

Institutional Strength and Weakness in Western Europe

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This memo makes some observations about what we might learn from the experiences of Europe about the issues of institutional weakening outlined in Brinks *et al.* (2019). These thoughts are largely conjectural and offered simply to stimulate discussion.

Institutional weakness in comparative perspective

In comparison to the institutions of Latin America which are often described as weak, those of Western Europe are strong, which is to say that the rules they instantiate are reasonably stable, often significant, and generally subject to compliance. Therefore, we might ask first: why has that been the case? If we follow the analysis of Brinks *et al.* (2019), the answer should be either because they have substantial legitimacy, understood as widespread public consent, and/or because they are supported by a relatively-strong coalition of social interests.

For most of the developed democracies of Western Europe over most of the period since 1945, both of those conditions seem to apply. It is important, however, to distinguish among different types of institutions, notably with respect to the significance of each type for the resilience of democracy. What might be described as the core institutions of democratic governance have generally displayed such strength.¹ And it is likely that the legitimacy of those institutions conferred legitimacy on the laws or formal rules they promulgated, including the changes to those laws that they endorsed.

It is tempting and perhaps true to some extent to conclude that the longevity of these core institutions has contributed to their legitimacy. However, that is unlikely to be the full story: the core democratic institutions of Spain, Portugal and Greece which made a transition to democracy only in the 1970s also appear to have remained reasonably strong. Moreover, there is a certain circularity to the argument from legitimacy in that compliance with an institutional rule is often taken to be a sign of both the legitimacy of that rule and its institutional strength.

Accordingly, a more plausible line of argument is that the core democratic institutions of Western Europe have been strong because they have been supported by strong coalitions of social interests. That points us toward political parties and organized producer groups which are the vehicles for social interests. In short, we could reasonably conclude that the core democratic institutions of these developed democracies have been strong because they have been supported by the political parties that have dominated electoral politics and the principal interest groups operating in the producer-group arena since 1945.

Such a view would be in keeping with influential accounts of early post-war European politics which describe a process whereby mainstream parties of the political left and right reached a social compromise built on the construction of a Keynesian welfare state, which moved them toward the center of the political spectrum, while new institutions for collective bargaining designed to secure industrial peace reconciled employers and trade unions to the existing system (Offe 1983; Przeworski and Wallerstein 1982a, b;

¹ There are some notable exceptions, such as the political institutions of Fourth Republic France which were discredited by the Algerian war and replaced in 1950 by the institutions of the Fifth Republic.

Eichengreen 1996). There remained some dissent but the organized vehicles for it were relegated to the margins of politics and for the most part accepted the basic institutions of European democracy.

In these respects, the European cases seem to confirm that coalitional perspective that Brinks et al. 2019 adopt toward explaining the strength or weakness of institutions; and it underlines the critical role that political parties play in this dynamic. They are responsible for the levels of respect successive governments pay to the institutional rules; and they are crucial vehicles for establishing the legitimacy of those rules, and hence compliance with them, by virtue of the key role they play in the mobilization of consent for the rules (Beer 1973).

However, the question that these observations raise is: why did the mainstream political parties of Western Europe accept the core institutions of democracy, and indeed much of the legislation passed by their predecessors, rather than abrogate them as appears to be the case in many Latin American countries? The answer to this question seems to have three components. First, these parties realized that, over time at least, they would have a share of power. In many continental countries with systems of proportional representation, coalition governments gave multiple parties a share of power, while alternation in office was a realistic prospect even in the majoritarian systems of Europe. Therefore, the major parties of Europe lacked strong incentives to change or violate the principal rules of the political system, not least because that would encourage their opponents to do the same, thereby damaging their own electoral fortunes.

Second, despite some variation, all the countries of Western Europe were administered by well-entrenched bureaucracies with substantial capacities for implementing legislation. In some cases, these dated from the 18th century but even once-patrimonial systems had acquired functioning bureaucracies by the 19th century. And in this case intra-continental variation seems to confirm the importance of this condition. Where these bureaucracies are still riddled with patronage, as in Italy or Greece, compliance with the law is less complete. Although it is far from a sufficient condition for institutional strength, the presence of a Weberian bureaucracy seems to be a necessary condition for it (cf. Evans and Rauch 1999).

