The Baltic Sea Region
Cultures, Politics, Societies
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1. The Institutional Design

The crucial role played by political institutions in upholding a democratic government was acknowledged as early as in the 18th century by the French philosopher Montesquieu (1689-1755). Ever since Montesquieu, great attention has been paid to institutional, rather than social, economic or cultural, explanations of political results. For example, the electoral system's great impact on the number and types of political parties has been proven by extensive research. Of course, institutional design does not explain all of the workings of democratic government. Real power is often vested in hands that are not fully restricted by formal rules; however, this taken into account, institutions certainly do matter.

Since there exists no single formula of how a democratic political system should be structured, the specific institutional design of each of the world's democracies varies. Some institutions, however, are common to all democracies. They all hold elections, for example, although the electoral system can be quite different in character. All democracies also need some kind of representative bodies, normally a legislative and an executive assembly – but there is no given answer to the question whether the representative system should be parliamentary or presidential. There are also different kinds of power distribution between centre and locality; there are federations and there are unitary states, the latter being divided into systems of relatively autonomous local self-government and of fused central and local authorities. The object of this and the following chapter is to give a brief survey of these institutional variations in the Baltic region, in democratic theory, as well as in practice.

2. Electoral Systems

The free and fair election is a cornerstone of every democracy. The design of electoral systems and electoral laws can vary immensely and different systems have different effects on politics and party structures. The most basic distinction is the difference between plurality elections and proportional representation. The plurality system is based on territorial representation, and the candidate that receives the majority of the votes becomes the representative of that constituency. Notable examples of this system are Great Britain and the USA, where the leading candidate is elected on the first and only ballot (the so called “first past the post” system).

The major virtue of the plurality method is that it normally produces clear-cut majorities in parliament and, by this, strong and stable governments. This in turn is believed to promote general political stability. Due to the fact that the plurality vote tends to give a distinct out-
come in terms of winners and losers, elections normally have a direct impact on the formation of government and what policies are to be pursued. Accordingly, in the case of widespread disappointment with the incumbent government’s performance among the citizens, they can easily vote the party in power out of office. This way the plurality formula strengthens political accountability.

The basic premise of proportional representation is that the diversity of opinions in society should be reflected in the key political bodies. The system uses different techniques to allocate seats in proportion to the number of votes that the contesting parties or candidates receive. A common procedure is that the vote is cast for a party’s list of candidates, the so-called list system. In most cases the voter can also express support for individual candidates on the party list, but since it takes a majority to change the ranking order this seldom has any effect.

Examples of this method are found in Denmark, Norway and Sweden, while in the Finnish list system, the voter can influence the selection of party candidates a great deal since the vote is cast for a specific candidate. Estonia and Latvia also used the proportional list system in their general elections in 1992 and 1993. Lithuania used a mixed system, adopted from Germany: 70 of the 141 members of parliament were selected through the proportional formula, while the other half (71 members) was elected by a majority vote in single-member constituencies. The new parliament in Russia was elected in late 1993 with a mixed method similar to the one in Lithuania. Half of the members in the Duma (the lower chamber) were elected from party lists on the proportional basis, and the remaining 225 were elected by the majority formula in single-seat constituencies.

The parliaments of the Baltic States have a 5 (Estonia) or 4 (Latvia and Lithuania) percent threshold to keep small parties out. This is a common feature to prevent deadlock and weak assemblies under the proportional system. In Poland, the electoral system has been changed several times since the elections of 1989. An extremely proportional method was used in 1991 and the result was fragmentation of the Polish parliament, resulting in 29 parties and coalitions. A 5 percent threshold for parties, and 8 for election coalitions, was introduced a few months ahead of the elections to the lower chamber, the Sejm, in September 1993. In the elections to the upper chamber, the Senat, the majority formula was used.

With the proportional formula, all political inter-

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**The Plurality System**
(Winner takes all in single-member constituencies.)
In each constituency the candidate belonging to the party receiving the highest number of votes gets elected. For example, if Party A gets 60% of the votes, Party B 25% and Party C 15%, the candidate belonging to Party A gets elected in that constituency.

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<th>Party A</th>
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**The Proportional System**
Each party gets seats in the parliament in proportional to their share of the total number of votes. For example, if Party A gets 46% of the votes in a country, and there are 100 seats in parliament, that party gets 46 seats.

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Figure 90. Two basic forms of electoral systems. Ill.: Karin Hallgren
ests and corresponding parties, small and large alike, are given the same chance of being represented in relation to the votes they have received. This greater fairness (in terms of equal opportunity) is presumed to contribute to the legitimacy of the democratic process. However, compared to the plurality system proportional representation certainly exhibits some obvious drawbacks. Proportional elections are usually less decisive with respect to forming a government. With many relatively small parties represented, the formation of a cabinet often becomes a hazardous business, where the game of inter-party bargaining may be more crucial than the electoral “message” from the voters. For the same reason, governments are overall weaker and far less long-lived under the proportional formula. On the other hand, the advocates of proportional representation can point to a number of merits of this system. Providing good prospects of representation also for minority groups and new political tendencies, the system is more inclusive and responsive in a broader sense than the plurality method. Thus, it is believed to reduce potential conflicts and turmoil in society and to enhance political order. Furthermore, electoral turnout is generally higher under proportional representation. The reason is that this formula makes it possible to present a broader range of real alternatives to the voters, which increases the incentives to take part. In a more fragmented party system, which tends to come with proportional representation, the ties between parties and various groups in society in general are closer which makes people feel greater identity with one of the parties that are running.

