Institutional Innovation and the Steering of Conflicts in Latin America

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Chapter One

Introduction: Institutional Innovation and the Steering of Conflicts in Latin America

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Introduction

Few would dispute that conflict is a troubling constant in Latin America, with instances ranging from bloody civil wars in El Salvador and Guatemala to less violent yet persistent street protests in Argentina, Bolivia and, more puzzlingly and recently, Brazil and Chile. Tangible and pragmatic issues that affect living conditions – such as political freedoms, equal rights, the quality of public services and socioeconomic concerns – underlie the contentious actions in the region. Additionally, neoliberal economic adjustment (Brysk and Wise 1997; Yashar 1998), nongovernmental support for the concerns of indigenous people (Keck and Sikkink 1998) and parallel constitutional changes (Van Cott 2002) have triggered a sort of 'ethnic revival', opening up further the spectrum of conflict dimensions in the region. Hence, we can trace back conflicts to, at least, two roots: distributional and identity. The latter is clearly related to economic inequality: The former to rights recognition. Both are pervasive and durable and both relate to demands for inclusion.

It is undeniable that as democracy swept across most countries in Latin America in the 1980s, it has assuaged political demands by offering a variety of channels and instruments for citizens to participate in the political process. Still, the problems linger on. Therefore, distributional and identity conflicts pose a significant challenge to the architecture of political institutions in Latin America.

Furthermore, increasing disenchantment with politics (Lechner 1991; Munck 1993) and recurrent economic crises have shifted interest to the institutional origins of these troubles, calling attention to putative deficiencies in institutions. Consequently, how institutions are designed and redesigned to address conflicts has received little attention in Latin America. Hence, theoretical inquiry should not only consider how institutions present solutions for social and economic problems, but also how they are moulded, changed, reconstructed in face of conflicts.

This concern with the quality of institutions is not unique to Latin America (Acemouglu and Robinson 2012). It confronts political science research with the following dilemma about institutional causality: How can we disentangle institutional performance from the effects that policy problems and solutions (Kingdom 2003), crisis and failure (Carpenter 2010) as well as feedback effects (Pierson 1993) and critical junctures (Collier and Collier 1991) exert on

institutions themselves? Relatedly, how to understand the resiliency of failed institutional designs, which consistently produce sub-optimal outcomes? Lock-in effects seem powerful and first moves decisive (Collier and Collier 1991; Pierson 1993), as both generate increasing returns to scale. The important role of veto players in constraining the set of alternatives also merits consideration (Tsebelis 1995). However, as both political dissatisfaction and economic crises, in turn, impair the motivational and material foundations of institutional arrangements, we are left in a sort of inextricable theoretical conundrum. This raises the question whether institutional adjustment and change is possible and, more broadly, if it is possible to isolate the independent role of institutional design to absorb and process conflict. Likewise, it urges us to ponder about the ontological nature of conflicts: conflicts may not necessarily entail a Hobbesian state of war, they are a dimension of diversity and pluralism in democracy and peace and thus institutional arrangements can be defined through conflict processes which are driven by unequal power relations. Institutions are solutions to original conflicts, but are also molded by divergence among institutional architects, as they are built, rebuilt and destroyed. This of course adds new layers of complexity and possibilities of a theoretical endogeneity trap. We argue that these analytical challenges merit further theoretical and empirical consideration.

This book seeks to open the institutional *Pandora box* of conflict management and trains its focus on two central questions. The first is: To what degree do Latin American political contexts create a viable space for institutional design – making design feasible and legitimate? The second, and concomitant, is: What kind of processes tend to make institutional *architects* able to exploit such available space to address conflict management innovatively? Our point of departure is that institutions are primarily conflict-solving entities and that they create greater regularity in individual and social behaviour than would be found without the existence of those institutions. Without denying the merits of the path-breaking Northian heuristic characterisation of institutions as rules of the game devised to reduce uncertainties in human interactions (North 1990), we argue that institutions are set to be much more than that: institutions do (and should) emerge and are eventually in time redesigned to meet human necessities. They are endogenous to human action and desire (Przeworski 2004). In light of the pending social and economic challenges in most of Latin America, institutional designers are confronted with the fact that nothing within the institutions inherently guarantees that conflict is processed in ways that tackle distributive and ethnic inequalities in the region.

