

Democratic Institutions and Subjective Well-Being*

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This draft: February 11, 2015

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Abstract

We examine how choices about institutional design affect life satisfaction across the industrial democracies. Previous studies have examined the relationship between democratic institutions and several indirect measures of well-being, but to our knowledge no major study to date has investigated the effects on quality of life directly. Using both individual and aggregate-level data for OECD countries from 1981 to 2008, we find robust evidence that citizens report living more satisfying lives in countries with a parliamentary (rather than presidential) executive, a proportional representation electoral system (as opposed to single member districts), and a unitary (rather than federal) governmental structure. Moreover, we find that the real world consequences for these types of democratic institutions for human well-being are substantial, rivaling or exceeding other common predictors. We conclude with a discussion of the practical and theoretical implications of the results.

Keywords: subjective well-being, life satisfaction, comparative institutions, democratic theory

While the endorsement of abstract democratic principles is nearly universal among modern scholars of politics, profound disagreement remains over how best to institutionalize the practice of democracy. With the more recent development of a serious social science research program in empirical democratic theory dating back to at least Schumpeter (1942) and the early behavioralists (e.g., Dahl 1956), attention has increasingly been devoted to understanding the tangible, real world consequences not only of questions from the canon of traditional democratic thought, but to more immediate questions of institutional and constitutional design (e.g., Lijphart 1984). This literature has proven to be one of the most vibrant and successful in political science, as seen (among many other examples) in debates over presidential vs. parliamentary systems, proportional representation (in its various forms) vs. single member districts, and, particularly relevant to current world trends, unitary vs. federal governmental structures (e.g., Sartori 1997; Lijphart 2012).

The fact that there is debate on each of these (and other) poles of institutional design speaks to a lack of consensus on the consequences of each type of institutional choice. This may in part reflect ideological or theoretical differences in which model of democracy we prefer, as reflected, say, in the dichotomies of “Madisonian” vs. “populist” democracy (Dahl 1956) or, as Riker (1982) prefers, in “liberalism vs. populism,” to say nothing of many other forms (see Held 1996). Assessments of different types of institutional features, nonetheless, have come to reflect not merely preferences over the ultimate nature of what democracy should or can be (given our political values or our theoretical appraisal of preference aggregation), but, more simply, what the tangible, direct, and immediate consequences for political outcomes, and thus, human life are under different institutional schemes. There is thus a vast and growing literature on the real world consequences of each type of institutional choice across a range of outcomes, ranging

from political stability and regime survival, to quality of governance, to fiscal implications, and a host of other issues (for a general discussions, see, for example, Gerring and Thacker 2008).

What is conspicuously lacking from the literature are attempts to transcend argumentation on how different types of institutions affect particular dimensions of democratic performance – whose consequences for the quality of human life are in any event themselves passionately disputed – and instead focus on what many would argue to be the final variable interest: the degree to which human beings lead lives that they find positive and rewarding. Surely, whatever the consequences of institutional design are for the myriad of issues they have been argued to affect (typically without lack of consensus as to whether or how much), and however intrinsically important those issues may be, in the end we care about institutions principally because we believe that they ultimately have consequences for the quality of human life itself.

In this paper, we attempt such an analysis by considering the effects of different types of democratic institutions on subjective well-being (SWB). Simply put, we ask whether, and to what extent, different ways of institutionalizing representative democracy determine the overall quality of human life, “using the extent to which people actually enjoy being alive as the appropriate evaluative metric” (Pacek 2008, 237). This type of empirical investigation is now possible because of the development of a sophisticated literature devoted to the study of life satisfaction. With the refinement of the tools necessary to measure with reasonable reliability and validity how people evaluate the quality of their lives, we are capable of measuring subjective well-being in a rigorous fashion, theorizing about the concrete conditions that determine such

differences, and testing the resulting empirical predictions (for reviews, see Frey and Stutzer 2002; Radcliff, 2013).¹

Democratic Institutions and Human Well-Being

The evident scholarly approval of democracy becomes elusive when we turn to the discussion of what precise particular democratic institutions and arrangements are best for human flourishing. Few would disagree with the contention that the most prominent scholarship in democratic theory confirms that the “best” type of democracy remains a hotly debated question.² Ultimately, debates among democratic theorists boil down to pro and con arguments about certain concrete institutional arrangements. In our view, the literature suggests three types of institutional arrangements that are both particularly contested and of particular practical importance: (1) the type of executive regime (parliamentary vs. presidential), (2) the type of electoral system

¹ A voluminous literature has documented that conventional survey items utilized to measure subjective well-being are generally reliable and valid (for a detailed discussion, see Radcliff 2013, chapter 4). After an exhaustive review, Veenhoven (1996, 4) concludes that any misgivings about measurement “can be discarded.” Similarly, the collective evidence strongly endorses the proposition that linguistic or cultural barriers (including social pressures for over- or under-reporting satisfaction) do not meaningfully detract from our ability to make cross-national comparison (Inglehart 1990; Veenhoven 1996, 1997a, 1997b). Another literature, again conveniently summarized by Veenhoven (2002), convincingly argues for the theoretical appropriateness of subjective measures of quality of life, such as satisfaction, as opposed to purely objective indicators (such as income or other measures of consumption).

² In our review of the literature, nearly every scholar staked out a position on a preferred constellation of democratic institutions; see, for example, Lijphart (2012), Przeworski (2010), Cheibub (2007), Colomer (2001), Przeworski et al (2000), Held (1996), Hadenius (1992), Sartori (1987), Dahl (1971).

