

Book Review: Benjamin Reilly, *Democracy and Diversity: Political Engineering in the Asia-Pacific* (Oxford: Oxford University Press, 2006), 227 pages.

## Managing Diversity through Institutional Design

Nick Jorgensen

The idea that political institutions can be deliberately shaped or “engineered” in order to achieve desired political outcomes is hardly new—the authors of the Constitution of the United States, for example, vigorously debated various configurations of rules, constraints, and incentives that might simultaneously disperse political power over a wide range of actors, while at the same time providing sufficient resources to the central government to provide for national defense, promote the general welfare, and ensure domestic tranquility. Engineering, a theory-driven or deductively-based process, assumes that political institutions can be designed *a priori* and set in place in order to achieve a particular set of desiderata: representation, fairness, stability, or prosperity, to name but a few. The ability of governments to achieve those and other goals is in part a function of the rule structures that shape and are shaped by political action. Institutional performance is particularly critical to democratic governments, since those rules and constraints mediate between the preferences and aspirations of the electorate, on the one hand, and candidates and governments, on the other.

Benjamin Reilly’s latest book, *Democracy and Diversity: Political Engineering in the Asia-Pacific*, is a welcome addition to the small but growing body of literature that applies what has been learned about political engineering in other regional and historical contexts (e.g., Western Europe during the era of mass enfranchisement and rapid industrialization, and Eastern and Central Europe during the breakup of the Soviet bloc) to a region that has seen too little attention paid to actual rules and conduct of political action. Much of the literature on the politics of the region has either focused on structural or cultural variables or has been confined to single-country monographs that have given short shrift to comparative analysis. Furthermore, the comparative democratization literature has so far paid less attention to the Asia-Pacific region than it has to the more extensively studied regions of Eastern and

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Nick Jorgensen is an Assistant Professor in the Department of Political Science at the University of Idaho, Moscow. <nickjorg@uidaho.edu>

Southern Europe and Latin America. Reilly's book, then, offers valuable contributions to the study of institutional design as well as to the broader body of scholarship on democratization in Asia. Reilly's analysis focuses on the complex interactions between social and ideological diversity, institutional structures (particularly in the area of voter choice and interest aggregation), and democratic performance.

Professor Reilly, who is currently on the faculty of the Australian National University, brings extensive scholarly and policy-making expertise to this project. In addition to his extensive publications on the subject of democratic institution-building in conflict-prone or divided polities, he has also been an active participant in political engineering projects in Papua New Guinea. Additionally, he has written extensively on the effects of electoral system reform in settings as diverse as Fiji, Australia, Northern Ireland, and Estonia. It is difficult to think of someone better qualified to address the relationships among democracy, social diversity, and political institutions.

*Democracy and Diversity* addresses three key questions: (1) How does the Asia-Pacific region differ in terms of the relationship between social diversity (e.g., religion, ethnicity, political ideology) and democratization? (2) How have political actors shaped political institutions to reconcile intergroup differences with the exigencies of politics at the national level? And (3) does the pattern of political engineering and institutional reforms in the Asia-Pacific suggest a uniquely regional model of democratic governance in the presence of social heterogeneity?

The first section of Reilly's book is concerned with the historical development of two interrelated political processes—the spread of democratic government throughout the region, and the broader shift from interstate warfare to intrastate or internal conflict as the primary challenge facing states in the Asia-Pacific and elsewhere. Reilly argues that the form that democratization has taken in the region has differed from that seen in Latin America or Eastern Europe. For instance, the negotiated or “pacted” transition, such as that seen in Brazil during the *abertura* or in Poland and Hungary in 1989, has been largely absent. The modal Asian transition has featured extensive mobilization of students and middle-class protesters, high levels of popular protest, and rapid rather than gradual regime change (compare the sudden collapse of the Marcos or Suharto regimes with the protracted withdrawal of military regimes in Chile or the carefully negotiated transition in Spain following Franco's death in 1975). In addition to the political uncertainty accompanying wholesale regime change, democratic governance in the Asia-Pacific has had to contend with extensive social and political heterogeneity. The high level of social diversity in the region (particularly in archipelagic states such as Indonesia, the Philippines, and Papua New Guinea) could potentially inhibit the development of effective democracy—such diversity complicates the delivery of public goods, the formation of overarching civic or state identity, and the formation of national rather than local markets. To complicate matters further, the region's

various social conflicts (communal riots in Indonesia, fragmentation and poor governance in PNG, secessionist struggles in Mindanao and southern Thailand, and so on) are less amenable to external intervention or mediation than similar conflicts in Northern Ireland or the Balkans, which makes internal reforms the only realist solution available to political elites (p. 46). Even in putatively homogeneous societies such as South Korea and Taiwan, regional cleavages in the former and tensions over national identity, independence, and relations with mainland China in the latter have complicated attempts to create stable, viable democratic governments.