3. Presidential vs. Parliamentary Government

The parliamentary and the presidential systems are two alternative forms of representative government in a democracy. The former is characterised by the unity of legislative and executive powers, the latter by an institutional “separation of powers”. In parliamentarism, governmental power is grounded on legislative power; the chief executive of that power is the prime minister together with his cabinet colleagues, who must enjoy the support of parliament. In a presidential government the head of the government is the president, who is elected by the people for a fixed term. In the United States of America, the best example of an ideal-type presidential system, the members of the cabinet are chosen by the president and are politically responsible to him only.

To characterise the distinctive features of the presidential system as being a “separation of legislative and executive power” is rather misleading, however. In parliamentary systems, too, there exists an institutional separation of responsibilities between the legislative assembly and the executive. This separation varies of course from one democracy to another, some hav-
ing more active and influential assemblies, others having parliaments of more reactive and responding nature – to give just one example of existing differences. But some general characteristics of the functions of the assembly and those of the executive might still be outlined. One of the main features of the elected assembly in a democracy is its representative function: the parliament “stands for” the people, and acts for them. Furthermore, the elected assembly is often called “the legislature”, thus indicating its authority to make laws; the assembly generally determines the size of tax revenues and public spending. Finally, it plays a decisive role in the scrutiny of the exercise of power. The executive, on the other hand, can be characterised as the main seat of authoritative power in society. It provides broad direction of national policy, and supervises the policy implementation.

4. Executives in the Baltic Region

The predominant type of executive in the old democracies of Western Europe is the parliamentary system. In the Baltic Region, this is best exemplified by Sweden, Norway and Denmark. The relation between the parliament and the executive in these countries is simple and clear-cut: the executive is subject to parliamentary confidence, yet has the power to dissolve the parliament. In Finland, the situation is somewhat more complex. Finland is something of a special case in the Scandinavian context, in that it combines elements of both presidential and parliamentary government in a unique, balanced fashion. The Finnish president is elected by direct vote of the people for a six-year term. He commands considerable constitutional power, more so than any other elected head of state in Western Europe. For the purpose of “general government” the country has a cabinet, called the Council of State, which, according to the express provision contained in the constitution, must enjoy the support and confidence of the parliament. Headed by the prime minister, the members of the cabinet are normally selected from amongst the majority parties in parliament. Thus, the Finnish mode of democratic government, including both a popularly elected president who presides for a fixed term and an executive subject to parliamentary confidence, might be described as a “semi-presidential” system.

A similarly mixed system is laid down in the Lithuanian constitution of 1992. The Lithuanian citizens elect their president directly, for a five-year term. Therefore, he or she has far greater authority than his or her colleagues in Latvia and Estonia. Unlike the Finnish president, however, the Lithuanian president is restricted in power by the possibility of a newly elected Seimas (the Lithuanian parliament) dismissing the president; such a decision, however, must be taken by a three-fifths majority within 30 days of the parliament’s first session.

Another example of semi-presidentialism is the Russian constitution adopted in late 1993, seemingly lending the former president Boris Yeltsin the most extensive presidential powers in the region. He appointed the cabinet, and could dissolve the parliament – however, not until a year after parlia-

Figure 92. Prominent Lithuanian politicians (from the right): Valdas Adamkus, Algirdas Brazauskas, Vytautas Landsbergis. Photo: Alfred F. Majewicz
mentary elections. Furthermore, the power of the Russian parliament to remove the cabinet was circumscribed by a complicated procedure of non-confidence voting, and the president’s authority to govern by decree seemed to be far-reaching. The constitution is, however, utterly vague in some aspects, and it is still difficult to predict what the future of Russian semi-presidentialism holds in store. In the 1990s, the power of the Russian regions and their governors has been strengthened, but the power of the president undoubtedly remains extensive.

The presidents of Estonia and Latvia, as mentioned above, lack the extensive authorities of their neighbouring counterparts. They are not popularly elected, but appointed by the parliament. The first Estonian president after independence was, however, supposed to be popularly elected in 1992. But since no candidate received an absolute majority of the votes, the decision was handed over to parliament. The parliamentary system in Latvia and Estonia is similar to the one in Germany, where the president, as head of state, mainly performs formal and ceremonial duties. However, this does not necessarily imply that the presidents in these countries lack political importance entirely. In Germany, for example, the struggle to be elected president can be both harsh and competitive, as the high symbolic prestige of the office goes to the party with the winning candidate. In particular the role of Lennart Meri, Estonian president until 2001, has often been considered to be more important than could be expected from his constitutional obligations alone.