(proportional representation vs. single member districts), and (3) the structure of government (unitary vs. federal).³

These different methods of institutionalizing democracy may lead to different outcomes for human well-being through three principal mechanisms. The first and most obvious relates to the effectiveness (or fairness) of such institutions in fulfilling their immediate and most literal ostensible purpose: to translate public preferences into public policies. We might profitably conceive of this function as successfully institutionalizing popular sovereignty. As this process is primarily done through representative institutions, we label this mechanism *representational quality*. Always a feature of concern to students of democracy, this issue has recently become a major issue within empirical democratic theory, as evidenced most clearly by the work in the tradition of Bartels (2008), Flavin (2012), Griffin and Newman (2008), and Gilens (2012). While this work is centered on the question of how well different classes (or genders, minority groups, etc.) are represented, it points toward a wider theoretical concern with the extent to which the democratic process successfully represents the interests or preferences of citizens. This process may operate at a largely symbolic level, such that people are more satisfied with their lives because they believe that the political system represents them, as the literature on satisfaction with democracy implies (see Dahlberg et al. 2013), but may also (and more critically) manifest itself in a substantive gap between interests and outcomes that affects the material conditions of life (Veenhoven 2000). We presume that, other things being equal, an institutional arrangement

³ This particular combination of dimensions is consistent with previous studies. For example, it was explicitly used by Owen et al. (2008) to show how democracy is positively associated with individual levels of well-being, and Foweraker and Landman (2002) to explain different levels of democratic performance.

that better represents citizens' interests and preferences will be more constant with human well-being (for a discussion, see Frey and Stutzer 2000a; 2000b, 2000c; also see Tavits 2008).

A second and related mechanism is what is sometimes conceived of as the *quality of government* (or the quality of “governance”), meaning the extent to which the state functions in an efficient, transparent, and lawful fashion ((Rothstein and Teorell 2008; Huther and Shah 2005; LaPorta et al. 1999; Adserà et al. 2003; Rothstein 2014). As a matter of principle, such matters are about the state per se, and thus are not strictly about democracy (as they relate primarily to the quality of administration, not its legitimacy), but it is certainly possible that different types of democratic institutions encourage or discourage “good government.” For instance, corruption or clientelism might flourish more under some institutional arrangements than others. Extending this argument, we might also speculate that some institutions encourage the state to not only be professional and efficient, but for its organs (from bureaucrats to the police) to more consistently treat citizens with dignity and respect. Surely those states that enjoy an efficient and fair administration of the law are likely to enjoy a higher quality of life, as previous research confirms (e.g., Rothstein 2010; Helliwell 2003; Haller and Hadler 2006; Munck 2005).

The third and perhaps most important way in which the way democracy is institutionalized can affect quality of life is through effects on *public policy*. Radcliff (e.g., 2001, 2005, 2013) has provided strong evidence in favor of an intimate connection between a nation's public policy regime and the happiness of citizens. This work argues that citizens' life satisfaction varies directly with the size and generosity of the welfare state, the total amount of social spending, the overall size of government, labor market regulations that protect the interests of workers, labor union density, and (independently) a history of rule by left parties. These

regularities are supported by other recent empirical work on subjective well-being (e.g., Kohler and Böhnke 2007; Ono and Schultz Lee 2013; Flavin et al. 2011, 2014; Álvarez-Díaz et al. 2010; Bok 2010; Graham and Pettinato 2005) as well as a large body of theoretical literature on the welfare state (e.g., Huber and Stephens 2001; Pribble 2013). A convenient summary of this literature is provided by Okulicz-Kozaryn, Holmes, and Avery (2014), who themselves also find strong evidence in support of the contention that social democratic policies promote happiness:

Political scientists tend to equate liberal or left-wing governments with increased well-being...believing that the lack of welfare and over reliance on the free market will result in lower SWB. For example, Esping-Andersen (1990) argued that “the market becomes to the worker a prison within which it is imperative to behave as a commodity in order to survive” (p. 36). In this regard, lower SWB can be expected when workers perceive themselves to be commodities (Easterlin, 2009). Additionally, Lane (2000) contended that because markets are indifferent to the fate of individuals, SWB should be less when there is no safety net protecting citizens from economic hardships. More liberal governments tend to take greater efforts to ensure better health care, public education, and pension systems and do more to protect their citizens from the externalities (e.g., unemployment) of the market economy (Bok, 2010; Scruggs & Allan, 2006). They also actively seek to reduce income inequality that is commonly linked to poor health, crime, and overall misery among citizens (Wilkinson & Pickett, 2006). It is important to note that no government can fully eliminate adverse conditions, but more liberal governments tend to do more to shield citizens by providing a buffer against these hardships and their impact on SWB (Helliwell and Huang, 2008).

In sum, the ideological orientation of governments would appear to be powerful determinants of the quality of life. To the extent that different constellations of democratic institutions tend to help produce such ideological differences, they will themselves be important causes of cross-national differences in well-being.⁴

⁴ Different institutional arrangements may also tend to produce other policy outcomes that affect life satisfaction. An obvious example might be social capital, whose connection to happiness is well documented (Helliwell and Putnam (2004); Helliwell and Huang (2008); Helliwell and Barrington-Leigh (2010); Helliwell et al. (2013)). As the production of social capital is affected by institutions (Kumlin and Rothstein 2005), these institutions clearly affect well-being through this mechanism. At the same time,

Given the complexity of the issues involved, and the intense scholarly disagreement over the relative merits of each dimension, we take a decidedly agnostic approach about how they might relate to our ultimate interest: citizens' assessments of the quality of their own lives. Thus, instead of taking an *ex ante* position about how we expect each dimension to affect SWB, we detail arguments on both sides for each of the three dimensions. The fact that such a strategy is required, in light of the absence of anything approaching consensus on the human consequences of different institutional practices, precisely illustrates the need for the present study. In what follows, we endeavor to articulate how, theoretically, alternative methods of institutionalizing democracy affect human well-being via their effects on representational quality, quality of government, and public policy.