In this vein, this book contributes to theorising about how institutions and conflicts are related. Our goal is to sketch pathways through which a constellation of factors aligns to generate a model linking institutional emergence, continuity and change with different types of conflicts in society. Ultimately, we advance a theoretical approach that maps how institutions affect and are affected by social and economic conflict, attempting to clarify the ambiguous and complex relationship between conflict and institutional design. Our emphasis, however, is on the institutional side of this complicated equation.

We start by defining institutions and distinguishing between distinct interpretations of what institutions mean and include. Overall, we see institutions as entities aimed at solving complex, collective problems. We then focus on two characteristics of institutions: strength and weakness. In general, the literature argues that strong institutions are desirable, as they are legitimate, durable, adaptable, complex, bounded. However, strong institutions can be seen as cages that lock-in perverse effects on society, controlling but not solving problems that originally generated social conflicts. We also argue that so-called weak institutions may be an opportunity for change. As weak institutions are less complex, less effective and less legitimate, they are easier to reform and more porous to channel changes proposed by new agendas or unresolved conflicts. Hence, our focus is on how institutions are designed (emergence and innovation), redesigned (change) or resilient (continuity) based on how they are affected by conflicts. Unresolved or new conflicts generate incentives for institution building and reform. Institutional resilience, on the other hand, may occur because some benefit from the existing architecture, be they the original institutional engineers or new beneficiaries.

Historically speaking, institutional design has not been kind to Latin American changing realities and resulting cleavages. Many Latin American countries deliberately modelled their political orders on that of the United States, mostly its constitution. In turn, the ensuing gap between doctrine and reality has revealed the limits of institutional import (Weyland 2009). Specifically, formal political institutions in the United States were purposefully designed to inhibit strong political action and to limit the power of the government to such an extent that they were dysfunctional to the levels of social conflict and increasing levels of structural inequality in Latin America. Likewise, both the Washington Consensus and the parallel decentralisation campaign advocated by international agencies rendered a legacy of institutional reforms that have been increasingly questioned (on democratic governance, see Gibson 2012; on corruption, see Treisman 2002). Overambitious institutional import thus underscores the frequent divergence between formal rules, on the one hand, and actual behaviour and the informal mechanisms guiding it, on the other. Herein lie some of the fundamental roots of the institutional weaknesses in the region in coping with conflict, leading to earlier democratic breakdowns and currently to increasing levels of political apathy and related crises of representation (Dominguez 1997; Hochstetler and Friedman 2008; Mainwaring, Bejarano and Leongomez 2006).

Explaining Institutional Solutions to Conflicts

This book subscribes the fundamental spirit of the 'New Institutionalism' scholarship and its explanations of economic and political change in terms of how institutions interact with individual actors and the broader economic and social environment to reduce uncertainty and thus tackle conflicts inherent to institutional solutions and lack thereof. Still, it casts doubt on the validity and applicability of some tenets of this paradigmatic compass of institutional research. In a nutshell, the budding cottage industry on institutional research drawing on this scholarship

shares the basic idea that the initial choices made early in the process of institution building will have a continuing, fairly determinant influence over subsequent choices, far into the future. The practical theoretical and empirical limitations of this rather disappointingly, simple analytical blueprint is compounded by the functionalist bias that underlies it.[1] Borrowing from Pierson (2000: 475), 'the explanation of institutional forms is to be found in their functional consequences for those who create them'.