Reilly notes in chapter 3, however, that diversity and disorder have not necessarily been connected in Asia; in some cases (such as Papua New Guinea) a high level of ethnic fragmentation, coupled with electoral competition, has produced a durable but highly dysfunctional democracy in which rival factions vie with one another to control the state in order to reward fellow group members. Such fragmentation reduces the possibility of dictatorship and democratic breakdown (since no single group is capable of imposing its rule over the others) but also produces poor government performance and suboptimal public goods provision. Other countries in the region have also been handicapped by social fragmentation and low-quality democracy; however, Reilly argues that diversity in and of itself might not be the true cause of poor governance. Instead, the institutions currently in place might create perverse incentives for political actors that encourage fragmentation and an over-reliance on private as opposed to public goods provision. So, by changing the rules that structure political competition, governments could at least partially compensate for high levels of ethnic, religious, or regional diversity. Rewarding aggregation and broader coalitions might, in turn, improve government performance. This is where political engineering comes in.

Chapter 4 forms the theoretical core of the book and surveys much of the state of the art of the institutional analysis and constitutional engineering literature. That literature has suggested three rough types of reforms to address the obstacles to democracy posed by ethnic, religious, or regional diversity: consociationalism, centripetalism, and communalism. Consociational solutions, such as those implemented in the Netherlands, Belgium, Lebanon, and elsewhere, have relied on a combination of proportional representation, corporatist group representation, and grand coalitions that provide communal groups with a guaranteed share of power. Centripetal approaches, on the other hand, seek to deemphasize group membership, increase the incentives for political actors to form alliances with groups other than their own, and discourage minority veto power. Finally, communal policies create the greatest incentives for politicians to court ethnic constituencies and formalize group-based power sharing based on percentages of votes or seats received in national elections. Each of these three models of diversity-based institutions has a distinct relationship with a polity's electoral laws, political party structure, cabinet formation, and degree of centralization or devolution.

The next three chapters of *Democracy and Diversity* apply the theoretical speculations and models sketched in chapter 4 to electoral laws, political party systems, and executive formation and federalism in the Asia-Pacific region. While the outcomes have been as varied as one might expect from a population that includes countries as disparate as Taiwan, Cambodia, and Papua New Guinea, Reilly notes that, for the most part, political reforms in the region have largely eschewed consociational and communal solutions in favor of centripetal ones. Reforms to electoral laws, for example, have introduced proportional representation but in such a manner as to actually increase, rather than decrease, majoritarian outcomes. Of the seven countries that introduced electoral system reforms between 1987 and 2004, disproportionality *increased* in five of them, while Indonesia saw a very modest decrease between the 1999 and 2004 elections, and no data were available for post-reform elections in Taiwan. In countries that have introduced mixed electoral systems, PR party list seats have been limited to small fractions (well under 50 percent) of total seats contested. For example, the Philippines introduced a small number of PR seats with the passage of the 1987 post-Marcos charter (20 percent of total seats in the lower house), but those seats are closed to party candidates and instead are reserved for members of “disadvantaged” groups such as fishermen, students, women, and so on. No single group may win more than three seats, however. Introduction of mixed-member systems in other countries, coupled with reductions in district magnitude, greater use of single-member districting, and higher vote thresholds have all increased majoritarian rather than proportional or “consensus” outcomes in post-reform Asian polities. Reilly describes the outcomes of these reforms as “mixed-member majoritarianism,” a result that has increased the power of larger, nationally-based parties and reduced the total number of effective parties.

Political engineering also has led to changes in party systems across the region, although Reilly is careful to hedge his conclusions regarding the durability of these changes, given how recently they have been enacted. In general, centripetally-motivated institutional reforms have sought to reduce party fragmentation, encourage the development of nationally-based parties, and reduce parties’ incentive to play the ethnic or communal card. In certain respects, these reforms have succeeded in doing just that—countries that introduced laws governing party size and geographic extent, such as Thailand and Indonesia, have experienced a decline in the effective number of parties, while those that have not (such as the Philippines) continue to see extensive party switching and fragmentation. Such changes have not come without a price, however. Reilly notes that the reduction in the number of parties in Indonesia, for example, has also had the effect of “freezing out” certain minority groups and has tended to reinforce the power of the largest parties (which can afford to establish branches across the archipelago) at the expense of smaller ones. Ideally, though, party system reform over time will encourage the development of centrist, programmatically distinct, and cohesive parties

that will more successfully aggregate voter preferences and promote genuine political competition over policy content rather than personalities.