Type of Executive Regime

In a parliamentary regime, the executive branch derives its democratic legitimacy from, and is held accountable to, the legislative branch. If divergent and strong differences occur between the executive and legislative, the government can be ended by a vote of non-confidence and replaced by either a new governing coalition or a call for new elections. Thus, in terms of quality of representation, parliamentarian regimes are extremely responsive to the shifting preferences of majority public opinion. It is also much quicker and easier to pass and implement legislation in response to changing national conditions or public opinion in a parliamentary system since there are fewer chances for stalemate between branches of government to occur.

there is strong evidence that levels of social capital are themselves associated with the same kind of social democratic policies stressed by Radcliff (2013); see, for example, Rothstein (2010).

In terms of quality of governance, parliamentarianism tends to have predictable tendencies: “its greater propensity for governments to have majorities to implement their programs, its greater ability to rule in a multiparty setting, its lower propensity for executives to rule at the edge of the constitution and its greater facility in removing a chief executive if he or she does so, its lower susceptibility to a military coup, and its greater tendency to provide long party-government careers, which add loyalty and experience to political society” (Stepan and Skach 1993, 22). In this regard, parliamentary systems tend to more closely adhere to the rule of law as compared with presidential systems (Andrews and Montinola 2004). Moreover, previous studies have shown that parliamentary systems tend to have greater bureaucratic quality (Gerring et al. 2009) and lower levels of government corruption (Gerring and Thacker 2004; see also Ersson and Lane 2013, 225)

In terms of policy outcomes, countries with parliamentary systems tend to outperform those with presidential systems on economic growth, investment environment, infant mortality, and life expectancy (Gerring et al. 2009). Also, “parliamentary systems perform better than presidential ones by measures of participation, and of political, civil and minority rights” (Foweraker and Landman 2002, 55). As Gerring et al. (2009, 353) argue, “in most policy areas, particularly in the areas of economic and human development, parliamentary systems are associated with superior governance.” Moreover, parliamentary systems tend to spend comparatively more on universal social welfare programs (Knutsen 2011) that previous studies have linked to higher levels of SWB (Radcliff 2013; Flavin et al. 2014).

On the other hand, there are also strong arguments for why levels of SWB might be higher in presidential regimes. Unlike parliamentary regimes (where an automatic synchronization occurs between the executive and legislative branches), presidents typically

enjoy the legitimacy of direct election that gives them executive power regardless of the outcome of legislative elections. Presidentialism also maximizes “identifiability,” broadly defined as “the ability of voters to identify the choices of competing potential governments that are presented to them in electoral campaigns” (Shugart and Carey 1992, 9). Moreover, “voters have greater potential to hold incumbents to account under the separation of powers than under parliamentarism” (Hellwig and Samuels 2007, 65). From this perspective, presidential regimes can enhance the quality of representation.

By virtue of greater institutional fragmentation, presidentialism offers greater stability (Tsebelis 2002). Presidential checks and balances ensure executive power is somewhat constrained (avoiding abusive and uncontrolled governance) which allows for greater government transparency (Strøm 2000) and a higher quality bureaucracy (Adserà et al. 2003, 462-3). Moreover, in presidential regimes coalitions are not institutionally required and, in case a multiparty legislative scenario pushes the president to build a coalition, the president is normally expected to be the pivotal coalition member (Altman 2000). In other words, there can be a (more) clear mandate for the president, which strengthens the quality of governance. By contrast, in a parliamentary regime where legislative coalitions between two or more parties are usually needed in order to sustain the government, coalitions may easily fall prey of marginal extremist parties who demand an oversized reward in order to commit its legislative support in case of a non-confidence vote (see for instance Strøm 1990; Laver and Schofield 1990). Thus, while parliamentary governments are susceptible to kidnapping by zealots, presidential executives are much less likely to fall prey of extremist, reactionary, or simply intransigent parties.

In relation to policy outcomes, presidential regimes (with the accompanying larger number of veto points and the proverbial advantages of “checks and balances”) tend to

implement more moderate policies even when one party controls both the executive and legislative branches. For example, Persson, Roland, and Tabellini (1997, 1998, 2000) examine the relationship between political institutions and fiscal outcomes and find that overspending is more likely in parliamentary regimes. By comparison, “presidential systems are expected to have less government spending because they rely on a separation of powers and afford more powers to an independent executive” (Baqir 2002, 1322). The same is true for policies toward ethnic and religious minorities who “may be safer in presidential systems because there are more points within the system to block unfavorable actions” (Saideman et al. 2002, 111).

Type of Electoral System

Proportional representation (PR) systems tend to better mirror the nuanced political differences of society, allowing more diverse interests to be represented in parliament (Hoffman 2005). If a governing coalition is to be formed, then agreements among political contenders are required. Thus, the interests of broad sectors of society are better represented (Persson and Tabellini 2003). These realities strongly affect the quality of representation, and serve as the base for Lijphart (e.g., 1984) supporting PR because it is more consensual. For example, (Foweraker and Landman 2002, 55) argue that “PR systems perform better than plurality systems by measures of representation, participation and minority rights.” The fact that voters are more broadly represented by an array of political parties also boosts citizens’ subjective perceptions about the functioning of democracy in their country (Dahlberg and Holmberg 2008).⁵

⁵ Calvo and Rodden show that majoritarian biases increase with the number of parties, harming “small parties when their vote is more dispersed than average, and large parties when their vote is more concentrated than average” (2015, 1).