The tautological potential of this understanding of institutions lies underneath Jack Knight's (1992) *Institutions and Social Conflict*. Amounting to perhaps the most seminal and systematic treatment on the institutional underpinnings of conflict dynamics, Knight's study sets out to reject unrealistic functionalist arguments, claiming that power asymmetries among actors beget institutional designs that are simply instruments of those in favourable bargaining positions. While sometimes collective benefits result from institutional innovation, the extension of bargaining asymmetries and, thus self-interested considerations, are of primary importance for understanding institutional design. Still, this apparently robust theory of spontaneous and decentralised emergence and functioning of institutions falls short of plotting how institutions, once established as enforceable rules, constrain individual choice. More worrisomely, from the vantage point of this volume, Knight's analysis overlooks the feedback mechanism through which institutions affect resource asymmetries, which is part and parcel of the obstacles to address conflicts in developing polities. Especially, if we consider that in Latin American countries, people's economic achievements, as well as their cultural and territorial rights, are significantly conditioned by their circumstances, not their choices.

The second school of thought on how institutional design affects conflict management relates to the ground-breaking contribution of Arend Lijphart. His theory of consociationalism offers concrete treads on how practices to bridge political, economic and ethnic elites may well become worthy instruments of governance in polities with multiple cleavages (Lijphart 1968). Yet, these top-down institutional arrangements have been questioned insofar as oftentimes they end up exacerbating ethnic and territorial grievances and putatively leading to instability and violence as well as inhibiting meaningful and substantive democratic progression. Useful as this theory is in taking for granted the existence of conflict and rivalry among distinct communities for cultural, economic and social goods, consociationalism has had limited explanatory power for conflict-ridden developing countries. On practical grounds, this arrangement predicates on the cooperation of elites representing conflicting interests, but plotting elite cooperation is precisely the problem of most divided societies. In normative democratic terms, it amounts to a sort of model of exclusionary democracy requiring a high degree of elite autonomy from their constituencies (Wilsford 2000: 2).

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1. The school of rational choice institutionalism intrinsically advocates a view of institutions as systems of rules and inducements in which the behaviour of utility-maximising individuals must be coordinated and /or restrained (Bates 1981).

Alternatively, the consociational option renders a non-territorial solution to political conflicts. In intensely divided societies that seek to avoid civil wars and political violence, the stakes are too high to conduct politics as a zero-sum game. Originally conceived as an institutional solution based on power-sharing for overcoming ethnic, religious and language divisions (Lijphart 1968), consociationalism has also been regarded as a viable instrument in Latin American countries such as Colombia and Uruguay where political power has been historically disputed by opposing partisan groups. In this vein, consociationalism advances cooperation between elites representing all segments of society, rendering a form of governance that encompasses executive, or at least collegial, power-sharing by means of a grand coalition for overcoming patronage concerns as well as distributive demands.

In Latin America, consociationalism has been used mainly to illustrate Colombia's coalition regime of 1958 after an extended period of political violence and military rule (Hartlyn 1988). Still, considering the subsequent guerrilla insurgency and drug trade challenge, it is hardly a poster child solution for sustainable conflict management. Similarly, Venezuela has incorporated consociational features as a result of the Punto Fijo agreement followed by four decades of institutional stability. The virtual collapse of its party systems and the beginning of the Chavez era cast doubt nonetheless on the long-term prospect of such cartel arrangement. Consequently, this begets the question whether there might be more legitimate and effective institutional arrangements at lower levels of the conflict dimensions pillars than the elite level in the Latin American context.

