

Stability and incorporation: Toward a new concept of party system institutionalization

Party Politics

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Rafael Piñeiro Rodríguez

Universidad Católica del Uruguay, Uruguay

Fernando Rosenblatt

Universidad Diego Portales, Chile

Abstract

Party system institutionalization (PSI) is a critical dimension of modern democracies. However, conventional approaches to institutionalization do not include party systems' ability to adapt and respond to challenges that emanate from society, one of the crucial traits in Huntington's definition of institutionalization. We discuss conventional approaches to the analysis of PSI. Building upon the idea of *social orders* put forth by North, Wallis, and Weingast, we argue that the analysis of institutionalization at the level of party systems must consider the system's ability to provide open access and to include all sectors: that is, the system's ability to incorporate demands that emanate from society. We propose a new conceptualization and operationalization of PSI, and we present a new data set of PSI indicators for 18 Latin American countries. Finally, we analyze the data to assess the level of PSI and type of party system in each Latin American country.

Keywords

conceptualization, incorporation, Latin America, party system institutionalization

Introduction

Over the past three decades, the study of political institutions as rules has helped explicate the dynamics of politics in Latin America. The emphasis on the causal role of political institutions helped foster the autonomy of a nascent Political Science in Latin America. A portion of this neoinstitutionalist literature focused on party system stability (and instability) in the region. The edited volume *Building Democratic Institutions* (Mainwaring and Scully, 1995a) tries to explain the challenges posed by democratic transitions in Latin America and the role institutionalized party systems play in facilitating democratic consolidation. However, the criteria used to define party system institutionalization (PSI) provide an incomplete approach to the study of politics. Subsequent analyses that applied these same criteria to analyze party systems—including analyses of other regions that underwent democratic transitions (e.g. Bielskiak, 2002; Kuenzi and Lambright, 2001)—were similarly inadequate. Mainwaring and Scully, in their attempt to highlight the central role of political variables in explaining

regime transition and consolidation, neglect the central role society plays in determining the nature of parties. This conventional approach to PSI omits what politics governs: societal dynamics and the intrinsic challenges that governing societies present to their respective party systems.

Conventional approaches to institutionalization do not consider party systems' ability to respond to challenges that emanate from society; they attend only to certain characteristics that show stability, that is, just one side of Huntington's (1968) dyad of stability–adaptability. In the

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Corresponding authors:

Fernando Rosenblatt, Escuela de Ciencia Política, Universidad Diego Portales, Ejército 333, Santiago 8370127, Chile.

Email: fernando.rosenblatt@udp.cl

Rafael Piñeiro Rodríguez, Departamento de Ciencias Sociales y Políticas, Universidad Católica del Uruguay, 8 de Octubre 2738, Montevideo, 11600, Uruguay.

Email: rafael.pineiro@ucu.edu.uy

absence of a theory concerning the kind of challenges emanating from society, the observation of party system stability may reflect either of the two opposing scenarios: the lack of any challenge emanating from society or effective response of political organizations to such challenges. Thus, one cannot distinguish whether one is observing a frozen, rigid, or an institutionalized party system. Therefore, conventional approaches to PSI do not inform us about the underlying nature of such stability.

Why is it important to capture the difference between the form of stability associated with rigidity and the form that derives from the capacity to adapt? As an analogy, consider a person moving to a city that experiences a lot of seismic activity and looking to purchase a house. It would be important for the buyer to determine whether a prospective house is an earthquake-resistant structure. Merely observing that the building currently stands does not enable one to make this determination, because while the building may have survived an earthquake and thus shown itself to be resilient, it may also be the case that the building has never experienced an earthquake and thus its structural quality may never have been put to the test. Only the former scenario gives the buyer the information he needs to decide whether to move in. The earthquake-resistant structure is adaptive, that is, it can change itself in response to an external perturbation.

Under democracy, institutionalization, qua stability amid valued rules and organizations, is a dynamic equilibrium. In this article, we discuss conventional approaches to the analysis of PSI. Luna (2014a) provided a very useful discussion of the empirical flaws in the concept of PSI typically used in the literature. Building on his critique, we argue that PSI has not served as an analytically valuable concept due to the lack of theoretical development of the notion of adaptability. This analytical shortcoming differentiates the most recent applications of PSI from the one conceived by Huntington who developed the analytical concept of institutionalization in the light of the challenges of modernization (Huntington, 1968). As argued previously, the literature on institutionalization has not considered party systems' ability to respond to societal and economic challenges, challenges either that the parties themselves endogenously generate or that impact them exogenously. Notwithstanding the lack of conceptual precision in Huntington's definition,¹ later authors' total neglect of the relationship or inherent trade-offs between stability and adaptability was mistaken.

This article seeks to propose a new conceptualization of PSI. To reconcile the notion of adaptability with stability, we include the concept of *incorporation* as a defining attribute of PSI. We build upon the theoretical contribution of North et al. (2009), whose concept of natural states and open-access orders facilitates rethinking the notion of PSI under democracy. A stable party system that is also able to incorporate new demands and interests that

emanate from society is open-access and, hence, adaptable; its open-access nature is what makes this kind of party system adaptable.

The first section discusses conventional approaches to the study of PSI and highlights the theoretical and empirical pitfalls of our current understanding of the phenomenon. The second section briefly details the significance of the notion of adaptability. The third section synthesizes the social order theory of North et al. (2009) as a way to reintroduce the concept of adaptability to the study and problematization of PSI. The fourth section presents the operationalization and empirical measurement of our concept of PSI. The last section discusses the implications of our approach and presents our conclusions.

