

## **Governance Structures: Comparing Presidential and Parliamentary Systems on Accountability, Efficiency, and Economic Outcomes**

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### **ABSTRACT**

This study provides a comparative evaluation of two dominant governance structures—presidential and parliamentary systems—focusing on their institutional efficiency, accountability, and economic outcomes. Through a review of existing literature and case studies, the research identifies key distinctions between these systems. Presidential systems, characterized by strong centralized executive authority, often struggle with transparency and accountability, leading to bureaucratic inefficiencies. In contrast, parliamentary systems typically foster greater decentralization and consultation, promoting higher levels of accountability and transparency. Economically, countries under presidential governance tend to experience slower GDP growth, higher inflation, and increased income inequality, with growth rates averaging 0.6 to 1.2 percentage points lower than those under parliamentary governance. This is partly attributed to policies that often favor elite interests. Using a qualitative comparative approach, the study analyzes a range of case studies and policy outcomes, concluding that parliamentary systems, despite some challenges, offer superior institutional efficiency, greater accountability, and better economic performance. As a result, parliamentary systems are suggested to be a more favorable governance model in terms of transparency, decentralized governance, and economic outcomes.

**Keywords:** Presidential systems; Parliamentary systems; Accountability; Institutional efficiency; Economic outcomes

### **ABSTRAK**

Penelitian ini mengomparasikan dua struktur pemerintahan yang dominan—sistem presidensial dan parlementer—dengan fokus pada efisiensi kelembagaan, akuntabilitas, dan *outcome* perekonomian. Melalui tinjauan literatur dan studi kasus yang ada, penelitian ini mengidentifikasi perbedaan-perbedaan utama di antara kedua sistem ini. Sistem presidensial, yang ditandai dengan otoritas eksekutif yang kuat dan terpusat, sering kali mengalami kesulitan dalam hal transparansi dan akuntabilitas, yang mengarah pada inefisiensi birokrasi. Sebaliknya, sistem parlementer biasanya mendorong desentralisasi dan konsultasi yang lebih luas, sehingga mendorong tingkat akuntabilitas dan transparansi yang lebih tinggi. Secara ekonomi, negara-negara yang berada di bawah pemerintahan presidensial cenderung mengalami pertumbuhan PDB yang lebih lambat, inflasi yang lebih tinggi, dan peningkatan ketimpangan pendapatan, dengan tingkat pertumbuhan rata-rata 0,6 hingga 1,2 poin persentase lebih rendah

DOI: <https://doi.org/10.37567/al-sulthaniyah.v13i2.3378>

dibandingkan dengan negara-negara yang berada di bawah pemerintahan parlementer. Hal ini sebagian disebabkan oleh kebijakan yang sering kali berpihak pada kepentingan elit. Dengan menggunakan pendekatan komparatif kualitatif, penelitian ini menganalisis berbagai studi kasus dan hasil kebijakan, dan menyimpulkan bahwa sistem parlementer, meskipun menghadapi beberapa tantangan, menawarkan efisiensi kelembagaan yang unggul, akuntabilitas yang lebih besar, dan kinerja ekonomi yang lebih baik. Hasilnya, sistem parlementer disarankan sebagai model pemerintahan yang lebih baik dalam hal transparansi, pemerintahan yang terdesentralisasi, dan *outcome* perekonomian.

**Kata Kunci:** Sistem presidensial; Sistem parlementer; Akuntabilitas; Efisiensi kelembagaan

## INTRODUCTION

Over the past two decades, the global political landscape has seen a significant rise in regimes aligning with the core values of bureaucratic democracy. These values include fundamental rights such as freedom of association, freedom of expression, and the defining feature of competitive elections (Bara & Pennington, 2009). While democratic regimes have expanded, the structure of political institutions within these regimes plays a critical role in shaping governance. Countries typically adopt either a presidential or parliamentary system, and the choice between these two systems determines who holds power, how authority is exercised, and the level of constraints placed on that authority (Chaisty, Cheeseman & Power, 2018).

The world has experienced what scholars refer to as the "third wave of democracy" (Hug, 2005), a period marked by the establishment of democratic systems in nations that were once under authoritarian rule. This wave of democratization has contributed to the proliferation of both presidential and parliamentary systems, which, in turn, have facilitated the rise of numerous independent states. These newly formed democratic states have created more space for political participation and representation, leading to an increase in democratic governance worldwide (Kreuzer, 1998). However, while both systems promote democratic principles, they exhibit distinct differences in their institutional frameworks and governance outcomes. The type of political system a nation chooses has significant implications for how governance is carried out and the extent to which it promotes transparency, efficiency, and the decentralization of power (Lijphart, 2012).