The Notion of a Conflict

A variety of meanings can be found in the political science literature on conflict. In large part, its definition entails a Hobbesian-minded approach focused on the unrelenting incompatibility of actors' goals based on their interests and resources, leading to domestic political unrest and grievances or interstate, international, confrontation. An alternative approach sees conflict both as the origin and 'leitmotiv' of politics and as a powerful instrument of government that all regimes must resort to (Schattschneider 1957). Another possibility is to look at the evolutionary nature of conflicts, identifying their genesis, periods of escalation and thresholds of explosion. This study, however, takes a much simpler and thinner approach to conflicts. Our idea of conflict relates to the disagreement among individuals and social groups that obstructs the sorting out and tackling of the key developmental challenges in a political system, namely the challenges that entail distributive and ethnic/identity implications. More often than not, these conflicts operate in a zero-sum dynamics largely due to significant gaps among actors in their access to material and reputational resources. Herein, in its developmental consequences, lies the crux of such conflicts and their political corollaries. Likewise, we do not endorse normative positions on conflicts, whether they are part and parcel of politics itself or they rather lacerate human coexistence. In our approach to the subject, conflicts embody the visible and tangible dimensions of central developmental

problems, whose solutions are disputed and contested by individuals, groups and organisations. In this regard, our understanding draws its basic insights from the classic literature on cleavages, insofar as said developmental problems may lead to conflict, but these problems need not always be attended by conflict. [2]

In this vein, we are primarily interested in two major types of conflict: distributional and ethnic/identity. Distributional conflicts refer basically to issues of resource allocation in society, mostly but not exclusively related to fiscal policy. The concern is with the dispute over the authoritative allocation of public, collective resources. Conflicts around ethnic and identity issues refer mostly to rights recognition and access to the law. Understood broadly, these two types of conflict can be seen as the predominant ones in Latin America. Both types of conflict are related to issues of inclusion and inequality, but not limited to them. Both also are deeply ingrained in Latin American history and neither of easy solution. What is more, these conflict scenarios are sometimes intertwined, hampering the drawing of precise conceptual boundaries, as can be seen in decentralisation debates in Bolivia and indigenous rights in Ecuador.

Based on our understanding of institutions as arrangements to solve social, political and economic dilemmas that spur conflicts, we must consider the potential impacts of distinct institutional traits and trajectories in solving or attenuating these conflicts. Thus, we claim that it is of essence to think about not only how institutions are moulded by conflict but also how they affect prevailing forms of conflict. That said, and considering that cooperation is necessary for crafting acceptable and legitimate agreements, what are the 'mechanics' of the institutional underpinnings of conflict solutions? At this stage, we opt for talking about the mechanisms rather than the underlying causes of institutional performance because of the putative reciprocal effects we have discussed above, hence the jury is still out on the issue of causality and institutional genesis of conflict management. In fact, we are sceptical that there will ever be decisive evidence about causal primacy on this matter. We will go back to the mechanics of the argument once we lay out the institutional parameters shaping conflict management.

Unpacking Institutional Blueprints: The Paradox of 'Strong' and 'Weak' Designs

As mentioned before, we define institutions as human devised entities aimed at solving complex, collective problems and, consequently, addressing existing, latent or imminent conflicts that may arise in society. This definition is purposely broad as we wish to consider as political institutions the formal rules of the game, the official procedures in a political system, the organisations embedded in these rules and based on procedures (including political parties, legislatures,

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2. The seminal characterisation of cleavages by Rae and Taylor (1970: 1) is that 'cleavages are the criteria which divide members of a community or subcommunity into groups, and the relevant cleavages are those which divide members into groups with important political differences at specific times and places'. Thus, we see cleavages as dimensions of potential political conflict.

governmental agencies, bureaucracies), and the informal norms that steer behaviour. In this light, we look at how institutions originate, change, persist, and survive in the process of addressing distributive and identity conflicts. Hence, the focus is on two specific traits of institutions: weakness and strength. We define a weak institution as one that political actors and elites can unilaterally manipulate and modify its guiding principles and rules to their own strategic and material benefit. Conversely, a strong institution is one whose guiding principles and rules are entrenched in the terms in which such an institution was originally designed and survives in an equilibrium that cannot be unilaterally altered. That said, as we will explain thereafter, strong designs are not always desirable Pareto-optimising equilibriums, whereas weak designs may engender windows of opportunity for innovative institutional solutions.