PR maximizes authority and inclusion, which has an impact on quality of governance. For example, closed list PR systems are more immune from the whims of particular and well defined constituencies. Legislators in single member districts (SMDs) are charged with serving their individual constituencies, and the interests of these voters can be quite narrow. The aggregation of those interests is also not straightforward, which can inhibit coherent public policy programs. In contrast, closed list PR encourages politicians to “offer programmatic benefits, focus on the collective record and program of their party, and to strengthen cohesive and disciplined parliamentary parties” (Norris 2002). Unlike SMD, where politicians are notably vulnerable to the vagaries of popular opinion, closed list PR has few incentives for cultivating the personal vote (Carey and Shugart 1995) that can open up the door to patronage (Golden 2003). It is perhaps not surprising, then, that government corruption tends to be lower in countries with PR (Chang and Golden 2007).

In terms of public policy outcomes, “there is robust evidence for a positive, and quite substantial, effect of PR electoral rules on economic growth. This is partly due to PR systems’ propensity to generate policies that broadly benefit society like universal education spending, property rights protection, and free-trade; rather than special interest economic policies” (Knutsen 2011, 83; see also Persson 2005). Likewise, PR exerts an indirect positive effect by enhancing voter turnout (Boix 2001; Rogowski 1987), which is associated with higher demands for taxing and spending (Franzese 2002)⁶ and concomitantly translates into the kind of public policies Radcliff (2013) and others associate with greater quality of life.

On the other hand, it is arguable that quality of representation is maximized in single member district systems. SMD systems are supported mainly on the grounds of simplicity and

⁶ See also Gould and Baker (2002).

their propensity to produce representatives beholden to well-defined geographic areas. This fosters a link between constituents and their representatives and allows voters to choose between people rather than just between “faceless” political parties. Moreover, SMD systems tend to foster two broad partisan bodies whose objective is to cater to the median voter in each electoral district (Duverger 1954).⁷ Thus, they advantage broadly-based political parties and dissuade extremist parties. In contrast, PR can open the doors to less reasonable or extremist political interests.

In regards to quality of government and public policy outcomes, previous research on SMD systems is minimal. However, scholars have found that SMD systems tend to have lower levels of corrupt political rent-seeking (Kunicová and Rose-Ackerman 2005) and greater government stability than PR systems (Albert 2009).⁸ Moreover, countries with SMD electoral systems tend to have smaller budget deficits (Persson and Tabellini 2003) and perform better than proportional representation systems on civil and property rights (Foweraker and Landman 2002).

Unitary vs. Federal Structure of Government

When policymaking is centralized, it is often argued that citizens are more easily able to discern how well or poorly their opinions are being represented by government. Thus, a unitary system allows citizens to more easily hold their government accountable at election time. This is in contrast to a multi-layered federal system which tends to produce confusion, as the overlap of the

⁷ Contrary to much of common wisdom, it has been shown that in the context of American City Councils, minorities are better represented in SMD than in large districts (Trounstine and Valdini 2008).

⁸ See also Rose-Ackerman (1999).

boundaries among layers of government dilutes accountability. A unitary state also tends to promote greater national unity as opposed to a federalist system where “states within states” may arise (Deiwiks 2009; Elkins and Sides 2007).

In terms of quality of government, previous research has found that perceptions of government corruption among citizens are lower in unitary states as compared to federal states (Goldsmith 1999; Treisman 2000, 2002). Government is also more likely to be efficient in a centralized unitary state as compared to a state with strong local governments that can inhibit coherent national policies (Knutsen 2011). Federal systems also imply less efficiency in administration, by the virtue of the fact that more layers of government inevitably imply more administrative costs.

From a public policy standpoint, unitary governments may tend to be more responsive to the needs of disadvantaged citizens. They also achieve better results than federal governments by measures of “participation, and of property rights and minority rights” (Foweraker and Landman 2002, 55). In comparison, federalist systems tend to have a conservative flavor where national policies are few and hard to implement and leads to a freezing of existing inequalities. It is thus not surprising that federalist states tend to have the least generous welfare states since the relatively large number of veto points in a federalist country’s constitutional structure enables relatively small groups to obstruct legislation (Huber et al. 1993; Huber and Stephens 2000, 2001; Bradley et al. 2003). In contrast, a unitary system allows for streamlined responses to challenging economic circumstances in which citizens demand government intervention.

On the other hand, a federal architecture distinguishes at least two clear layers of government (Riker 1964) and is “a specific form of fragmentation of political power” (Beramendi 2009, 753). In terms of quality of representation, one of the most reiterated

arguments in favor of federalism is that it brings government closer to the people. By doing so, citizens have more direct access to, and influence on, government agencies and policies than in an insensitive unitary state where government can become a remote entity to citizens.⁹

In addition, a federal governing system is more attuned to what is going on in the field, allowing local administration to aggregate interests and transmit them up to the national government. This pyramidal scheme opens the door for the federal government to, theoretically, set broad lines of national policy and then implement them with a “human face” at the local level. Federalism, then, may allow for a government that is flexible and attentive to local conditions instead of imposing a “one size fits all” solution. It tailors the appropriate solutions to particular demands and has, in the words of Norris (2008), “many potential advantages for making decisions closer to the community; for allowing policy flexibility, innovation, and experimentation; and for ensuring government responsiveness to local needs.” Thus, quality of

⁹ There is a strong link between federalism and bicameralism in democracies around the world. Indeed, it is a challenge to identify examples of federal polities that are unicameral. In general terms, bicameralism enables representation for distinct regional interests (that otherwise might be ignored) through the apportionment of seats based on geographical subdivisions (Heller 2007; see also Elazar 1987). These second chambers are a paramount example of a veto point (Tsebelis 2002) that not only can delay bills but also commonly have the authority to veto legislation even when considered a “weak” chamber (Tsebelis and Money 1997). There are two major dimensions to bicameralism: the degree of congruency (how each chamber is composed) and the degree of symmetry (how similar chambers are in terms of constitutional powers). The more the symmetry and incongruence between the chambers of parliament, the stronger the bicameralism (Llanos and Nolte 2003).

governance is boosted in a federal regime and it is not surprising that federal systems tend to have lower levels of government corruption (Fisman and Gatti 2002; Adserà et al. 2003).