The final empirical chapter links social diversity to the tendency of Asian political systems to produce oversized cabinets rather than the expected minimal winning coalitions predicted by some political scientists. The results of power sharing within the executive have been something of a mixed bag, however. Reilly notes a pronounced negative correlation between cabinet duration and the degree of power sharing. Expanding cabinet size to cope with socio-cultural diversity has been a less effective solution than advocates of consociational solutions (for whom such power sharing is axiomatic) would probably care to admit. And, while federalism or territorial devolution of power has been debated as a possible solution to social and political diversity, few states in the region have adopted this approach. The only true federation in the region is Malaysia, and that country's federalism has grown weaker rather than stronger over the years, as Kuala Lumpur has sought to reduce the prerogatives enjoyed by the various state governments in terms of lawmaking and revenue sharing.

So, is there a truly "Asian" model of democratic political engineering? Reilly concludes that, in spite of the variety of institutional experiences and reform outcomes in the region, some broad tendencies do emerge. First, many of the countries in the region have experienced social or political difficulties that have increased the demand for institutional reforms: ethnic or political cleavages in Indonesia, the Philippines, Taiwan, Fiji, and elsewhere; historically weak or fragmented political parties in Thailand, South Korea, the Philippines; and excessively personalized or clientelistic electoral systems in many countries throughout the region. These political and social weaknesses, in turn, have created such political "pathologies" as rent-seeking, corruption, vote-buying, and government instability, which, in the context of increased political mobilization and sophistication among newly empowered electorates, have increased incentives for political reform. Such reforms, on average, have focused on reducing the effects of social diversity, promoting more aggregative and programmatic parties, reducing party fragmentation, and (perhaps unintentionally) creating more majoritarian outcomes at the expense of political pluralism.

The only significant shortcoming with Reilly's otherwise excellent book is that it devotes less attention to the roots of some of the political pathologies that institutional reforms have attempted to rectify. He is quite correct in noting, for example, the need for a more stable, less fragmented party system in countries such as Thailand and the Philippines, both of which have long suffered from short-lived, personalistic, and faction-ridden parties that seldom persist for more than a few years. That stable, programmatic, and coherent parties are an essential component of effective democratic governance is widely accepted; however, there are a number of reasons that go beyond poor institutional design for the dismal performance of political parties in these and other countries in

the region. In the case of new democracies such as Indonesia and Timor Leste, few of the political parties have existed long enough to solve informational problems for voters or to have staked out distinctive policy platforms; this problem is compounded by the low levels of voter sophistication and political experience found in the less-developed parts of both countries. Voters cannot hold parties accountable for political failures if they cannot map those failures onto the performance of parties in power. In the Thai case, weak parties are partly due to institutional rules such as multimember districts that have tended to increase the tendency toward factionalism, but they are also the result of more than seven decades of periodic military coups. It is difficult for any organization to develop a grass-roots social base, ideological coherence, and institutional autonomy if the members of that organization cannot be reasonably sure that their group will persist beyond the next three to five years.

Another related weakness in Reilly's analysis is the inadequate attention paid to the idea of institutional change as the outcome of a political struggle between power-maximizing actors. For instance, some prior research on electoral law changes in Western Europe in the late nineteenth and early twentieth centuries has modeled the relationship between mass enfranchisement, political cleavage structures, and electoral law choice, with incumbents' policy preferences and expected strength in a post-reform political environment playing key roles in determining the degree of electoral law reform.<sup>1</sup> Other research on democratic transitions in Eastern Europe also has addressed the strategic competition between governments and opposition and its effects upon constitutional choices—the balance of power at the moment of transition arguably played a central role in the kinds of institutions adopted by the new regimes.<sup>2</sup> Political reforms are grudgingly undertaken by incumbents who benefit from existing arrangements, and usually are undertaken in the wake of political and economic crises (as in Thailand and Indonesia following the 1997 economic meltdown) or as the result of forward-looking political actors seeking to ensure their continued political viability. One gets the sense reading Reilly's book, however, that such calculations were either absent or of secondary importance in the Asia-Pacific region, but this seems unlikely. While this might have extended the scope of the book somewhat, a discussion of the political and strategic contexts of reform would have strengthened the linkages between the analysis of institutional changes in the Asia-Pacific region and prior political engineering projects elsewhere. Of course, one could also argue that Reilly's decision not to emphasize the strategic aspects of reform in the Asia-Pacific region has merely left the door open for further investigations that

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<sup>1</sup> Carlos Boix, "Setting the Rules of the Game: The Choice of Electoral Systems in Advanced Democracies," *American Political Science Review* 93, no.3 (1999): 609-624.

<sup>2</sup> See, for example, Pauline Jones-Luong, "After the Break-up: Institutional Design in Transitional States," *Comparative Political Studies* 33, no.5 (2000): 563-592.

could build upon the solid foundation offered by this book. Those two relatively minor criticisms aside, *Democracy and Diversity* is a valuable addition to our understanding of political competition in the Asia-Pacific region as well as to the broader literature on the effects of political engineering and reform on political outcomes.