The concept of institutional strength is widely used but often poorly defined in the literature on comparative politics and political economy. Characterisations range from a Weberian understanding of state institutions as the monopolist of legitimate violence and protectors of private property rights (Milgrom *et al.* 1990; Weingast 1995) to their ability to penetrate deeply into society and effectively regulate social, economic, or political behaviour of citizens (Evans 1995; Huntington 1968; Levi 1988). Institutional strength has been associated with ideational innovation (Weir 1992), 'veto points' or 'strategic openings' (Immergut 1990) and implementation capacity (Wildavsky 1980). While most of these perspectives share some tacit understanding about the significance and causal role of political institutions, they seldom refer explicitly to the notion of institutional strength nor identify its concrete and measurable indicators.

To fill this analytical vacuum, the concept of institutionalisation has been often employed as a proxy of institutional strength, mostly drawing on Samuel Huntington's definition of institutionalisation as 'the process by which organisations and procedures acquire value and stability' (Huntington 1968: 12). In the same vein, North (1990: 3) claims that institutions reassert themselves by 'providing a structure to everyday life', generating a scenario that is not easily modified. These heuristic characterisations have, however, translated into more rigorous and precise scrutiny in research on legislatures and political parties. First, building on the seminal study by Nelson Polsby (1968) on the US Congress, analysts have shown that legislatures institutionalise through professionalisation, namely when boundaries for roles, internal complexity and universalistic criteria are well established (Cooper and Brady 1981; Squire 1992). In addition, institutional constraints preclude cyclical majorities, generating stability and explaining different actors' power to influence choices, as the likes of Tullock, Shepsle and Weingast, among many others who focus on social choice and legislative politics, have consistently shown time and again. Second, party institutionalisation takes place when 'citizens and organised interests must perceive that parties and elections are the means of determining who governs, and that the electoral process and parties are accorded legitimacy' (Mainwaring and Scully 1995: 14). Institutionalisation then connotes the process of consolidating a democracy and presages responsible policymaking. Agreement among actors about the rules of

the game as the only one in town become essential to the consolidation of an institutional arrangement and begets the question of legitimacy, or support. This strand of research marks the discussion on the problems of democratic transition and consolidation, a path breaking agenda that is too vast to cite here but includes a roster of scholars who actually moulded the practice of political science in Latin America, including Juan Linz, Guillermo O'Donnell, Alfred Stepan, Laurence Whitehead, Adam Przeworski, Fabio Wanderley Reis, among others. Put simply, while the scholarship on institutionalisation diverges in the object of study, there is one factor it agrees upon: insofar as institutionalisation amounts to ascertaining and entrenching the 'rules of the game', it is adjoined by positive developments and performance. The bottom line of this research strand (and the above is certainly a very limited list of it) is that the more institutionalised an organisation or set of rules are (be it Congress, political parties, the executive branch, the presidency, a political regime), the more likely these institutions are to impose order and to effectively influence policy decisions and political outcomes. They gain an aura of exogeneity: of causal primacy over outcomes.

Levitsky and Murillo (2009) provide perhaps the clearest characterisation of institutional strength. They identify enforcement and stability as two central dimensions to assess institutional strength. Accordingly, formal institutional arrangements that persist in substance and over time are deemed strong. In practice, this suggests that when said arrangements withstand adversity and endure, actors and groups become increasingly aware of the effect of institutional rules on their interest and, concomitantly, learn how to organise to cope with institutional effects, even the unintended ones. Thus, when institutional arrangements persist and they reasonably survive crises and changes of government, actors invest in skills and organisation thereby raising the cost of institutional replacement. This is the type of institutional dynamics that transpires when key actors, protected by institutional veto points, control the process of institutional adjustment. For instance, despite the results of the US Presidential election of 2000 having been publicly questioned because the candidate that received the most votes was not elected, no major institutional recalibration occurred. The underlying reason is that a constitutional revision would need the approval of the small states uninterested in such reform as a direct popular vote would eventually diminish their actual clout. Thus, enforceable and stable arrangements do not necessarily induce Pareto-optimal outcomes.