The relevance of this research is particularly evident today, as we face global challenges such as rising populism, shifting geopolitical power, and the evolving dynamics of democracy. These challenges raise critical questions about the efficacy and sustainability of various governance models. Understanding the implications of presidential and parliamentary systems in these contexts is crucial for evaluating their capacity to address contemporary issues such as political instability, public welfare, and economic challenges. This research, therefore, not only contributes to the theoretical discourse but also speaks directly to the practical governance challenges faced by modern states in an increasingly complex and interconnected world.

Although the theoretical discussion is comprehensive, it does not explicitly address the gap in the literature regarding how these systems specifically impact governance outcomes in the modern context. While there has been substantial comparative analysis of presidential and parliamentary systems in past research, much of this work has failed to adequately account for contemporary shifts in global politics, such as the rise of populism, the increasing centrality of economic crises, and the evolution of political parties and institutions. These shifts demand an updated exploration of how these systems interact with emerging challenges.

This research aims to fill this gap by providing a more nuanced understanding of how presidential and parliamentary systems interact with contemporary political dynamics and the specific outcomes they produce in terms of governance efficiency, transparency, accountability, and decentralization. It will explore how these systems either support or hinder political stability, economic development, and public trust in institutions—issues that have become more critical in light of recent global developments.

Concepts such as efficiency, accountability, and decentralization are crucial in understanding the differences between presidential and parliamentary systems. However, the interrelationship between these concepts has not been fully explored in the context of how they are practically implemented in governance. In this study, these concepts will be measured through a comparative framework that looks at empirical examples of both systems. The analysis will focus on how efficiency, accountability, and decentralization operate within each system and the trade-offs between them.

In presidential systems, power tends to be centralized in the executive branch, with the president holding substantial authority over policy-making and resource allocation. This centralization allows for swift decision-making but can also result in less transparency and greater concentration of power. For instance, studies by Negri-Malbrán (2008) indicate that countries governed by presidential systems are more likely to implement open trade policies and engage in particularistic spending, directing resources toward specific sectors such as infrastructure and agriculture. While this may benefit particular interest groups, it can also lead to uneven resource distribution, further centralizing control.

Presidential systems are often seen as more effective in representing the electorate as a whole, as the president is typically elected by the entire population. However, this centralization of power comes with significant challenges. As Perry et al. (2005) argue, presidential systems are more prone to political conflict and demographic instability. Presidential elections, which are often highly competitive and polarizing, can deepen divisions within society and lead to pervasive political apathy among voters. Additionally, the concentration of power in a single executive can reduce transparency and increase the risk of authoritarian tendencies, as accountability mechanisms may be weaker in such centralized systems.

On the other hand, parliamentary systems offer a more decentralized approach to governance. Power is distributed among various branches of government, with a stronger emphasis on collective decision-making and consultation. Although parliamentary systems differ significantly from

presidential regimes, they also focus on advancing the public welfare by funding key social programs in areas such as education, healthcare, and social services (Samuels & Shugart, 2010). The decentralized nature of parliamentary governance fosters greater transparency and accountability, as decisions are made collectively and power is more evenly shared among elected representatives. This inclusive and consultative approach may slow down decision-making but encourages broader public participation and more transparent governance.

The overall differences between presidential and parliamentary systems extend beyond governance structures to their outcomes. Presidential systems may demonstrate greater efficiency in policy implementation due to the concentration of power in the executive, but this efficiency often comes at the expense of transparency and inclusivity. Parliamentary systems, while slower to implement policies due to the need for consensus and collaboration, tend to foster greater accountability, consultation, and transparency in governance. These contrasting approaches underscore the importance of institutional structure in determining a country's governance effectiveness. Empirical examples from nations such as the United States and Brazil will highlight how presidential systems may lead to more efficient policy implementation but are often marred by political polarization and reduced government transparency. In contrast, the United Kingdom and Canada will serve as examples of parliamentary systems that emphasize inclusivity, collective decision-making, and greater transparency, though at the cost of efficiency in policy execution.

## **CONCEPTUAL FRAMEWORKS**

This research employs several interconnected conceptual frameworks to analyze the comparative governance structures of presidential and parliamentary systems, particularly focusing on institutional efficiency, accountability, and economic outcomes.