In terms of public policy outcomes, various scholars, such as Weingast (1995), argue that federalism is favorable to policies that promote economic growth (and will thus produce higher standards of living and, in general, a more equitable distribution of income), as illustrated most clearly by the experience of the United States in the 19th and early 20th centuries. To the extent that a thriving economy is conducive to a broad middle-class of shared prosperity, federalism might thus be a better basis for satisfying lives.

In summary, as this detailed discussion has demonstrated, there are strong arguments both for and against each side for each of the three institutional dimensions. In what follows, we attempt to determine how choices in each dimension effects on the quality of human life across the world's industrial democracies.

Data and Method

As has become conventional in the emerging literature on the cross-national determinants of life satisfaction, we use the pooled World Values Surveys (WVS) that provide representative national samples for industrialized democracies in five survey waves spanning 1981 to 2008.¹⁰ The twenty-one countries included in the analysis are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Great Britain, Iceland, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, and the United States. Respondents' subjective well-being is measured using the following survey question: "All

¹⁰ The five survey waves are: 1981-1984, 1990-1994, 1995-1998, 1999-2004, and 2005-2008.

things considered, how satisfied are you with your life as a whole these days?” There are ten response categories, with higher values indicating greater satisfaction with one’s life.

In specifying the models, we rely on what has become a standard set of individual-level controls in the literature on subjective well-being (see, for example, Frey and Stutzer 2002; Radcliff 2001, 2013; Flavin et al. 2014). These factors include respondents’ interpersonal trust, gender, age, marital status, self-reported health, employment status, income, and church attendance. Interpersonal trust is measured using a dummy variable where the respondent is asked: “Generally speaking, would you say that most people can be trusted or that you need to be very careful in dealing with people?” and coded 1 if they respond “most people can be trusted” and 0 if they respond “need to be very careful.” Gender is coded 1 for female and 0 for male. We include a covariate for both age and age squared because of our expectation of a curvilinear relationship such that both young and old respondents tend to, on average, be more satisfied with their lives than those who are middle aged. Marital status is coded as 0 if unmarried and 1 if married (or living together as married). We measure self-reported health using an item that asks respondents: “All in all, how would you describe your state of health these days? Would you say it is very good, good, fair, poor, or very poor?” (healthier responses coded higher). Employment status is measured with a dummy variable with respondents coded as 1 if they are unemployed and 0 otherwise. Income is measured on a 1-10 scale where respondents are split into income deciles in each survey wave. Church attendance is measured on a 1-8 scale where a higher number indicates more frequent attendance.

We also include a set of national-level controls, again drawing upon the conventions of the literature. The importance of a nation’s level of economic development, as well as its short term level of economic prosperity (particularly its level of unemployment) has been well-

documented as influencing levels of subjective well-being cross-nationally (Blanchflower and Oswald 2004; DiTella and MacCulloch 2005). In addition, it seems clear that the extent of “individualization” (Veenhoven 1999) present in national cultures is also a consistent predictor of national levels of satisfaction (also see Schyns 1998). To account for these factors, we include the current unemployment rate (from the International Labour Organization), real GDP per capita in purchasing power parity (from the Penn World Tables), and the index of the individualism of culture devised by Triandis (1989; data from Diener et al. 1995). To account for the possible downward secular trend in life satisfaction argued to have occurred over recent decades (Lane 2000), as well as the general issue of pooling data over time, we also include year fixed effects in all models.

Because the response set for life satisfaction has a wide range (1-10) and the wording of the question asks for a numeric score rather than a verbal ranking (such as “somewhat satisfied” vs. “very satisfied”), we follow the nearly universal practice in the literature of treating the dependent variable as interval rather than ordinal (see Heady 1993). Given this assumption, we use a generalized least squares regression model with country random effects in all estimations.¹¹ We also report robust standard errors that are clustered by country, which corrects for the pooled structure of the data (i.e. error terms that are neither identically distributed nor independent).

Our independent variables of interest are empirical indicators of the three different dimensions of democratic institutions that we highlighted above. We discuss these presently, as we turn to an explication of the results.

¹¹ The results we report below are substantively identical when we instead use an ordered probit estimator.

Analysis

Our strategy for testing the impact of democratic institutions on well-being is straightforward: for each dimension we identify two commonly accepted operationalizations of the concept in question, and then estimate models reiteratively including each variable for each dimension. Beginning with Parliamentary vs Presidential, we use what is perhaps the most obvious and basic indicator: the Database of Political Institutions (DPI) measure, which is a simple dummy differentiating “direct presidential” systems (coded 0) and parliamentary systems (coded 1). We also use the Gerring et al. (2005) measure, which includes an intermediary category for "semi-presidential" systems (coded 0, 1, 2, higher values indicating more parliamentarism). The results of these estimations are provided in columns (a) and (b) of Table I. As is apparent, the coefficients of interest are both positive and bounded above zero at conventional levels of statistical significance, indicating that parliamentary regimes are associated with greater levels of life satisfaction than presidential ones, other things being equal.