We argue that understanding the types of institutional changes, their likelihood, and the motivations that generate changes becomes key to understanding processes of institutionalisation. In fact, the process of change itself, how it takes place, who participates, what is kept and what is removed, tells us enormously about the evolution of an institution. If change is accompanied by improvements in the functioning of the institution in meeting its objectives, which is a clear definition of efficacy, and of doing so economically, then a clear definition of efficiency than just change means institutionalisation. If an institution changes to reduce conflict and becomes accepted, we can talk about a consolidated (institutionalised) institutional framework. If an institution lingers on, but always as a source of

renewed conflict, always being criticised and change is rejected by a small number of powerful veto players, this is the type of perverse institutional design that does not attenuate conflict and insists in existing due to vested interests or a possible and legitimate concern of reformers with the unanticipated effects of institutional engineering.

Accordingly, we contrast two research agendas on institutional design that identify the context affecting how institutional arrangements emerge and survive to generate collective benefits, each led by some fundamental understanding of the consequences that path dependence has in institutional analysis. In so doing, this book inquires about the theoretical implications of a prevalent conventional wisdom on the deleterious consequences of institutional weakness in developing countries (Acemoglu and Robinson 2001; Bates 1981; Rodrik 1999). The main lesson of these works is that in institutionally weak societies, elites and politicians will find various ways of expropriating collective goods and rents of different sectors of the society, via different policies. We object to this characterisation and argue that seemingly strong institutional arrangements may 'lock-in' previous decisions in perverse and Pareto-suboptimal ways. By the same token, inchoate and ostensibly weak institutional designs may engender ideational innovations that foster conflict-solving patterns. Painting in broad strokes, we identify two institutional constellations:

1. *The dark side of 'strong' institutional designs*: This scenario draws attention to the pervasiveness of early choices and the ensuing perils of deadlocking malfunctioning institutions. The argument goes that institutions, be they weak or strong, can at times undermine the normative purposes for which they were created in the first place. What is more, strong, historically persistent, institutional arrangements have unintended distortionary distributional consequences that extant institutionalist research often fails to acknowledge. The main contention is that transaction costs and related public policy approaches overstate the merits of equilibrium models of institutional persistence. In fact, the aspects being praised by equilibrium models of institutional persistence may ultimately compound deadlocked and perennially malfunctioning political arrangements.

Arguably, the 'weak institutions cum policy decay' thesis actually overlooks instances of perverse institutionalisation of political power, namely when groups and entities holding political power at a certain point in time have strong incentives to manipulate institutional arrangements to protect their interests in the future. One prominent illustration of the above is the manipulation of territorial institutional design, which results from the political empowerment of particular subnational units, usually transpiring as legislative overrepresentation (malapportionment). Beyond the substantial and deleterious consequences of malapportionment on the quality of the political system (estrangement between executive and legislative branches, weakening of progressive forces and bolstering of patronage-dependent forces), it is thought to have distributive and welfare-detrimental consequences. As

overrepresented, often economically poor and transfer-dependent, jurisdictions are aware of their strategic advantages as more affordable coalition partners than more-expensive-to-co-opt, they are institutionally endowed to extract resources from the national government with little concern for the potential impact of their economic decisions on the polity as a whole. This political empowerment of peripheral jurisdictions has also significantly funnelled the fate of fiscal decentralisation in some Latin American federations. For instance, while Argentina has one of the most fiscally decentralised system in terms of the spending powers of provinces, the revenue responsibility and authority lies mostly at the national government level. In such an institutional scenario, peripheral provinces, mostly unpopulated and hence overrepresented, have used their political clout to perpetuate revenue centralisation, releasing them from the political costs of revenue collection, which has encouraged soft-budget constraints of gargantuan proportions at the subnational level (Jones, Sanguinetti and Tommasi 2000). The fiscal correlate of this representational arrangement is the disjuncture between national-level fiscal priorities and subnational-level overspending, which contributed to Argentina's 2001 economic crisis, the worst since the Great Depression of the 1930s.

