodies. Contemporary presidential systems are divided forms of the king and council template, because the parliament and the president jointly determine public policy. In parliamentary democracies, the council makes the rules and the executive (prime minister) simply implements them, at least in principal. Such divided forms of government extend back to the dawn of recorded history (Bailkey 1967).

³ This general architecture also tends to be commonplace among most contemporary dictatorships.

⁴ In larger governments there are often several committees with somewhat different responsibilities. For example, a king’s ruling council is often a smaller committee (his cabinet) than his parliament. Because of parliamentary veto and legislative authority, it is the relationship between parliament and their executive (king, prime minister, or president) is of greater interest for the purposes of this book than that between the king and his council or cabinet, although shifts in the authority to appoint “executive” cabinets play an important role in transitions to parliamentary rule.

This architecture also allows authority over public policy to shift gradually from one branch of government to another, without changing the form of government, per se.

Prior to 1900, most European governments were king-dominated forms of the king and council template. This is not to say that kings (or queens), however, were always the dominant branch of government before 1900. England and Sweden had periods of parliamentary rule in the seventeenth and eighteenth centuries, respectively. The Netherlands had been a republic for two centuries before it became a kingdom, with a strong parliament and weak executive (*stadhouder*) for most of that period. And, regional governments often had a more representative structure than national governments. For example, city-states were often republics ruled by narrowly elected councils. Farm villages often made local policy decisions at broadly attended town meetings. The English colonies in what subsequently became the United States had relatively strong parliaments in the early eighteenth century.

Until the founding of the United States, however, in no case was broadly-based suffrage used to select members of national representative assemblies that exercised significant authority over public policy. And, in no other case could the rise of parliament have been considered a new durable form of government, rather than a temporary shift of power from one branch to the other. The Dutch republic had seen the rise of executive power in the eighteenth century as the office of *stadhouder* became an increasingly regal post. Similarly, George III began reclaiming powers from the British parliament in the last decades of the eighteenth century, before being overtaken by health problems. The eighteenth century “Age of Liberty” in Sweden was overthrown by Gustav III. The French Revolution of the late eighteenth century came to naught as the French crown was restored by the Congress of Vienna in 1815 after the defeat of Napoleon.

The long-run equilibrium of king-dominated parliamentary must have seemed as safe and sound as ever in 1815, except in the United States. Yet in just slightly over a century, the long-standing king-dominated systems of governance disappeared throughout Europe. Parliaments rose in legislative and fiscal authority, and their members became chosen by

very broad electorates. Ancient legal systems based on birth, status, and/or wealth were replaced by other more uniform bodies of law that applied to all adult men and women. Such shifts of policymaking authority were not inevitable. They had not happened before; they did not happen everywhere on Earth; and these cumulatively radical reforms occurred within a single *more or less* stable architecture of governance.

The multidimensional nature of authority over policymaking within divided governments, perhaps surprisingly, implies that reassignments of political power are not always zero-sum games—shifts of “political power” are not always “forced.” For example, temporary shifts in authority occur in modern legislatures when votes are “traded,” when cabinet posts are assigned or reassigned among parties as a consequence of negotiations within coalitions, when new independent bureaucracies are established with broad consensus, and when states accept or reject new central government regulations in exchange for new revenues. The existence of such internal “markets for power,” as we shall see, also allows more permanent shifts in authority to be negotiated. In favorable circumstances, such constitutional bargains can allow parliamentary democracy to emerge gradually and peacefully as policymaking and veto powers are “traded” among the principal chambers of governance.

However, the constitutional-exchange path to democracy is not a one-way street. Constitutional reforms occur, because changing political and economic circumstances occasionally generate new gains from exchange among those with the authority to amend their constitution, broadly defined. In opposite circumstances, policymaking authority of parliament can be shifted to a king or other ruler and suffrage may be restricted, rather than expanded.

E. Purpose of the Book: A Theory of Constitutional Exchange

The main aim of this book is positive, rather than normative. The book develops and tests a theory of constitutional reform based on self-interested behavior by members of government. The theory can account for the democratic transitions of the eighteenth and

nineteenth centuries, their historical roots, for the importance of new technologies and new ideas, and for the timing of the transition.