5. Pro and Contra Presidentialism

Assessing the advantages and drawbacks of presidential and parliamentary systems is a matter of great dispute among scholars. Strong sides, as well as main flaws, of both systems have been pointed out. In favour of presidentialism one usually points to the ability of this system to make the executive directly accountable to the people. Presidential systems tend to maximise the connection between the choices made by the electorate at the ballot box and the ability of the policy-makers to meet the voters’ expectations, whereas the voter in a parliamentary system (especially if proportional representation is being used) has a rather vague idea as to what kind of government will be formed after the election. Also, presidential systems lend themselves more easily than parliamentary ones to crisis leadership.

The other side of this argument, however, is the difficulty to remove an incapable or unpopular government in the presidential systems, due to the fixed term of election. With the option of a no-confidence vote, the parliamentary system provides for a more flexible institutional means of executive replacement. The rigidity, which comes with the fixed term, entails the risk of getting a majority of the legislature representing a political opinion opposed to the president, thus creating political stalemate and an institutional rivalry between the executive and the legislature. In popular presidential elections, one could argue further against presidentialism, the winning candidate gains all power and prestige, while the loser is left empty-handed. Under such circumstances the political life may become a zero-sum game, marked by hard polarisation and destabilisation of the government. In the worst scenario, the president, taking advantage of the personalisation of the power vested in his mandate, may slide into authoritarian habits.

Thus the proponents of the parliamentary system argue that presidentialism endangers democratic stability – or even that it has proved to be the detriment of democracy. If this turns out to be true, the future of a number of reborn East European democracies is at stake. However, in a comprehensive work on the subject, two scholars strongly refute this stand. They argue, first, that when looking at history, there is no discernible pattern as to whether presidential or parliamentary systems promote stable democracy. An examination of all the cases of democratic breakdown during the 20th century shows that there are numerous
examples of both regime types deteriorating into authoritarian rule. Second, the arguments against pure presidentialism do not necessarily hold true for the mixed systems of semi-presidentialism. When, for example, the executive is subject to parliamentary – not presidential – confidence, the temporal rigidity and the potential for an institutional conflict between the executive and parliament could be avoided (Shugart & Carey 1992). Accordingly, in systems like for example the Lithuanian or Polish one, the shortcomings of presidential rule could be mitigated.

The Finnish Presidency

Jaakko Nousiainen

During eighty years, from 1919 to 2000 Finland was governed within the framework of a mixed constitution that combined strong presidency and party-based parliamentary government. In political practice, there was considerable fluctuation over time in the relative weight of presidential vs. parliamentary power. As a general rule, the prime minister and his cabinet were responsible for the day-to-day management of the country, but the president, by virtue of the enormous prestige he traditionally enjoyed, had supreme authority.

Since the early 1980s government stability has increased considerably: broad majority coalitions remain in power for the life of the parliament (four years between general elections), and the premiership has developed into a real and effective leadership role. Political diffusion has been supplanted by a strong sense of consensus, and the Finnish sort of parliamentarism has become the most stable among the Nordic countries, at least in its external aspects. With this development pressures increased, especially in the parliament, for a constitutional reform and a ‘redistribution’ of power within the state. Subsequently, the preparation of the reform proceeded very quickly and in a most consensual atmosphere. Parliament approved Finland’s new constitution almost unanimously, and the president ratified it to come into force on 1 March 2000.

The central elements of the reform, as far as the position of the head of state is concerned, can be summed as follows:

- In the process of government formation the president becomes a secondary actor, because parliament now elects the prime minister after discussions among the various parliamentary groups.
- The president no longer ‘determines the relations of Finland with foreign powers’, but the president shall exercise foreign policy leadership in close association with the government. European affairs belong basically to the cabinet’s and prime minister’s jurisdiction.
- The power to issue decrees is transferred mainly to the cabinet. The government drafts the bills submitted to parliament for approval, and the president’s right to refuse ratification has been restricted.
- The president of the republic appoints only a small number of top civil servants.
- The president makes his or her decisions, with very few exceptions, in the council of state (cabinet meeting) and on the cabinet’s proposition. The president is more strictly than before tied to the cabinet’s position.

The new constitution will act as a buffer, preventing the reoccurrence of the presidential activism of the 1960s and 1970s, and the political climate is amenable to the further development of the parliamentary modes of operation. It is a natural expectation that the strengthening of the parliament-government axis and the reduction of the president’s powers will distance the head of state from the everyday policy-making and emphasise his or her role as a support of the sitting government, a moderator in conflicts and a mirror of the popular opinion.

The new president Social Democrat Tarja Halonen took office simultaneously with the new constitution coming into force. She recently characterized her role by saying that as a head of state she will be ‘constitutional, firm and cooperative’. This can be taken as an allusion that she will not refrain from using her constitutional powers independently in specific situations, but at the same time she acknowledges the intensified role of the prime minister and the cabinet in national decision-making.
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