Worrisomely, this representational bias looms large as one of the most difficult-to-amend institutional arrangements because special majorities (or dictatorial decrees like in Argentina and Chile) are required to make the necessary statutory or, even worse, constitutional adjustments. The underlying reason is that such revisions would need the approval of the overrepresented states uninterested in such reform. A cursory look at Samuels and Snyder's (2001: 662) list of worldwide malapportionment in upper chambers hints at the entrenchment of this institutional arrangement in the region: among the first twenty-five countries listed, ten are Latin American cases. Let alone that Argentina, Brazil, Bolivia and Dominican Republic, respectively, rank highest in such a worldwide list.

Another example of strong institutional design relates to the adoption of electoral rules and reforms of electoral systems. Similarly, and based on their difficult-to-amend nature, electoral systems are not evolving independently from overriding conflicts. For instance, despite the adoption of proportional representation (PR) which is often regarded as a democratising exercise aimed at opening the political competition to partisan forces representing the poor and minorities, the literature has posited that strategical considerations were the decisive influence, as a response either to economic transformations or changes in the broader political environment as the source of political anxiety among right wing politicians (Boix 1999; Rokkan 1970). A cursory glimpse at the Latin American experience reveals that by 1900 most countries in the region resorted to majoritarian representation and that by the middle of twentieth century a considerable number of countries shifted to PR. Among these experiences, the Brazilian case deserves special attention. Since its inception in 1932, the

adoption of the PR system, as Ricci and Zulini show in this book, had been justified by a discourse about protecting minorities but it has, nevertheless, increased the chances that traditional political forces gained representation in the Chamber of Deputies, thus bolstering the political representation of those forces opposed to the opening of political spaces to the weak sectors. When we consider the subsequent splintering and patronage-enhancing effects of PR and its open-list component (Ames 2001), it is possible to argue that overall PR prompted something of conservative sort of governance, which hampered the ability of the country's political leadership to transcend patronage politics and develop coherent policies suitable for addressing social inequality until the coming of the 1988 Constitution.

The above having been said, while institutional designs that are deemed strong often lock-in malfunctioning, conflict-ridden political interaction, it is necessary to consider some exceptions. If we accept the above-mentioned Levitsky and Murillo's (2009) typological characterisation of enforcement and stability to understand institutional strength, the Coparticipation in Uruguay, albeit informal in nature, has proven to be a fairly resilient arrangement that, because of its routinisation, has emerged as a sort of collegial co-government where the opposition is consulted and included in the most decisive critical decisions in the country.

2. *The promise of 'weak' becoming institutions*: Drawing on an increasingly influential literature on ideational innovation (Grindle 2000; Hall 1992; Weir 1992), this perspective looks at institutional entrepreneurs, emphasising agency and the 'practical authority' capital (Abers and Keck 2013) that institution builders engender when starting from scratch to breathe life into new institutional design.

This perspective builds upon a two-pronged strategy to analyse institutional change and innovation. First, the political and institutional environment creates opportunities for institutional evolution. In particular and counter-intuitively, we advance the idea that prior institutional weakness promotes chances for change. Institutions that haven't gained legitimacy or deep roots or haven't become complex and specialised, are easier prey for change. Second, institutional evolution and rearrangements only occur when real-life political actors and stakeholders engage in practices and adopt strategies that lead to modifications in institutional designs, governmental agencies and policy programmes. For change to occur, individuals and groups must act, must be motivated and must acquire influence and power so as to modify institutions. Hence, the strategies institutional engineers and architects use to change rules and organisations from within are also vital for understanding how modifications in institutional frameworks actually occur.

James Mahoney and Kathleen Thelen pioneered the conceptualisation of types of institutional change and their driving forces. In 'A Theory of