The theory constitutional governance and exchange is developed in Part 1 of the book. It differs from other evolutionary accounts of governance in that it makes no broad historical claims about inevitability of democratic reform, and because it focuses attention on the gains to constitutional exchange that might be realized by those actually at the bargaining table—e.g. those with the authority to revise their constitution—rather than broad social trends. It differs from revolutionary theories of constitutional reform by stressing the continuity of preexisting institutions and the gains realized by those who adopted reforms. Reform did not require intractable conflict or existential threats.

The logic of constitutional exchange does not imply that constitutional reform can occur only through small mutually beneficial reassignments of policymaking authority; however, the analysis does suggest that small reforms are more likely to advance the interests of their sponsors than large ones, when the complexity of real-world governments are taken into account. The analysis does not attempt to show that civil war cannot, in principle, change the form of a nation's governance. Civil war or threats of such wars are not prerequisites for democratic reform, as seems evident in the rise of Western democracy.

Evidence in support of the theory is presented in Part II of the book. Part II demonstrates that democratic transitions in most of Europe, in the United States and in Japan were for the most part consistent with the theory of Part I. They were results of a series of formal and informal bargains over constitutional details, rather than bold, reckless, revolutionary efforts—both in the sense that no open warfare over institutional design occurred and that no sudden radical transformations of past institutions were adopted. The cumulative effect of these reforms and their associated policies were major improvements over the old aristocratic chambers from the perspective of those governed. Fear of arbitrary punishment diminished, a broader array of desired public and private services became available, and physical standards of living generally improved. This

occurred in most cases at the same time that kings and queens remained in office and parliaments continued to include significant aristocratic representation.

F. Organization of the Book

Part I: Rational Choice and Constitutional Evolution

Analytical histories have long been used to focus attention on key factors in political and economic development, and this approach is taken in part I of the present volume. The foundational texts of Aristotle (350 BCE), *the Politics*, and Hobbes (1651), *the Leviathan*, use analytical histories to discuss the evolution of institutions and the normative case for particular forms of governance. Rawls (1971) has more recently used this technique to develop a normative theory of distributive justice, and Olson (1993) has used the same approach to develop an explanation for the emergence of dictatorships from bands of roving and stationary bandits. Analytical histories allow analysis of a few essential features of an institutional choice setting in an environment that abstracts from many of the idiosyncratic details of real people and places.

Part I of the book provide an analytical history of organizations and governance that explains some of the main features of medieval government and of the transition from medieval to contemporary Western versions of the king and council template. The analytical history begins with a theory of organizational design and evolution, which is used as a point of departure for the analysis of government and governmental reform. Early governments are regarded to be simply one of many organizations. Chapters 2–4 analyzes the formation and evolution of formal organizations, their internal incentive structures, and especially their decisionmaking procedures.

Chapter 2 notes that the internal incentive structures and organizational decisionmaking procedures tend to be ones that advance the interests of those who originally formed the organization. This implies that existing reward and punishment and decision systems solve organizational incentive problems at approximately least cost, which explains why organizations create “artificial” choice settings with a variety of conditional economic and social reward and punishments systems. These conditional

reward structures support organizational goals while producing organizational interests. Large organizations often adopt some form of the “king and council” template for choosing their policies, because this template tends to improve organizational decisionmaking and reduce unproductive intra-organizational conflict.

Chapter 3 analyzes survival advantages of organizations that have stable reward structures and procedures for replacing organizational leaders. Organizational “rule of law” emerges within enterprises that attempt to advance long-term goals, because stable rules reduce decisionmaking and recruiting costs, which tends to make an organization more robust. In the long run, solutions to the transition problem are necessary if an organization is to outlive its founding generation. The king and council template provides several possible solutions for an organization’s transition problems. However, neither rules nor procedures for changing them can be entirely stationary without undermining an organization’s durability.

Chapter 4 provides a nonmilitary explanation for the emergence of regional governments as one of many kinds of organizations. Territorial governments are not necessarily the first formal organization, nor are they necessarily central to the emergence of civil society. Governance can emerge gradually as specific organizations become monopoly providers of essential services, because durable organizations with monopoly power can relatively easily impose and enforce rules on persons outside their organization. Such “productive states” may also emerge in response to threats from military organizations, what Olson (2000) terms roving bandits. However, roving bandits cannot emerge first, as postulated by Olson, because there would be little for them to steal unless more or less stable communities already exist.