The intrinsic value of adaptability and the concept of institutionalization

Mainwaring and Scully (1995a) directed a collaborative project analyzing the party systems in Latin America and provided an operational definition for PSI. Subsequent applications used the definition of Mainwaring and Scully and have consequently relied on a normative preference for stability (see, e.g., Bielasiak, 2002; Coppedge, 1998; Kuenzi and Lambright, 2001; Lindberg, 2007).² These different studies share a common understanding of the PSI's substantive meaning. They vary only in the indicators used. In a review article, Mainwaring (2016) states that "An institutionalized party system is one in which a stable set of parties interact regularly in stable ways" (p. 692).

Some have called attention to the conflation of attributes, causes, and consequences of PSI (Luna and Altman, 2011; Zucco, 2010). For example, parties' effectiveness and legitimacy in representing interests—which yields a better quality of democracy—is part of what must be explained and should thus be seen as an effect of PSI. Nonetheless, effectiveness and legitimacy have instead been included as indicators of PSI. Luna (2014a) went even further, claiming that there is no clarity regarding the relationship between attributes and how to aggregate them and their respective indicators (Luna, 2014a: 404).

As conventionally used, the concept of PSI is inadequate to explain the impact of PSI on substantive outcomes. Existing definitions and operationalizations cannot explain the likelihood that a given party system will remain stable. Also they cannot predict whether a given party system will remain a viable and legitimate channel of political representation that contributes positively to democratic consolidation over time. Different studies have found diverging results concerning the effects of PSI on democratic consolidation (Kuenzi and Lambright, 2001; Stockton, 2001; Thames and Robbins, 2007). The Latin American party systems that were most institutionalized in 1995 have suffered severe deterioration over the last 20 years—with Uruguay being the rare exception. The PSI literature's

emphasis on stability provides no clear-cut mechanism to disentangle stability and adaptability over time.

Scholars have associated institutionalization with stability without considering that stability is an outcome that can result from at least two different scenarios: from the lack of any challenge to the system or from the system's ability to adapt to challenges. Scholars have not paid enough attention to party systems' ability to adapt to changing circumstances, which is the most important feature of Huntington's definition (1968). Therefore, little has been said about the social perturbations that challenge stability and the traits that enable party systems to answer these challenges and to remain solid and stable over time. This partially explains the literature's surprisingly weak ability to predict either the different degrees of implosion of formerly stable party systems (Venezuela, Colombia) or the consolidation and strengthening of formerly inchoate or nonexistent party systems (Brazil and Peru). The emphasis on stability has obscured the role of adaptability as an attribute inherently tied to institutionalization. This emphasis has also diverted attention from seeking explanations for how institutionalization is actively perpetuated.

Beyond the literature that solely focuses on PSI, and therefore on stability, other studies considered parties' ability (or inability) to react to economic and societal changes in different structural contexts. Bolleyer and Ruth (2018), Cyr (2017), Levitsky (2003), Lupu (2013, 2014), Murillo (2001), and Roberts (2014) include the interaction between different societal or economic challenges and party organizations' response to these challenges. For example, Levitsky (2003) and Roberts (2014) provide two relevant examples of the inclusion of adaptability as a crucial variable to explain parties' ability to overcome the challenging juncture of the crisis of the ISI model, the debt crisis, and the neoliberal turn. Hunter (2010), in her study of the *Partido dos Trabalhadores* (Workers Party, PT) in Brazil, considers the organizational capacities that enable the party to adapt both to a changing environment and to the challenges of seeking office. In her analysis, she provides evidence of the party's proactive, preemptive agency. Thus, these studies all seek to explain a political organization's capacity to resist and survive or, conversely, its failure to remain relevant. Nevertheless, all these studies are essentially focused on the party organization level.

Huntington defined institutionalization as "... the process by which organizations and procedures acquire value and stability. The level of institutionalization of any political system can be defined by the adaptability, complexity, autonomy, and coherence of its organizations and procedures" (1968: 12).³ In our view, the most crucial aspect of Huntington's definition is the notion that institutionalization is an ongoing capacity to remain stable, which inherently involves the ability to adapt to changing challenges of modernization. The notion of adaptability brings dynamism to the analysis of institutionalization.

Thus, stability is maintained through the ability to continuously adapt. In defining the criteria for political institutionalization, Huntington says, "The more adaptable an organization or procedure is, the more highly institutionalized it is; the less adaptable and more rigid it is, the lower its level of institutionalization. Adaptability is an acquired organizational characteristic" (1968: 13). Huntington's book deals with the disruptions caused by the process of modernization and how they can be reduced. In his perspective, modernization increases participation, risking systemic stability: "Political stability... depends upon the ratio of institutionalization to participation. As political participation increases, the complexity, autonomy, adaptability, and coherence of society's political institutions must also increase if political stability is to be maintained" (Huntington, 1968: 79). Thus, disruptions that ensue from increased participation are mitigated by solid and stable institutions: higher levels of political participation, an intrinsic characteristic of modernization, must be complemented by strong, complex, autonomous institutions (Huntington, 1968: 85).

In order to obtain a better perspective on the evolution of party systems—and even to provide better explanations for the prospective consolidation of inchoate party systems—we must assume that party systems that enable office seekers to engage in collective action of—either to achieve power for its own sake or to achieve policy goals—must remain responsive to the evolving challenges of modernization and development. A study of institutionalization also must assume that challenges vary over time (Stoll, 2013). As many have previously argued, history does not end and distributive conflict over scarce resources persists.