The third factor lying behind the strength of European institutions is itself less institutional, namely, the experience of more or less continuous economic prosperity. Crucial here were the thirty ‘glorious’ years after 1945 when all parts of Western Europe experienced exceptionally high rates of economic growth. This was the period when the postwar systems of European democracy were consolidated. Economic prosperity staved off social discontent and delivered reliable numbers of votes to the mainstream political parties that presided over it. If their dominance was central to the strength of European institutions, economic prosperity was crucial to their dominance.

In large measure, this portrait of the underpinnings of institutional strength is the mirror image of the portrait of institutional weakness that Brinks *et al.* (2019) draw for Latin America and largely confirms the latter. However, it nuances that analysis in two ways. First, my reading of the Western European cases puts special emphasis on the role that mainstream political parties play in the maintenance of strong institutions. In Europe, those parties were central to sustaining a coalition of interests supportive of key institutions, and they were crucial to rendering those institutions and the others that emanated from them legitimate by virtue of how they mobilized popular consent for them.

Second, this analysis suggests that the generalized strength (or weakness) of institutions considered across the nation as a whole is a quasi-equilibrium condition. Because that strength is dependent on a convergence of factors rather than on any one or two, it is unlikely to vary by small degrees in a linear fashion. Instead,

we should expect to see an inherent lumpiness, marked by discontinuities, in this distribution, based on the extent to which countries display the multiple conditions necessary for institutional strength (cf. Abbott 1988).

Lessons from the European Union

Of course, some of the most prominent institutions in Europe today are not at the national level but associated with the supranational European Union. While broadly legitimate, in the sense that they are accepted and trusted by national majorities, they are not quite as strong as national institutions. In some instances, the pace at which EU regulations have been transposed into national law has been slow, and several East European member states continue to flout EU mandates, notably with regard to the independence of the judiciary.

Observation of the EU suggests three conjectures of broader relevance to issues of institutional weakness. First, EU institutions may be weaker than national institutions because they have not enjoyed the same level of support from mainstream political parties. While those parties have generally expressed broad support for the EU as a whole, in many cases, they have been reluctant to mobilize consent for those of its regulations that are contentious in their own country. Indeed, national governments have often used the EU as a trojan horse, notably for implementing measures of economic liberalization, agreeing to those measures in the closed rooms of Brussels, while expressing opposition to the principles on which they are based in the domestic political arena (Culpepper *et al.* 2006). Arguably, these practices of organized hypocrisy have limited popular support for EU regulations even if the latter are often enforced by national governments.

Second, the history of the European Union is illuminating about the terms in which respect for and acquiescence in institutional rules can be secured. Over the first twenty-five years of its existence from 1958, the European Community relied explicitly on appeals to technocracy to legitimate its endeavors. Indeed, its specialist committees were explicitly forbidden from considering national interests as they formulated those regulations (Joerges and Neyer 1997). For the most part, this approach seemed adequate to secure compliance with the measures adopted in this period, since most of those measures pertained to relatively obscure regulatory matters of interest only to small segments of the business community, and efficiency criteria seemed adequate to justify such actions. After the Single European Act of 1986, however, the jurisdiction of the EU expanded to cover many more issues where serious conflicts of interest relevant to large segments of the population were at stake. Issues of that sort could not be resolved largely on efficiency criteria. Their resolution entailed widespread losses and gains for which consent had to be mobilized; and the EU lacked the ‘political capacity’ for doing so since that entailed forging social compromises among the affected parties and mobilizing consent for them among the populace. Given the weakness of the European parliament and the distance from the electorate of the European Commission and Council, there were no organized vehicles for that mobilization of consent (Hall 2013). Not surprisingly, this is the period in which significant popular opposition to the European Union began to arise.

Third, however, something can be learned from the successes as well as the failures of the EU. With the bankruptcy of Greece in the wake of the 2008 financial crisis, the EU was confronted with the most serious challenge in its history which threatened to unravel the single currency adopted by most of its member states in 1999. In many respects, the response to that crisis is open to criticism (Modi 2018; Sandbu 2017). However, the turning point in its resolution came in July 2012 when the President of the European Central

Bank declared that the bank would do ‘whatever it takes’ to stem the tide of international speculation against the sovereign bonds of its member states and followed up with extraordinary measures to support those bonds. For our purposes, the important point here is that these measures were not strictly speaking part of the mandate of the central bank; and indeed they were subsequently challenged, albeit unsuccessfully, as illegal. To the extent that we can see the ECB or its single currency as a bundle of institutions, then, their strength turned, in this case, on an ability to exploit ambiguities in their legal mandate. This suggests that a certain amount of ambiguity in the rules that comprise an institution may not necessarily be a sign of weakness but a source of strength, if it allows that institution to adjust to changing, and often unanticipated, circumstances.