Chapters 5–8 analyze the extent to which a regional government’s decisionmaking procedures can be reformed through internal bargaining. In economic terms, the authority to legislate and select members of an organization is a “resource” that can be traded for other goods and services of interest to those with the authority to change decisionmaking procedures. A central issue is whether such shifts of policymaking authority can ever

simultaneously advance the interests of both the king and the council, because such cases imply that constitutional reforms may be freely adopted. Chapters 5 and 6 demonstrate that constitutional gains to trade can occasionally arise and that voluntary transfers of authority are possible within the king and council template for governance.

Chapters 7 and 8 explore how economic and political shocks can change the interests of those with the power to change the manner in which members of the council (parliament) are selected. The focus is on suffrage laws and alternative explanations for the expansion of suffrage. Although parliamentary rule may emerge from economic changes that create new opportunities for constitutional negotiation, peaceful changes in suffrage law can not be explained by economic changes alone. Evidently suffrage reform requires changes in ideas about the proper bounds of suffrage as well. Such changes in “suffrage norms” may be induced by persuasive campaigns, whose effectiveness tends to be determined by available technologies and laws of association and free speech.

The more dimensions over which constitutional reforms may be adopted, the more likely it is that gains from constitutional exchange will arise as circumstances change. Chapter 9 notes that the fine-grained structure of parliamentary democracies include a huge number of dimensions in which constitutional and quasi-constitutional bargains can be struck. Beyond suffrage laws and parliamentary authority are rules for apportioning or weighting votes, the manner of voting (weighted or unweighted), the number days for elections, the timing of elections, and the extent to which political authority will be centralized or not (federalism).

The analytical history is presented in nontechnical prose, although some mathematics is used to illustrate problems that can be solved through organization and also to demonstrate that opportunities for constitutional reform can emerge as a consequence of changes in the distribution of wealth and ideology among those with the power to adopt such reforms. For the most part, the mathematics can be neglected by readers who are more interested in the essential logic of the analysis than demonstrations of logical consistency.

Together the prose and mathematical analyses of Part I provide an explanation for long-term stability in the architecture of governance and demonstrates that changes in circumstances that can lead to constitutional reform. Because the knowledge of all participants is incomplete, new opportunities for reform can emerge. Uncertainties associated with reforms tend to induce decisionmakers to adopt modest rather than radical reforms. Changes in technology and ideology can, thus, produce opportunities for constitutional reforms, and in fortuitous circumstances parliamentary democracy can emerge gradually and peacefully from king dominated systems of governance.

Part II: Historical Narratives from Europe, Japan, and North America

Part II of the book provides both a general historical account of the rise of Western democracy and a series of more focused historical narratives. The narratives recount six national transitions, three cases in which the theory seems to apply naturally, and three more difficult cases. Five of the narratives focus on constitutional reforms of the nineteenth century that transformed long-standing king-dominated systems of governance into parliamentary democracies. The sixth case is the American one, which began a quite a bit earlier than the transitions in Europe and Japan, although it ended at about the same time.

If the choice settings analyzed in the first part of the book are truly representative of those confronting real persons in real organizations, the predicted institutions and reforms should be commonplace in history. This does seem to be the case, in that the distribution of policymaking authority between most kings and their councils varied a bit from decade to decade and the shifts of authority generally advanced both parties' interests at the times they occurred. The main purpose of the analytical history, however, is a more ambitious one: can it account for the rise of Western democracy?

Chapters 10 and 11 provide an overview of economic and constitutional developments in the West during the eighteenth and nineteenth centuries. The historical overview focuses for the most part on European developments, and it is deepened and

broadened by case studies on six national transitions, including two from outside of Europe. Changes in economic interests associated with new economies of scale in production shifted the bargaining equilibria within constitutional monarchies after 1830. These realignment of interests favored economic and political liberalization throughout nineteenth-century Europe, Japan, and North America.