To capture PSI, one must not only observe stability but also understand the factors that shape and nurture party systems' evolution and ongoing importance as channels of representation in the face of ever-changing challenges. In this vein, the analysis should incorporate party systems' ability to respond to societal and economic challenges. Therefore, the analysis of party systems first requires us to conceptualize the kind of challenges that social and economic processes impose on party systems' task of representing and governing societies.

Guidelines for the analysis of PSI

In the 1960s, authors assumed that the challenges confronting political systems in general, and party systems in particular, derived from the process of modernization. Currently, there exists no metatheory that elucidates how societies' general transformations affect political systems. This metatheoretical void exists because the social sciences seem to have abandoned the idea that progress or development is a linear and inescapable process (i.e. the idea that societies necessarily undergo an evolutionary process of change from inferior to superior forms). However, a

significant proportion of the challenges conventionally linked to the modernization process still affect political systems, especially in developing countries, and could be linked to Huntington's main concern; that is, the construction of political order. In this section, we propose a theoretical foundation, based on the idea of social orders (North et al., 2009) as a way to clarify the connection between politics (i.e. party systems) and societal challenges; that is, to clarify the link between adaptability and stability, crucial to the definition of PSI.

When describing open-access orders, North et al. (2009) claim that "... [an order] is not a static social equilibrium, but a way of thinking about societies that face shifting constraints and opportunities in all times and places" (p. 12). In the light of the constant transformation of societies, especially in developing countries that undergo rapid change, institutionalization is a never-ending process, determined by the ability to organize new demands or interests. In the realm of party systems, what accounts for party system stability and the reproduction of such stability (i.e. institutionalization)? As in *open-access* social orders, we claim that PSI occurs when institutions facilitate the organization of new interests, either through the incorporation of new parties that coexist with established organizations or through old parties' ability to channel new demands. Thus, as in open-access orders, there is no exclusion through repression and reproduction of a coalition with enough power to limit access to political representation.

In an institutionalized party system, everyone is incorporated; all actors are theoretically able to form a political party and so have the potential to be represented. The substitution of one governing coalition by another occurs when new coalitions are more efficient and there is creative destruction of existing representational groups. This promotes the constant adaptation of political representation to societal needs. In natural orders—which, for North et al. (2009), includes the vast majority of societies—access is limited and controlled by a governing elite, which reproduces its power through explicit exclusion of sectors without collective action capacity (violence), limiting political participation in decision-making to a few. Party systems that acquire stability through exclusion or repression—as in natural orders—should not be considered institutionalized because they do not incorporate or represent excluded sectors; they are stable only while they maintain the capacity to exclude. This capacity depends not only on the instruments available to the actors in the system but also on excluded groups' capacity remaining constant.

According to North et al. (2009), "The natural state has lasted so long because it aligns the interests of powerful individuals to forge a dominant coalition in such a way that limits violence and makes sustained social interaction possible on a larger scale" (p. 13). In natural orders, party systems can react to challenges of incorporation by reinforcing exclusion or by facilitating the entrance of new

interests and actors. When party systems have a greater capacity for inclusion, they achieve more stability through change (i.e. institutionalization) as new actors acquire greater power in society. PSI in a natural order can help ensure that all relevant interests—or those that at a given point in time become relevant—are included, thus enabling representation to remain aligned with societal challenges.

The way a party system deals with incorporation signals the degree of institutionalization qua adaptation. The capacity to include, instead of repressing or ignoring newly empowered actors, indicates the ability to reduce instability or prevent abrupt changes. Peaceful and incremental incorporation of new actors prevents instability. If the governing coalition includes new interests and actors, it does not need to turn to repression and can avert a situation in which those not included coordinate their actions and challenge the status quo, eventually causing the party system to collapse.

The social orders formulation of North et al. (2009) is a theoretical model that helps explain the challenges facing reproduction of the institutionalization equilibrium. However, its formulation is essentially abstract—as opposed to the classic inductive modernization theory arguments developed by Huntington—and it is thus difficult to conceive how the characteristics of a given social order pose challenges to party systems.

Even though the specific nature of the processes of social transformation change over time, the need to adapt to the challenge of incorporating new interests—previously either excluded or nonexistent—is constant. At present, it is unlikely that formally excluded sectors still exist and push for their inclusion, though it is possible that sectors that are formally included but substantively excluded may emerge as political actors in the light of changes that facilitate their collective action. Also, there can be formally and substantively included sectors whose members change their preferences as a consequence of social transformations and so come to feel no longer represented by political actors (Norris, 1999). In other words, party systems continually face the challenge of incorporating sectors and interests that do not feel adequately represented (either because they are excluded or because of changes in preferences), regardless of the social and political expression of the demand for inclusion.

Alienation, disaffection, and disconnection, as a result of a party system's inability to incorporate, can be latent or manifest. When latent, vast segments of the population are not interested and do not participate in the formal political process. When manifested, it can be expressed in very dissimilar ways such as the emergence of criminal groups that organize sectors of the have-nots, the mobilization of critical citizens, the crystallization of clandestine networks that deliver goods and services, the emergence of antisystemic social and political organizations, and powerful interest groups that control a given market and that seek to alter the status quo in their favor through destabilization of the system. A party system is institutionalized when it achieves

the capacity to organize new interests; the abovementioned examples are not marginal phenomena but, rather, expressions of the lack of this capacity.