[Table I about here]

Turning to the type of electoral system, we again begin with the simple DPI dummy for proportional representation (coded 1) and other systems (coded 0). A more nuanced indicator is once more provided by Gerring et al. (2005), which ordinally divides systems into majoritarian or preferential-vote (coded 0), mixed-member majority (MMM) or block vote (coded 1), and closed-list PR (coded 2). For each model, as reported in columns (c) and (d) of Table I, the coefficients of interest are again positive and statistically significant. The interpretation is obvious: the more electoral system approximates true proportional representation, the higher is subjective appraisal of the quality of one's life.

When considering unitary vs. federal government, we use a dichotomous variable (coded 1 for unity governments and 0 otherwise) provided by Norris (2008), since the DPI provides no equivalent. As before, we also consider as an alternative a measure of unitary government suggested by Gerring et al. (2005), which combines two ordinal variables, one for federalism and the other for bicameralism (which, as discussed above, is typically a feature of federal regimes). The first indicator distinguishes between genuinely federal systems (coded 0) with elective regional legislatures plus constitutional recognition of subnational authority, semi-federal systems (coded 1) where there are elective legislatures at the regional level but in which constitutional sovereignty is reserved to the national government, and nonfederal systems (coded 2). The bicameralism variable distinguishes between strong bicameral systems (coded 0) where the upper house has some effective veto power and the two houses are incongruent), weak bicameral systems (coded 1) where the upper house has some effective veto power (though not necessarily a formal veto) and the two houses are congruent, and unicameral systems (coded 2) where there is a weak or no upper house. The federalism and bicameral measures are then averaged, creating a range of value from 0 to 2.¹² When we consider the Norris (2008) and the Gerring et al. (2005) measures as our independent variables of interest, as in the models reported in columns (e) and (f) in Table I, the coefficients are again positive and significant, indicating that unitary governments are more conducive to human well-being than federalist governments.

¹² Gerring et al. (2005, 571) argue that “The combination of these two dimensions is justified by the fact that they are linked empirically (constitutional federalism is a necessary condition for strong bicameralism) and conceptually (the purpose of a strong second chamber is usually to protect the powers and prerogatives of subnational units).” We also find substantively identical results when we strip away the bicameralism measure and use only the 0-2 federalism/unitary measure as an independent variable.

The analysis thus points toward clear winners on each dimension: satisfaction is higher in countries that are parliamentary, rely on proportional representation, and are unitary rather than federal. What is obvious to any student of politics is that these are not likely to be easily separable or *independent* dimensions of democratic organization. Countries do not vary randomly across each dimension. Indeed, one of the most compelling recent arguments in empirical democratic theory is the notion that these particular institutional practices may cohere to produce a particular kind of governmental structure, what Gerring et al. (2005) label “centripetal” government. We will return to a more detailed discussion of this concept in our conclusion, but for the moment it is sufficient to note that, conceptually, polities that approximate the centripetal model are parliamentary (rather than presidential), rely on party-list proportional electoral system (rather than single-member districts or preferential vote systems), and are unitary (rather than federal). Operationally, then, centripetalism can be measured conveniently, following Gerring et al. (2005), through a variable that is the sum of the same authors' score for each of three dimensions noted above; it thus ranges from 0 to 6 (with higher values indicating more centripetalism).

We can test the relationship between centripetalism and human well-being by substituting a measure of the former for the individual institutional dimensions in the models reported above. We first follow the obvious course, parallel with the analyses above, of using the value of the indicator for the year of the observation (i.e. matching the degree of centripetalism with life satisfaction for the same year). While the logic of this approach is self-evident, Gerring et al. also argue for the use of cumulative values of centripetalism, aggregated over time, such that the value for the given year is the sum of the values of centripetalism over a number of prior years. In this approach, it is assumed that the effects on quality of life flow not from the contemporary

value of centripetalism per se, but the extent to which centripetal practices have existed over time. Thus we also estimate the equation using the cumulative value of centripetalism from 1981 (our first year of observation for the dependent variable) to the year of the observation.¹³ Results from these estimations are provided in columns (a) and (b) of Table II. For both the contemporary (column (a)) and cumulative variable (column (b)), the coefficients are once again positive and highly significant. The implication is straightforward: satisfaction with life varies positively with the degree of centripetalism.

[Table II about here]

It may also be illustrative to consider the substantive rather than the merely statistical significance of institutions by comparing the expected change in satisfaction that comes from moving across the range of the centripetalism to a pair of standard benchmarks agreed to have strong and robust effects on life satisfaction: marital status and unemployment (see, e.g., Radcliff 2013 for a discussion). Thus we find that moving across the range (0-6) of the centripetalism, i.e. from the least (the United States and Switzerland) to the most (Denmark and Sweden) affects well-being somewhat more than marriage and (in the opposite direction) about the same as unemployment. Clearly, then, the consequences of institutional type on human well-being are decidedly pronounced. This conclusion is confirmed by an inspection of the cumulative effect of centripetalism: moving across the range of this variable (i.e. from zero to 156 in our sample) produces the same substantive conclusions: about the same as the effect for marriage or unemployment.

¹³ The results are substantively identical when we instead use Gerring et al.'s (2005) weighted cumulative measure of centripetalism (that begins in 1901 and runs through 2000) as the independent variable.