The first three country studies are "easy cases," in which all the elements of the model are in evidence: the United Kingdom (chapters 12–13), Sweden (chapter 14), and the Netherlands (chapter 15). Similar chapters could also be written about Belgium and Norway. The second three cases are more difficult ones in which some elements from the theory are missing, although the general pattern of political and economic reform are consistent with the theory: Germany (chapter 16), Japan (chapter 17), and the United States (chapter 18–19). Similar chapters could easily be written about Italy, and with a bit more difficulty for France, Spain, and Denmark. The six country studies are sufficient to demonstrate that economic interests, ideology, and institutions played important roles in the constitutional bargains that produced the peaceful emergence of Western democracy in the nineteenth and early twentieth century. The cases also demonstrate that religion and other preexisting aspects of culture and institutions are less important factors than one might have expected. Belgium and Japan are not Protestant. The transitions in the United States and the Netherlands were not preceded by long periods of monarchical rule.

In most cases, as predicted, a broad range of new economic and ideological interest groups lobbied for economic and political reforms. The politically active interest groups often had overlapping memberships and included support from those already represented in parliament under preexisting selection and suffrage laws. In some cases, the politically active groups had economic roots, and in other cases non-economic ones, including both ideological and religious group (Gould 1999). As norms about who was and was not qualified to vote changed through the nineteenth century, suffrage law, gradually became more and more inclusive. By 1925 parliaments were supreme in most of Western Europe,

and essentially all men and all women were allowed to cast secret ballots in national elections that determined the memberships of their parliaments.

In this manner, the politics that enabled the Industrial Revolution explain why the great democratic reforms of nineteenth-century Europe were undertaken in the nineteenth century, rather than in former times. Conversely, the particular mechanisms identified by the theory also explain why the countries that democratized also industrialized. Only the countries that represented relatively broad interests in their governments adopted economic reforms that allowed profits from the new economies of scale in production to be realized.

Similar accounts appear to be possible for many other transitions that occurred at other times on other continents, although these are beyond the scope of the present volume.⁵ Technological innovations often produce new political alignments, decrease the costs of political interest groups, and strengthen ideological arguments. In the nineteenth century, economic and political liberals succeeded in persuading parliaments and kings to adopt a long series of modest liberal reforms.

Part III: Chapters 20 and 21: Methodological Issues

The “test” of representativeness undertaken in the historical part of the book differs from those of mainstream statistical work in the social sciences, in which a particular model is assumed to be universal and statistical inference is undertaken on the assumption that whatever is “unexplained” is random, that is, a purely chance event. This test also differs from the common approach among historians in which causal connections between events are induced, which make a particular sequences of events appear to be inevitable. The claim of the book is not universality nor inevitability, but rather that a particular class of governance problems is sufficiently commonplace that their solutions are also commonplace and thus easily observed features of the world. The historical

narratives of part II do not attempt to induce a model from history, but rather attempt to determine whether the predictions of the theory are borne out in the historical record. Are the relationships, organizations, and circumstances predicted actually present in the historical record, and do they appear to have the predicted effects? Other tests of the theory are developed in chapter 20.

Chapter 20 demonstrates that the links between technology, liberal interest groups, and constitutional reforms can be approximated with stable algebraic relationships and that a statistical interdependency exists between the emergence of democracy and industrialization. These are somewhat more demanding tests than that of historical relevance, because a few simple equations cannot fully capture the details of the models nor of history itself. Moreover, data sets for the nineteenth century and earlier are not without problems. It is, thus, a bit surprising that linear representations of the models developed account for a good deal of the gradual transition to democratic industrial states in nineteenth-century Europe.

Chapter 21 concludes the book, summarizes the main results, discusses methodological issues, and suggests possible extensions. A rational choice–based analytical history allows a systematic analysis of relationships among those with the authority to make policy and adopt reforms. The analysis takes place in an “other things being equal” environment in which people make deliberate choices to advance both their narrow and broad interests. This allows analysis of causal influences a few at a time, which often increases our understanding of complex phenomena.