Concept building

The concept of PSI can be regarded as a subtype of the more general *party system* concept (Sartori, 1970); the concept of PSI is less abstract than the concept of party system because the former concept contains more attributes, that is, PSI has greater connotation and less extension (denotation). PSI adds to the general notion of party system the feature of stability based on the ability to adapt to exogenous challenges. As Goertz (2006) suggests, to clearly define a concept, one must define both the concept itself and its negative pole, which in our case implies the existence of diminished subtypes. The negative pole of institutionalized (PSI) is an *unstable exclusionary* party system—a system that lacks both stability and the capacity to adapt. Between these two poles, one can observe systems that exhibit one of the two features, for example, ossified systems that exhibit stability without the capacity to adapt or party systems that are inclusive but unstable. We elaborate upon this idea subsequently.

Attributes and conceptual typology

The concept of institutionalization at the party system level comprises two attributes: stability of competing parties and incorporation, which engender a nondisruptive adaptability. Stability of competing parties and incorporation together constitute an institutionalized party system. Thus, two necessary attributes characterize PSI: stability and incorporation (see Figure 1). PSI's attributes belong to the family structure of “necessary and sufficient conditions” (Goertz, 2006).

Our conceptualization helps distinguish stability associated with PSI (adaptation) from stability associated with ossification. The latter is observed when the same political actors of the same political party organizations operate as a cartel that restricts access. This dynamic prevents the incorporation of new demands and interests. In the context of changes in the relative power of existing political groups, stability based on exclusion might lead to abrupt changes in the composition of the party system. Stability associated with PSI occurs when stable political party organizations incorporate new actors, interests, and demands or gradually new political parties take part of the democratic competition, by virtue of their ability to mobilize and win votes. Thus, stability is associated with PSI when it interacts with the second attribute of PSI, incorporation.

Incorporation has both negative and positive components. The former speaks to de jure and de facto barriers to inclusion in the political process, while the latter concerns the degree of citizen engagement with parties. The political process can exclude, de jure or de facto, specific

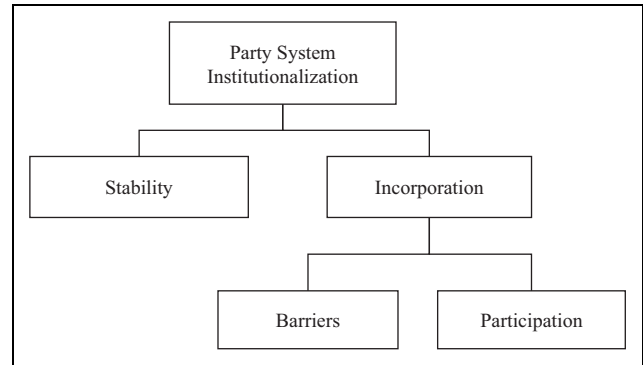


Figure 1. Concept building.

Table 1. Typology of party systems' degree of institutionalization.

		Incorporation	
		Low	High
Stability	High	Ossified	Institutionalized
	Low	Unstable exclusionary	Unstable inclusive

Source: Own construction.

societal groups, preventing their organization and their expression as an available political option. Exclusion can also derive, however, from citizens choosing not to engage with the political process because they feel alienated from the existing competing parties (Downs, 1957). Both forms of exclusion are susceptible to abrupt changes, engendering political instability of the party system. An example of such an abrupt change might entail the following sequence: The legitimacy of an exclusive system becomes increasingly questioned, eventually leading to removal of the barrier to inclusion. The removal of the barrier then boosts incorporation of previously excluded citizens and dramatically transforms the nature of the party system (e.g. changes in party systems after the political incorporation of the masses in the early 20th century). When the competition between parties alienates important sectors of society, new parties or candidates can emerge to challenge the status quo. When there are no formal barriers to inclusion, the positive component is needed to actually observe incorporation: citizens must engage with parties. When this occurs, and parties are stable, PSI is observed.

The possible combinations of the two main attributes of the PSI concept—stability and incorporation—yield the following typology (see Table 1). Our assignment of labels to the different types draws from a rich tradition in party systems literature.

Ossified. This type corresponds to a party system that exhibits high levels of stability, despite low levels of incorporation of societal demands and interests. In this type, we find

the stable old traditional party systems from competitive oligarchies (Dahl, 1971). This type is related to Schedler's conceptualization of *over-institutionalization* (1995). In the 20th century, there are several examples. The epitome of this type is the *Punto Fijo* era in Venezuela (Coppedge, 1994; Morgan, 2011). Other examples include more traditional party systems such as that which existed in Colombia during the *Frente Nacional* (National Front) era, before the early 21st century, or in Chile before the electoral reforms of 2015 (Luna and Altman, 2011).

Institutionalized. In Latin America and in other regions, this type is the rarest (Mainwaring, 2016). This type features both a high level of incorporation and relatively high stability. Relatively high stability implies that brands are stable, though the electoral support for a given party might well change from one election to another. A system can be said to exhibit full incorporation when all significant sectors of society engage in the political process through stable organizations.

Unstable exclusionary. This type combines low levels of stability and incorporation. Thus, there is no system-level dynamic of partisan competition. In this type, we find hegemonic party systems or elitist partisan organizations, à la Roberts (2014), which may only survive for a single electoral cycle.