To further document the relationship between centripetalism and satisfaction, we shift from a focus on individuals to a focus on national averages. Before, the dependent variable was the individual's reported life satisfaction; here it is the mean for the given country-year. As control variables, we retain the national-level variables for the unemployment rate, economic development (GDP), and the individualism of culture. We also retain the mean value (for the country-year) for the two individual-level factors that might themselves reflect national-level factors: the generalized extent of interpersonal trust and the national rate of church attendance. As with the prior models, we include dummies for each year (excepting a reference category) and rely upon a random effects estimator.

[Table III about here]

The results, as reported in Table III, confirm our prior findings: whether considering the contemporary value for centripetalism (column (a)) or the cumulative value from the beginning of our time series (column (b)), the coefficients are positive and statistically different from zero.¹⁴ The aggregate models also provide an opportunity to assess the magnitude of relationships using a different metric. If we move across the range of the contemporary value of centripetalism, we find an expected change of about 1.5 standard deviations in satisfaction; the cumulative values suggest a change of just over one standard deviation. Again, these are by any standard powerful and substantively important effects on the extent to which people actually find life to be positive and rewarding.

¹⁴ Again, the results are substantively identical when we use Gerring et al.'s (2005) weighted cumulative measure of centripetalism.

Discussion

The design of democratic institutions remains one of the most studied subjects in political science. One reason institutional design attracts such attention is the belief that choices about how to institutionalize democracy can have genuine implications for citizens' lives. In this paper, instead of focusing on indirect concepts (say, economic growth) that might be thought to promote human well-being, we directly investigate the relationship between democratic institutions and well-being by examining citizens' evaluations of how satisfied they are with their own lives. To date, life satisfaction (and other measures of subjective well-being) has received only scattered attention from political scientists (as opposed to economists, and, increasingly, world governments), remaining an understudied and under-utilized metric for evaluating political outcomes. This oversight is unfortunate, in our view, because citizens and policymakers of whatever political stripe, who may agree on little else, can, at the very least, agree that it is best that government institutions promote people leading lives they find to be satisfying.

Governments and nonprofits alike spend billions of dollars each year promoting democracy around the world (Coppedge et al. 2011, 248), but often take an agnostic approach about the precise institutional arrangements that a democratic government should adopt. In much the same way, the increasing attention devoted to happiness as an explicit policy goal by the United Nations (as in its yearly *World Happiness Reports*), to say nothing of countries like Great Britain (and, indeed, the European Union itself) beginning to orient their official national statistical offices to collect, and their public policymaking to take into account, measures of subjective well-being, point toward the further relevance of our findings. Absent empirical evidence about the most effective combination of institutions, the agnostic approach to

institutions (or the simple failure to consider them at all) might make sense. However, our empirical findings in this paper – coupled with the other evidence previously reviewed on the connections between political outcomes and SWB – suggest ways in which institutional or constitutional design may be demonstrably linked to levels of well-being.

It is possible to clearly summarize our results without rehearsing the details of the analysis offered above. We provide clear and robust evidence in support of the contention that people lead more satisfying lives in democracies with a parliamentary executive, a proportional representation electoral system, and a unitary governmental structure. Moreover, we find that the real world effect of these types of democratic institutions is significant not merely statistically but substantively as well, given that the impact of institutions on well-being rivals or exceeds other common predictors of human well-being (such as marriage and employment status).

Above, we discussed in some detail the pathways by which the three different dimensions of democracy might be linked to citizens' quality of life. In light of our empirical findings, we briefly revisit the most theoretically promising mechanisms here, proposing that they qualify for further research and investigation. First, a parliamentary (as opposed to a presidential) executive allows for a quicker and more flexible government response to changing national conditions because the fusion of the executive and legislative branches reduces the potential for political gridlock and allows for more effective governance (e.g., Gerring et al. 2005). Second, proportional representation (as opposed to a single member districts) allows for greater democratic inclusion and better representation of diverse citizen opinions (e.g., Persson and Tabellini 2003). Third, a unitary (as opposed to a federal) governmental structure allows for better policy coordination and, by extension, more effective public policy regimes (e.g., Knutsen 2011). All three pathways, in turn, have the effect of promoting greater human well-being.

However, we are careful to note here that this is not an exclusive list of mechanisms linking democratic institutions and citizens' quality of life. We humbly suggest that greater scrutiny of the precise pathways remains a fruitful avenue for future research.

As another caveat, we would note that our results pertain only to advanced industrialized democracies with (roughly) a (recent) history of political and economic stability. Future studies might test our hypotheses with a wider set of nations to determine if these findings apply more broadly. Doing so would not only further advance our academic understanding about the effects of institutional design, but would also provide concrete guidance for new or struggling democracies when making decisions about how to design and implement a government that best serves its people and promotes their well-being.

In short, our findings – if confirmed by further work in a research program on institutions and well-being that we hope this paper helps at least to begin – have important implications for the study and practice of democracy. More broadly still, it is our hope that the present paper contributes in some small way to the increasing desire within political science, as articulated perhaps most persuasively by Gerring and Yesnowitz (2006), for a greater emphasis on the explicitly normative goal of assessing how politics affects the quality of human life.

