

Adrian Vermeule.

Mechanisms of Democracy: Institutional Design Writ Small

New York: Oxford University Press, 2007. 262 pages.

USD \$49.50 (cloth)

Christopher J. Coyne

Accepted: 14 January 2008 / Published online: 22 January 2008
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In their analysis of the transition from communism to capitalism, Elster et al. (1998) employ the analogy of a ship at sea. Because the ship is already afloat, the crew cannot engage in a wholesale restructuring of the entire vessel. Instead, the crew must make smaller changes and improvements given the existing constraints of being afloat at sea. This analogy captures the motivation behind Adrian Vermeule's *Mechanisms of Democracy: Institutional Design Writ Small*.

Vermeule starts with a straightforward yet complex question—what institutional arrangement should a well-functioning constitutional democracy have? Much of the existing literature seeking an answer to this question focuses on institutional design “writ large” (see for example, Cooter 2002 and Mueller 1996). In other words, these studies focus on large-scale democratic institutions such as the separation of powers and federalism.

However, as the analogy of the ship at sea indicates, oftentimes changes are constrained by existing institutional structures. In many cases, the large-scale foundations of constitutional arrangements are already established. Given these existing constraints, it is Vermeule's contention that focus must shift to institutional design “writ small.” Like the crew making small improvements on the ship, Vermeule argues that there is often room for small-scale, marginal changes in existing political institutions. He notes that in many cases, small changes can have a significant democratizing impact. The aim of *Mechanisms of Democracy* is to explore and analyze small-scale changes and their potential effectiveness under varying conditions.

Vermeule begins his analysis by identifying four core values of democratic constitutionalism. The mechanisms proposed throughout the book seek to advance these core values. The first value is *impartiality* which emphasizes that government agents should not act in a self-interested manner at the expense of the rest of the political community. *Accountability* focuses on the need for government officials to be responsible to the political community

C.J. Coyne (✉)
Department of Economics, West Virginia University, P.O. Box 6025, Morgantown,
WV 26506-6025, USA
e-mail: Chris.Coyne@mail.wvu.edu

for their actions and choices. The value of *transparency* means that members of the political community should be able to observe political decision making. Finally, *deliberation* means that the political process should include the exchange of information, ideas and opinions by government agents and the political community. Although democratic theorists debate the specific nature and limits of each of these values, there is widespread agreement that each is an important aspect of a constitutional democracy.

The analysis of the various mechanisms of institutional design writ-small is broken into three parts. Part I deals with the promotion of the value of impartiality. The goal here is to suppress the self-interested behavior of political officials. Many mechanisms aimed at suppressing self-interested behavior already exist, such as elections, checks and balances, and judicial review. Vermeule's suggested mechanism to further the value of impartiality is the veil of uncertainty. A veil rule is one that creates uncertainty regarding the distribution of costs and benefits resulting from a specific decision. If political officials lack information concerning the personal benefits that will accrue from a specific decision, their ability to engage in self-interested behavior is constrained. Where veil rules are successful, they cause political agents to act as if they are impartial even if they are, in reality, not.

Vermeule identifies four specific mechanisms for implementing the veil of uncertainty. The first is prospectivity, which means that rules should be enacted prior to the emergence of the events those rules are meant to govern. Because political officials cannot possibly know the specifics of future events in the present period, prospective rules overcome many of the problems associated with self-interested behavior. The mechanism of generality forces political officials to make decisions that are broad-based instead of narrow and specific. The underlying idea is that if political agents must make general decisions instead of decisions that impact specific individuals or groups, their ability to act in a self-interested manner is limited. The mechanism of durability means that as rules and decisions become more permanent, decision makers become increasingly uncertain regarding how those decisions will impact their future interests. While a decision may benefit the decision maker in the present period, that same decision may impose significant costs in future periods. If rules are durable over time, it increases the uncertainty regarding long-term benefits that will accrue to the decision maker. One problem with durability is that if decision makers have a high enough discount rate, they will be willing to trade-off the long-term uncertainty for the short-term benefits. The fourth mechanism, delayed effectiveness, aims to correct for this weakness. This mechanism calls for the delayed implementation of decisions in order to lengthen the time horizon of decision makers. In theory, delayed implementation would force political agents to consider the longer-term implication of their decisions since short-term gains would be reduced.