Unstable inclusive. This type exhibits the combination of high incorporation (i.e. no exclusions and easy access to the political arena) and low levels of stability. In this type, there are very shallow parties that do not mobilize a permanent base of adherents and have no stable electoral support or organizational activities. Thus, very narrow and unstable coalitions are the rule, and a party system comprising inchoate parties is a typical outcome.

Operationalization and measurement

Concept formation not only requires correctly specifying attributes but also requires the fully specifying of how the attributes are measured. This includes the selection of indicators and the measurement level—with special attention to their validity and reliability—(Goertz, 2006; Munck, 2009). There are a variety of different measures one could use. The measures we suggest, and the threshold we suggest for determining the presence or absence of a specific attribute, reflect our effort to capture the importance of the interaction between stability and incorporation in assessing PSI.

Party system stability is measured as the average party age weighted by the combined proportion of House seats held by all parties that have at least 5% of the seats. This measure considers all relatively significant parties in the system.⁴ We assume that there is no significant variation

when the main parties in the system are, on average, more than 50 years old. This implies that, on average, the parties in such a system were born before the Third Wave of democracy and the neoliberal turn (Roberts, 2014). As argued previously, we suggest a concept of institutionalization that emphasizes the party system's capacity to adapt. In this vein, old party systems have undergone more challenging junctures and crises; our concept captures party systems' ability to survive different contextual challenges.⁵

When the average party age is greater than 50 years old, we assign the value 1, the maximum value of the attribute. When the average age of parties in the system is less than 50 years, we divide the average number of years by 50 and use the resulting proportion as the assigned value. As a result, party stability varies between 0 and 1.

We have built a new data set comprising the following information: year (1995, 2005, and 2015), year_of_birth (as self-reported in web pages or official recognition), partyage (age of the party, paying special attention to the continuity of the party when the country suffered a democratic regime breakdown), seats (number of representatives from the party in the House), percentage_of_seats, year_of_election (circa 1995, 2005, and 2015), source_seats (source of the information for the number of seats), and source_birth (source to establish the year of birth of the party).

Incorporation is first measured by barriers to the formation of new parties, exclusion from political influence due to socioeconomic status (SES), and perceived levels of pervasive corruption. Each of these three directly refers to the central idea of incorporation: the ability of the system to include new interests and actors and the degree to which the system can be considered an open-access system. To capture barriers to the formation of new parties, we use the following question from the Varieties of Democracy Project (Coppedge et al., 2016): "How restrictive are the barriers to forming a party?"⁶ If the observed value for country *i* at time *t* is equal to or less than 3, we assign the value 0 (high to moderate barriers to party formation). If the observed value is greater than 3, we compute the assigned value as follows: the observed value (which is between 3 and 4) minus 3. Our intent is to capture how close party systems are to having no barriers (4) when the system has few barriers.

To capture the role of SES condition as a prerequisite for political influence, we use a question from Coppedge et al. (2016) that assesses the distribution of political power as a result of socioeconomic position. The original question is as follows: "Is political power distributed according to socioeconomic position?"⁷ In this case, we divided the observed value from the V-Dem database by 4, to yield a value between 0 and 1. We applied different criteria to the two types of barriers because the former, *barriers to the formation of new parties*, is a more necessary condition for democratic governance and thus the indicator should penalize deviations from the maximum value. The

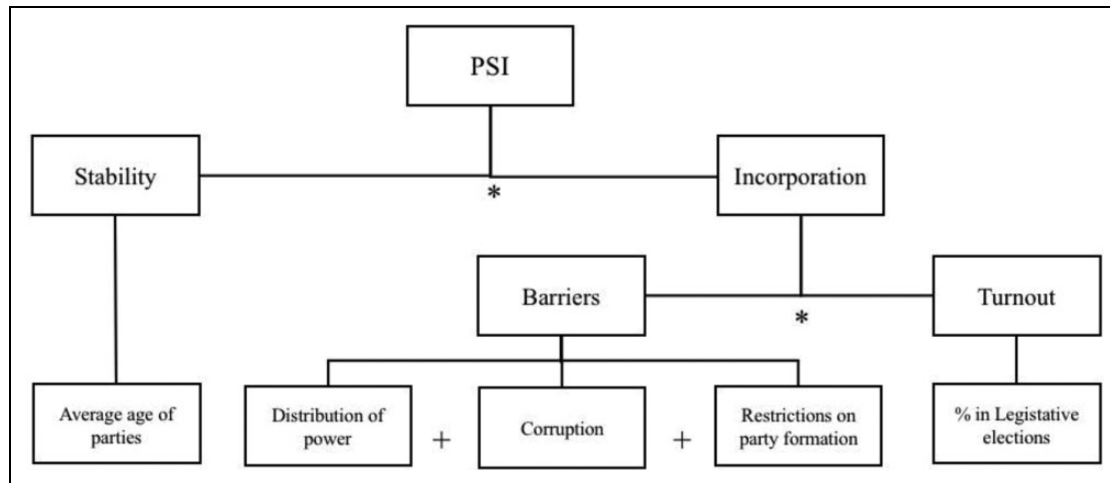


Figure 2. Attributes and indicators of PSI. PSI: party system institutionalization.

indicator *exclusion from political influence due to SES*, while also critical, approximates a sufficient condition of open-access, and thus, we retain the linearized form provided by V-Dem. Finally, to capture the extent of limits to incorporation, that is, barriers, we include a measure of corruption. **Our reasoning is that pervasive corruption is a significant hindrance to open-access.** We use the following question from V-Dem: “How pervasive is political corruption?”⁸ Other measures of exclusion could capture the same conceptual attribute. In other regions, there could be functionally equivalent measure that denote the same attribute, these measures could be added to this index (Goertz, 2006).⁹

Participation is the second component of our incorporation construct. To measure it, we rely on V-Dem’s measure of “Election VAP turnout”¹⁰ for legislative elections. Specifically, we take turnout percentage as our measure of participation.