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Table I: Three Dimensions of Democratic Institutions and Subjective Well-Being

	(a)	(b)	(c)	(d)	(e)	(f)
Parliamentary	0.339*** [0.072]	0.196*** [0.038]	--	--	--	--
Proportional Representation	--	--	0.291** [0.106]	0.092* [0.044]	--	--
Unitary	--	--	--	--	0.275* [0.116]	0.223** [0.076]
Interpersonal Trust	0.261*** [0.034]	0.256*** [0.033]	0.256*** [0.033]	0.263*** [0.033]	0.250*** [0.034]	0.251*** [0.032]
Female	0.050 [0.031]	0.050 [0.031]	0.053 [0.031]	0.052 [0.031]	0.054 [0.031]	0.053 [0.031]
Age	-0.043*** [0.004]	-0.043*** [0.004]	-0.043*** [0.004]	-0.042*** [0.004]	-0.042*** [0.004]	-0.042*** [0.004]
Age ²	0.001*** [0.000]	0.001*** [0.000]	0.001*** [0.000]	0.001*** [0.000]	0.001*** [0.000]	0.001*** [0.000]
Married	0.523*** [0.027]	0.522*** [0.027]	0.523*** [0.026]	0.520*** [0.027]	0.523*** [0.025]	0.522*** [0.026]
Self-Reported Health	0.611*** [0.022]	0.611*** [0.022]	0.615*** [0.021]	0.615*** [0.022]	0.604*** [0.021]	0.608*** [0.021]
Unemployed	-0.655*** [0.089]	-0.658*** [0.089]	-0.644*** [0.093]	-0.650*** [0.090]	-0.663*** [0.088]	-0.668*** [0.086]
Income	0.044*** [0.010]	0.043*** [0.010]	0.046*** [0.009]	0.046*** [0.010]	0.045*** [0.010]	0.043*** [0.010]
Church Attendance	0.050*** [0.009]	0.050*** [0.009]	0.048*** [0.009]	0.049*** [0.009]	0.049*** [0.008]	0.050*** [0.009]
Unemployment Rate	-0.018* [0.008]	-0.018* [0.008]	-0.021** [0.007]	-0.027*** [0.008]	-0.019* [0.009]	-0.007 [0.010]
Individualism of Culture	0.154*** [0.025]	0.157*** [0.026]	0.180*** [0.023]	0.160*** [0.024]	0.152*** [0.018]	0.160*** [0.033]

GDP	-0.015 [0.009]	-0.013 [0.009]	-0.024** [0.008]	-0.029** [0.010]	-0.025* [0.010]	-0.006 [0.011]
Constant	4.576*** [0.404]	4.417*** [0.402]	4.875*** [0.401]	5.360*** [0.474]	5.210*** [0.451]	4.103*** [0.584]
Year Effects?	Yes	Yes	Yes	Yes	Yes	Yes
R ² Within	.13	.13	.13	.13	.13	.13
R ² Between	.82	.85	.88	.85	.83	.85
R ² Overall	.17	.17	.17	.17	.17	.17
# of Countries	21	21	21	21	21	21
N	63,046	63,046	63,046	63,046	63,046	63,046

Dependent variable: Self-reported life satisfaction (1-10, more satisfied coded higher). Cell entries are generalized least squares (GLS) random effects regression coefficients with standard errors (reported beneath the coefficient in brackets) clustered by country. Data source for measures of democratic institutions are described in the text. * denotes $p < .05$, ** $p < .01$, *** $p < .001$ using a two-tailed test.

Table II: Centripetal Democracy and Subjective Well-Being

	(a)	(b)
Centripetal Democracy (Current Year)	0.100*** [0.021]	--
Centripetal Democracy (Cumulative since 1981)	--	0.004*** [0.001]
Interpersonal Trust	0.248*** [0.031]	0.258*** [0.032]
Female	0.049 [0.031]	0.051 [0.031]
Age	-0.042*** [0.004]	-0.042*** [0.005]
Age ²	0.001*** [0.000]	0.001*** [0.000]
Married	0.515*** [0.027]	0.520*** [0.027]
Self-Reported Health	0.610*** [0.022]	0.614*** [0.022]
Unemployed	-0.654*** [0.089]	-0.660*** [0.087]
Income	0.045*** [0.010]	0.044*** [0.010]
Church Attendance	0.055*** [0.009]	0.049*** [0.009]
Unemployment Rate	-0.016* [0.008]	-0.022** [0.008]
Individualism of Culture	0.178*** [0.025]	0.158*** [0.027]
GDP	-0.010 [0.011]	-0.016 [0.009]

Constant	3.964*** [0.617]	4.301*** [0.505]
Year Effects?	Yes	Yes
R ² Within	.13	.13
R ² Between	.88	.85
R ² Overall	.17	.17
# of Countries	21	21
N	63,046	63,046

Dependent variable: Self-reported life satisfaction (1-10, more satisfied coded higher). Cell entries are generalized least squares (GLS) random effects regression coefficients with standard errors (reported beneath the coefficient in brackets) clustered by country. * denotes $p < .05$, ** $p < .01$, *** $p < .001$ using a two-tailed test.

Table III: Democratic Institutions and Subjective Well-Being, Aggregate Analysis

	(a)	(b)
Centripetal Democracy (Current Year)	0.127** [0.042]	--
Centripetal Democracy (Cumulative since 1981)	--	0.004* [0.002]
Interpersonal Trust	0.532 [0.398]	0.750 [0.406]
Church Attendance	0.147* [0.057]	0.124* [0.056]
Unemployment Rate	-0.020 [0.012]	-0.023 [0.013]
Individualism of Culture	0.196*** [0.047]	0.165*** [0.043]
GDP	0.006 [0.017]	-0.001 [0.017]
Constant	4.904*** [0.888]	5.436*** [0.893]
Year Effects?	Yes	Yes
R ² Within	.31	.29
R ² Between	.74	.71
R ² Overall	.71	.67
# of Countries	21	21
N	76	76

Dependent variable: Mean value in country-year for self-reported life satisfaction (1-10, more satisfied coded higher). Cell entries are generalized least squares (GLS) random effects regression coefficients with standard errors reported beneath in brackets. * denotes $p < .05$, ** $p < .01$, *** $p < .001$ using a two-tailed test.