Part II focuses on mechanisms that enhance the accountability of legislative voting. One such mechanism is submajority rules. Much attention has been paid to supermajority rules which require support exceeding a simple majority in order to pass (see for instance Buchanan and Tullock 1962). Vermeule shifts focus from a supermajority to submajority rule where a voting minority has the power to force change in the status quo. According to Vermeule, submajority rules empower minorities to enforce public accountability on majorities who may otherwise discard the minorities' preferences. Submajority rules work best not in cases of final decisions, but rather in procedural situations such as setting institutional agendas. In such instances, a submajority rule can force the majority to at least publicly recognize the minority view in the process of making final decisions.

Absolute majority rules are yet another mechanism for enhancing accountability. Simply categorizing a voting rule as a "majority rule" lacks full specification. The key question

is—a majority of what? Is the majority to be determined with respect to the number of votes cast, the number of eligible voters, or some other benchmark? Vermeule contends that an absolute majority rule where the majority is determined with respect to all eligible voting members is the best means of enhancing accountability. Under a simple majority rule where only those present and voting count, minorities can take advantage of absentee voters to outvote the majority. The absolute majority rule prevents such outcomes by blocking the strategic behavior of minorities which may have narrow interests. As such, this rule enhances accountability by ensuring that the majority maintains control of legislative outcomes even in the face of potential strategic behavior on the part of minority groups.

The third and final part of *Mechanisms of Democracy* provides mechanisms for enhancing transparency and deliberation. In his discussion of transparency, Vermeule focuses on the federal budget process in the US to illuminate his analysis. Vermeule emphasizes that there are both costs and benefits to transparency. On the one hand, transparency can overcome the problems associated with self-interested behaviors. However, increased transparency can also reduce deliberation. Because political officials know that they are being watched by the political community, they may play to the masses instead of focusing on formulating reasonable policies. Moreover, transparency can make dissent costly, especially if it involves taking a high-risk position.

The key to resolving this issue is the identification of mechanisms that recognize this trade-off and maximize the net benefits. Vermeule suggests two mechanisms to optimize transparency. The first is secrecy in the early stages of the process. Early in the budget process, decisions are made regarding the general allocation of funds across categories and functions. At this point in the process, the individual decision makers have little information regarding specific benefits that will accrue to them personally. As such, the need for transparency is weaker because there is less of a chance of self-interested behavior. However, as the budget process progresses, information regarding the specific benefits to individual decision makers becomes increasingly clear. At this point, the benefit of increased transparency increases because it is more likely that self-interested behavior will influence specific budgetary allocations.

The second mechanism proposed by Vermeule is delayed disclosure of the decisions made in the budgetary process. The benefit of delaying disclosure is twofold. First, the information available to special interests will be limited, at least in the short-run. This will prevent interest groups from immediately pressuring political officials during the deliberation process. Second, information is eventually disclosed to the political community at large to enable monitoring of the decisions of political agents.

Mechanisms of Democracy is an important and interesting book. The book will be of particular interest to scholars working in the areas of constitutional political economy and public choice. Some readers may be disappointed that the book is largely suggestive rather than prescriptive. However, Vermeule makes clear that his goal is not to settle contested institutional and democratic issues. Overall, the strengths of the book are significant. The fact that Vermeule draws on a wide variety of tools from across the social sciences will make the book of interest to a wide array of scholars. The book also provides a unique perspective on institutional change by shifting focus to institutional design writ-small. By recognizing the importance of the status quo and existing constraints, Vermeule's analysis provides a valuable complement to the existing literature focusing on institutional design writ-large.

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