Aggregation at all levels

To develop a concept that captures the immense challenge that building an institutionalized party system entails, we agree with Luna (2014a) on the need for a conceptual structure comprising necessary and sufficient attributes. This structure uses the interaction (and not a simple addition) of attributes to impute the presence of PSI. Figure 2 illustrates the relationship between indicators and attributes as well as the relationship between levels of the concept. In almost all cases, we assume an interaction between attributes and indicators of the same level. At the second and third levels of the concept, we use the geometric mean to aggregate stability and incorporation and to aggregate barriers and turnout. This aggregation rule implies a low level of substitutability (i.e. a low level of one indicator is not compensated by a high level of another indicator), emphasizing the proximity to the necessary and sufficient

conceptual structure at this level (Goertz, 2006). The geometric mean avoids the potential loss of additional information implied using the “weakest link” logic of aggregation (i.e. minimum) and ensures the multidimensional nature of the concept. For example, this approach helps to discriminate between a system that is unstable and exclusionary and one that is stable and exclusionary. A country in which parties are stable, but in which there are relatively high barriers or in which turnout is depressed, is more institutionalized than a party system in which high barriers and low incorporation are accompanied by low party age. The one exception to our proposed structure of necessary and sufficient conditions occurs for our measures of barriers,¹¹ where we add the measures to obtain an average. We take the simple average to indicate an intermediate level of substitutability between measures.

The aggregate index varies between 0 and 1, where 1 indicates the maximum level of institutionalization. The difference between the maximum and the value observed in a given country *i* at time *t* indicates the accumulated distance of each component indicator from its maximum (all indicators have equal weight).

Observed PSI in Latin America

We applied this conceptualization to data gathered for the following 18 Latin American countries: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela. Table 2 presents the results for each country, following the rules described previously. We measured PSI *circa* 1995, 2005, and 2015.¹² **The results presented in Table 2 are disheartening, though this was expected. Uruguay exhibits the highest level of PSI in all 3 years analyzed here. The worst performers according to our measure in the three observed years essentially correspond to the worst**

Table 2. PSI in Latin America.

Country	1995	2005	2015
Argentina	0.88	0.82	0.79
Bolivia	0.53	0.57	0.38
Brazil	0.49	0.49	0.55
Chile	0.58	0.63	0.67
Colombia	0.63	0.71	0.70
Costa Rica	0.65	0.55	0.60
Dominican Republic	0.58	0.70	0.76
Ecuador	0.67	0.49	0.30
El Salvador	0.39	0.43	0.62
Guatemala	0.26	0.24	0.26
Honduras	0.68	0.68	0.68
Mexico	0.73	0.69	0.67
Nicaragua	0.42	0.68	0.74
Panama	0.33	0.52	0.56
Paraguay	0.60	0.67	0.73
Peru	0.27	0.56	0.27
Uruguay	0.97	0.95	0.96
Venezuela	0.60	0.20	0.25

Source: own construction. All data are available. The data set is available at <http://www.icso.cl/investigadores/fernando-rosenblatt/>
 Note: PSI: party system institutionalization.

performers in the analyses of Jones (2005) and of Mainwaring and Scully (1995b).¹³

The chief contribution of our measurement is twofold: First, it is simple and easy to replicate. Second, it captures the process that each party system undergoes. This means that our measure of PSI coincides with the existing narratives concerning the evolution of Latin American party systems. In the case of Chile, for example, the country received its lowest score in 1995 and its highest score in 2015—circa the end of the “golden years” of the *Concertación* (Concertation, a center-left coalition). Low turnout penalizes a system that already suffers from barriers to inclusion. This is in line with current depictions of the

Chilean party system (Luna, 2014b; Luna and Altman, 2011). The Chilean party system increased its level of PSI but never reached the levels of the highest achieving countries. Costa Rica is another example of a process of party system degradation that our measure captures. The country achieved its highest PSI score in 1995. This coincides with the end of the brief two-party system era (1983–1998), a period characterized by stability and high levels of political engagement (Hernández Naranjo, 2009; Lehoucq, 2012). In the subsequent years, Costa Rica’s PSI levels decreased—with the collapse of the *Partido Unidad Social Cristiana* (Social Christian Unity Party, PUSC) and decreasing electoral turnout (Lehoucq, 2005; Vargas Culléll, 2007). Brazil’s PSI score increased across the 20-year period, consistent with the literature (Zucco, 2010; Zucco, 2015). However, Brazil also never reached the level of the highest achieving countries. In the case of Mexico, the observed decrease from 1995 to 2005 captures the thawing of the hegemonic Partido Revolucionario Institucional (PRI, Institutional Revolutionary Party) rule and then, in 2015, further deterioration brought on by a decline of incorporation (i.e. higher barriers and more exclusion by SES—see Online Supplementary Material).