Implications for contemporary Europe

Returning to the observations in the first section of this memo, we can ask: what do they imply for the strength of European institutions in the coming years? The short answer is that they offer reasons for concern. I have suggested that the longstanding strength of national institutions in Western Europe has turned on the capacity of a dominant set of mainstream political parties to mobilize consent for them and on levels of economic prosperity conducive to support for these institutions and the parties erecting them. However, neither of those conditions prevails today.

After thirty years of increasing prosperity, rates of economic growth fell by half during the 1980s and the effects on vulnerable segments of the populace were intensified by the response of European governments which liberalized labor markets in the hope that would increase employment (Hall 2019). In tandem with secular economic developments, these measures depressed wages at the low end of the distribution and relegated many more workers to insecure jobs. One result has been a pervasive economic pessimism that borders on a more existential social pessimism. A third of Europeans say that their standard of living has declined in recent years, and more than half say that the quality of life for their children will be worse than their own (IPSOS 2017). In themselves, these developments do not make Europeans less likely to comply with the law, but they breed growing distrust in national and European institutions and feed support for those calling for the kind of radical political changes that may give rise in the coming years to institutional instability.

This political discontent has been accompanied, in turn, by declining support for the mainstream political parties that built the existing institutions of European democracy. Since 1980, the share of the vote secured by mainstream center-right and center-left parties across the developed democracies has declined from about 70% to barely 50%. As a result, the capacity of those parties to mobilize consent for existing institutional arrangements has declined. At the same time, parties of the radical right and left have gained the support of about a fifth of most national electorates, often on platforms promising major institutional changes. Indeed, one of the striking features of many of these parties is the extent to which they rely on populist appeals that challenge an overarching establishment on anti-system grounds, much as some of their analogues responsible for institutional instability in Latin America have done. Populism is no longer only a Latin American sport.

One feature of these developments has been rising electoral volatility. The proportion of voters who could once be counted on to remain loyal to a mainstream party has declined precipitously. In recent British elections, for instance, between a third and half of voters have changed their party allegiance. This shift in

the attachment of voters to parties reduces, in turn, the ability of those parties to mobilize consent for the institutions they enact when in government.

Whether these developments will weaken European institutions, understood as the rules that governments promulgate, remains to be seen. Radical parties have been incorporated into governing coalitions in nine European countries and initial indications are that, although they stiffen anti-immigration policies and defend policies of social consumption, they do not alter the operations of government in more radical ways. The exceptions lie in East Central Europe where populist parties have sought to water down the independence of judiciaries, muzzle the media and limit opposition in civil society. In most of these cases, that has entailed weakening institutions designed to promote checks on the executive.

However, if we consider institutional weakness in broader terms to include the capacities of governments to implement policies designed to meet emerging challenges, rising support for radical parties has had pronounced effects. It has made the process of assembling governing coalitions more protracted and difficult and arguably reduced the ability of those coalitions to take decisive measures in many realms. Concern for the challenges that radical parties might mount in the domestic political arena has limited the ambitions of national governments at the EU level and their capacities for cooperation, slowing progress on European reforms. In short, a fragmented electoral arena raises the prospect of gridlock in an increasing number of policy arenas.

Two broader lessons emerge from this diagnosis. First, institutional strength cannot be taken for granted. The longevity of an institution may be a marker of its strength, but it is not a predictor of its continuing strength. As Thelen (2004) has observed, the strength of an institution derives, not from inertia, but from the power of the social coalitions that stand behind it; and those are subject to change, not least under the pressure from the kinds of developments I have described.

Second, and more controversially, there might be value in thinking about institutions as more than rules and institutional strength as more than a matter of significance, compliance and stability (Brinks *et al.* 2019). Notwithstanding the crispness of that formulation, it directs our attention away from the dynamic processes whereby governments respond to the challenges they face. Understood as a set of rules, the institutions of the EU appear to be relatively strong. But the capacity of the EU, as an organization or perhaps institution, to take decisive action and to promulgate new rules is much more in question and arguably just as important. We might think of that as ‘state capacity’ but that term is often used to refer mainly to the resources that allow a state to implement its policies and more rarely to the capacity of a state, or supranational organization, to *formulate* policies that respond to the challenges facing it. To my mind, there are important issues of institutional strength here that may be falling through the cracks of current analyses.

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