Although the book includes a good deal of history and reflects many years spent reading early constitutional documents and books written by careful historians, *Perfecting Parliament* is not intended to be an historical work, but rather a contribution to social science; that is, it attempts to develop and test a particular theory of constitutional reform,

⁵ Additional more or less similar cases, for example, are developed by Gould (1999), who analyzes suffrage and other reforms driven by liberal movements in Switzerland, France, and Belgium. Gould’s work is grounded in political history rather than analytical models, but his approach is very similar to that developed here. He argues, for example, that liberal movements were based on ideology, rather than economic class, and that their strategies for pressing political and economic reforms were affected by preexisting political institutions.

rather than to induce patterns from the historical record. Social science acknowledges the existence of both systematic (causal) and unsystematic (stochastic) factors that affect historical developments. It is the understanding of common, systematic features of organizations, political decisions, and constitutional reforms that motivates the present research, rather than their unique features, of which it is acknowledged there are many. Just as every person has unique characteristics, every nation's constitutional history has unique actors, opportunities and constraints. And just as quite a bit can be known about every person without focusing on their unique characteristics, so can quite a bit be known about each Western country's transition to democracy without focusing much attention on their unique actors and circumstances.

* * *

Most readers will find some parts and some chapters of the book of greater interest than others. This is a natural result of an interdisciplinary and multi-methodological enterprise such as this one. Economists will probably find parts I and III to be of greater interest than part II. Political scientists, constitutional scholars, and historians will probably find parts II and III to be of greater interest than part I. All three parts, however, seem necessary to develop and test the logic of the theory of constitutional exchange outlined above and developed below.

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Material from several of the chapters has been published in academic journals, partly because of the usual pressures of American academia and partly to have the analysis carefully examined by reviewers and editors in Europe, Japan, and the United States.

"From Royal to Parliamentary Rule without Revolution, the Economics of Constitutional Exchange within Divided Governments," *European Journal of Political Economy* 23 (2007): 261–84.

"Constitutional Exchange in Japan: From Shogunate to Parliamentary Democracy," *Public Choice Studies* 47 (2006): 5–29.

"Amendment Procedures and Constitutional Stability" (with B. E. Rasch) in *Democratic Constitutional Design and Public Policy: Analysis and Evidence*. (R. D. Congleton and B. Swedenborg, eds.), Cambridge Mass: MIT Press (2006): 319–42.

"Economic Development and Democracy, Does Industrialization Lead to Universal Suffrage?" *Homo Economicus* 21 (2004): 283–311.

“Mutual Advantages of Coercion and Exit within Private Clubs and Treaty Organizations: Toward a Logic of Voluntary Association,” *Revista de Political Economy* 94 (2004): 47–75.

“A Theory of Menu Federalism, Decentralization by Political Agreement” (with Andreas Kyriacou and Jordi Bacaria), *Constitutional Political Economy* 14 (2003):167–90.

“Economic and Cultural Prerequisites for Democracy,” *Rational Foundations of Democratic Politics*. A. Breton, G. Galeotti, P. Salmon, and R. Wintrobe, eds. New York: Cambridge University Press (2003): 44–67.

“On the Durability of King and Council: the Continuum Between Dictatorship and Democracy,” *Constitutional Political Economy* 12 (2001): 193–215.

Although most of the material taken from the book was substantially rewritten for journal publication, permission to reproduce previously published figures, tables, and a few paragraphs is gratefully acknowledged.

It can be said that this book began as a short paper on Swedish constitutional reform, which through the support and encouragement of the constitutional project at the Studieförbundet Näringsliv och Samhälle (SNS) became a short book on Swedish constitutional reform, that raised questions that required a much longer book to answer. At first, I believed that Swedish constitutional history was unique, because most of the histories of other countries that I was familiar with emphasized revolutionary processes of one kind or another. The more I reread and thought about other Western constitutional transitions, however, the more commonplace nonviolent lawful transitions appeared to be. How such transitions could occur was a great puzzle, and to piece together an answer took another five years of reading, puzzle solving, and writing.

To undertake a project of this kind requires one to trust the basic historical research conducted by hundreds of other scholars, who have already devoted much time and

attention to understanding events in particular countries and periods, albeit from different methodological perspectives and with less attention to theory and institutions than would have been convenient for the present project. Historians often take institutions as given for purposes of their analysis, which is a reasonable approach for work that is focused on a single period in a single nation’s history. Their neglect of institutional developments has made assembling the historical material on constitutional reforms much more difficult than I anticipated when I began this project, but it has hopefully increased the value added by the present research project and the theories developed below.

Of course, heroes, villains, geniuses, personal chemistry, and other chance events also influence institutional development, but their effects are substantially unpredictable. Fortunately, statistical theory suggests that one can know a good deal about scholarly research, history, and social processes without an exhaustive sample or a perfect fit.