Figure 3 shows the observed values for the two constitutive dimensions of PSI for each country in 1995, 2005, and 2015. We have divided each panel (i.e. each year) to clearly illustrate how cases are classified in the conceptual typology presented earlier. Each type corresponds to one quadrant of a panel. If the measure of PSI had considered only stability, as has been the rule in the literature, many countries would be classified as having achieved a high level of PSI. However, the party systems in these various countries differ greatly; our measure of the dimension of incorporation captures such differences between, on the one hand, countries whose systems are not open and so cannot channel demands that emanate from society—for example, the “ossified party systems” of Paraguay, México,

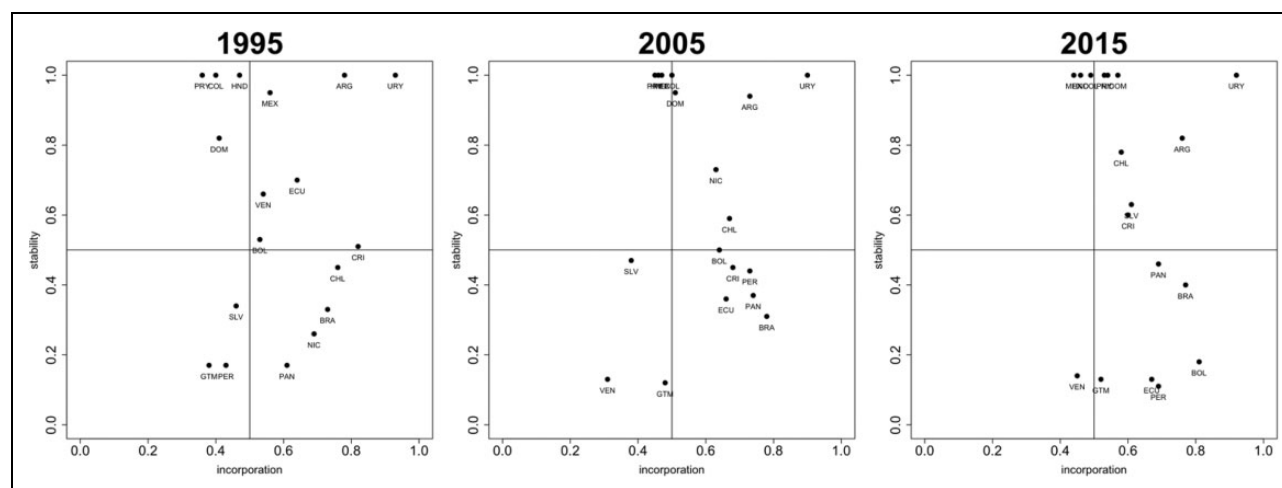


Figure 3. Measures of PSI dimensions by country in 1995, 2005, and 2015. PSI: party system institutionalization.

Dominican Republic, Colombia, and Honduras—and, on the other hand, countries whose systems are not only stable but also open, that is, the “institutionalized” Uruguayan party system. Also, the three panels show that few Latin American countries are classified as the “Unstable Exclusionary” type. This implies that there have been advances in the region in terms of incorporation. This period from 1995 to 2015 coincides with the so-called “left turn” in Latin America (Castañeda and Morales, 2008; Levitsky and Roberts, 2011; Weyland et al., 2010). Nevertheless, greater incorporation has not yet produced gains in terms of stability, as we can see in Bolivia and Brazil. We have labeled these cases “Unstable Inclusive.” Finally, the analysis of the two PSI dimensions also captures the setbacks to incorporation and stability that have occurred in cases such as Ecuador and Venezuela.

Discussion and concluding remarks

For democratic governance to survive and be of high quality, PSI is needed. Developing democracies need to build stable and valued party systems to channel democratic representation. Regardless of the challenges posed by the environment, relevant interests and social preferences have to be channeled through political organizations to make democracy work. In this vein, the incorporation of new sectors and demands that emanate from a dynamic, changing society poses a constant challenge. A political system’s ability to adapt is intimately linked with its capacity to incorporate, not merely in formal or legal terms as in the past, but substantively. In contrast, a party system that exhibits stability but cannot channel representation is prone to collapse when new political or social agents acquire the resources to mobilize demands. The bias in the political science literature toward conceiving institutionalization merely as stability obscures this analytical distinction.

This problematic bias is related to the desire to find exclusively political explanations of political phenomena. While this approach has helped to explain certain important aspects of politics (e.g. the challenges of democratic transition and the importance of building stable patterns of competition between parties and their commitment to democracy), it fails to capture the challenges that society poses to parties. Even though some authors in the party system literature have analyzed the impact of specific socioeconomic changes—particularly economic crises—on parties’ stability, the notion of adaptability as a general necessary condition for PSI has remained inadequately theorized. This is the critical difference between the institutionalism literature of the 1990s and Huntington’s approach to institutionalization. As argued earlier, the main analytical value of Huntington’s concept of institutionalization was its ability to

capture the capacity of political systems to adapt to the combined challenges of modernization and complexity.

The appeal of the notion of institutionalization explicated in the *Building Democratic Institutions* volume resides in the usefulness of its index. The concept and operationalization developed by Mainwaring and Scully (1995b) have helped scholars to rank different party systems in terms of their levels of institutionalization. In this regard, new conceptualizations and theories concerning the meaning of institutionalization must be coupled with new indicators and new measures that can be used to compare countries and party systems. What sort of indicators would signal that the level of institutionalization in a particular country is low? As the Venezuelan case taught us, hyperstability, indicating a frozen system with very low levels of electoral competition (Schedler, 1995), is a good departure point. Some might argue that in the early 1990s, certain European and Latin American party systems showed levels of partisan stability and electoral competition similar to Venezuela, but this claim is not valid. Electoral volatility, although a decent and *inexpensive* measure of institutionalization, has serious difficulties capturing alienation or exclusion. Volatility does not mean the same thing in all cases. In unequal societies, for example, a low level of electoral volatility, in combination with low levels of political engagement and participation, does not necessarily indicate a high level of institutionalization. Rather, low voter turnout, a low level of registered voters, or a high level of null and blank votes (in systems with compulsory voting) may indicate that existing political organizations alienate rather than channel citizens’ preferences.¹⁴ Additionally, extra- and intrasystemic electoral volatilities are different phenomena conflated by the same indicator (Sánchez, 2009). While intrasystemic volatility indicates a process of realignment, extrasystemic volatility—that is, votes that change every election to newcomers who will disappear in the next election, like flash parties (Mustillo, 2007)—shows the classical instability associated with low levels of institutionalization.

In this article, we have suggested a new conceptualization of PSI, one that, as with the original definition of institutionalization, places equal importance on the dimensions of both stability and adaptability. Given the bias in the literature toward privileging the former dimension, we have sought to emphasize and clarify the latter. In this vein, we related the idea of incorporation to the notion of open-access orders, advanced by North et al. (2009). We have conceptualized incorporation as comprising both (1) the absence of barriers to the incorporation of citizens’ demands for equal treatment and (2) turnout, as a measure of “positive” incorporation.

Given that most developing democracies struggle with unstable party systems and political instability, the policy implication of this theoretical discussion is that reforms should be oriented toward promoting party systems’

capacity to incorporate new interests; that is, the system has to provide channels through which new agents can voice their demands. This might imply opposing policies that promote stability per se (i.e. that freeze the party system). Efforts should focus on building and strengthening institutions oriented toward increasing access to the system for new actors, interests, and preferences.

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ORCID iD

Fernando Rosenblatt  <http://orcid.org/0000-0002-6033-3793>

Supplemental material

Supplementary material for this article is available online

Notes

1. Especially because Huntington did not fully characterize the relationship between stability and adaptability.
2. The clustered occurrence of transitions to democracy during the third wave of democratization led scholars studying party system institutionalization (PSI) in Asia and Africa to use the Latin American standard. For their goals, this convention was fortunate because in societal contexts where data were scarce, more demanding conceptualizations would have made it impossible to measure PSI.
3. It could be argued that the root of the problematic association of institutionalization with stability resides in Huntington's use of the idea that institutionalization is a process in which organizations acquire value, implying that parties may reach a point where continued value is ensured.
4. On average, for all elections, these parties represent 89.3% of all seats. The largest party omitted had, on average, 2.5% of the seats.
5. The conventional use of electoral volatility as an indicator of stability masks important differences; high volatility can result from the successful emergence of new parties or from the realignment of existing, and thus well-established, parties (see Tavits, 2008, Sánchez, 2009, and Luna, 2014a).

6. In V-Dem, the variable is coded as follows: 0: Parties are not allowed. 1: It is impossible, or virtually impossible, for parties not affiliated with the government to form (legally). 2: There are significant obstacles (e.g. party leaders face high levels of regular political harassment by authorities). 3: There are modest barriers (e.g. party leaders face occasional political harassment by authorities). 4: There are no substantial barriers.
7. In V-Dem, the variable is coded as follows: 0: Wealthy people enjoy a virtual monopoly on political power; average and poorer people have almost no influence. 1: Wealthy people enjoy a dominant hold on political power; people of average income have little say; and poorer people have essentially no influence. 2: Wealthy people have a very strong hold on political power; people of average or poorer income have some degree of influence but only on issues that matter less for wealthy people. 3: Wealthy people have more political power than others, but people of average income have almost as much influence and poor people also have a significant degree of political power. 4: Wealthy people have no more political power than those whose economic status is average or poor; political power is more or less equally distributed across economic groups.
8. We have inverted the measure because, originally, it was computed from "less" to "more" corruption.
9. The use of functional equivalents should be introduced respecting the same conceptual structure, using a clear substitutability criterion between measures of the same attribute.
10. VAP means voting age population.
11. The three indicators refer to three independent aspects, and the presence of any one indicator is sufficient to impute the presence of barriers to incorporation.
12. We measured PSI in these years to capture the neoliberal wave (1995), 2005 to capture the aftermath of the neoliberal wave, and 2015 because is the most recent year with available data.
13. A unified table with the three PSI measures is presented in the Online Supplementary Material.
14. In developing countries, low turnout and low levels of registered voters are predominantly associated with poverty and indicate alienation of the have-nots (e.g. those who reside in the urban periphery of metropolitan areas or in isolated areas). In these scenarios, political organizations are not able to incorporate significant collective identities, groups, and interests, other than the formal urban sector and middle and upper classes.

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Author biographies

Rafael Piñeiro Rodríguez received PhD degree in political science from PUC-Chile. He is an Assistant Professor at the Departamento de Ciencias Sociales y Políticas, Universidad Católica del Uruguay. He has published in *Latin American Politics and Society*, *Latin American Research Review*, *Journal of Democracy*, *Política y Gobierno*, *Revista de Ciencia Política*, among others.

Fernando Rosenblatt received PhD degree in political science from PUC-Chile. He is an Associate Professor at the Escuela de Ciencia Política, Universidad Diego Portales, Chile. He has published in *Latin American Politics and Society*, *Latin American Research Review*, *Democratization*, *Política y Gobierno*, and *Revista de Ciencia Política*. His book on party organizations was published by Oxford University Press.