The first framework is Institutional Theories of Governance, which asserts that the design and configuration of political institutions play a crucial role in shaping governance outcomes. Arend Lijphart's seminal work, *Patterns of Democracy: Government Forms and Performance in Thirty-Six Countries* (2012), systematically compares various political systems and their impacts on democratic performance. Lijphart identifies key distinctions between presidential and parliamentary systems, highlighting how these structural differences affect institutional efficiency and accountability. This theory underscores that the institutional framework not only dictates who holds power but also influences the processes through which decisions are made and resources are allocated. The centralized executive authority in presidential systems often leads to bureaucratic inefficiencies and reduced transparency, while the decentralized nature of parliamentary systems tends to enhance accountability and public participation in governance.

Complementing this, Public Choice Theory provides a lens through which to understand the incentives and behaviors of political actors within these systems. Buchanan and Tullock's foundational text, *The Calculus of Consent: Logical Foundations of Constitutional Democracy* (1962), articulates

how different governance structures shape the behavior of politicians and bureaucrats. This perspective is particularly relevant for examining how the centralization of power in presidential systems can result in decisions that prioritize elite interests over public welfare, ultimately impacting economic outcomes. Public choice theory helps illuminate the trade-offs between efficiency and accountability, suggesting that while presidential systems may facilitate swift decision-making, they often do so at the cost of transparency and broader public participation.

The third conceptual framework involves Democratic Theory and Waves of Democratization, which contextualizes the emergence of various governance systems within a historical framework. Samuel P. Huntington's influential work, *The Third Wave: Democratization in the Late Twentieth Century* (1991), explores the global trend of democratization that has occurred since the 1970s, highlighting how this phenomenon has led to the proliferation of both presidential and parliamentary systems. Huntington argues that the choice of political system can significantly influence the quality of democracy and governance, suggesting that countries transitioning from authoritarian rule often adopt systems that reflect their historical and social contexts. This framework provides a necessary backdrop for understanding the contemporary relevance of governance structures and their implications for accountability and economic performance.

In addition to these theories, the framework of Economic Theories of Growth and Governance examines the intricate relationship between governance structures and economic outcomes. Douglass C. North's work, particularly in *Institutions* (1991), and *The Role of Institutions in Economic Development* (2003), emphasizes the importance of institutional arrangements in shaping economic trajectories. North argues that effective institutions foster economic development by promoting stability, reducing uncertainty, and enhancing the efficiency of resource allocation. This perspective is vital for analyzing how different governance structures impact economic indicators such as GDP growth, inflation, and income inequality. In particular, the study aims to explore how presidential systems, often characterized by policies that favor elite interests, can lead to slower economic growth and increased income disparities compared to their parliamentary counterparts.

By integrating these theoretical perspectives, this research aims to provide a comprehensive analysis of how presidential and parliamentary systems differ in their institutional frameworks and governance outcomes. The central research question guiding this study—'Which governance system, presidential or parliamentary, promotes greater efficiency, accountability, decentralization, and favorable economic outcomes?'—is addressed through a qualitative comparative approach that draws on various case studies and existing literature. Through this analysis, the study seeks to elucidate the broader consequences of these governance models on political stability, resource allocation, and public welfare.

## **RESEARCH METHODOLOGY**

This research uses a comparative analytical approach to evaluate the efficiency, accountability, and economic outcomes of presidential and parliamentary systems of governance, with additional consideration of transparency and decentralization. The study begins with a comprehensive literature review, examining scholarly works that analyze the structures, advantages, and limitations of each system. Key sources include academic articles and case studies, detailing institutional dynamics in countries that follow either governance model.

The study centers on comparing these systems in terms of how effectively they develop and implement policies (efficiency), how well they hold leaders accountable for their actions, and the overall economic impact, measured through indicators like growth, inflation, and income distribution. Transparency and decentralization are also explored to assess how openly decisions are made and how power is distributed between central and local governments. Using qualitative analysis of governance structures across different contexts, the research draws on academic sources and case studies to highlight the practical functioning of both systems. Representative examples of presidential and parliamentary systems are analyzed, focusing on their distinct features and characteristics.

This methodology aims to answer the central research question: Which governance system, presidential or parliamentary, promotes greater efficiency, accountability, decentralization, and favorable economic outcomes? The study also examines the impact of these systems on democratic stability and governance performance. By synthesizing data from case studies and academic works, this analysis offers a nuanced understanding of the strengths and weaknesses of each system, contributing to the ongoing debate over the relative merits of presidential versus parliamentary governance in diverse political settings.

## **DISCUSSION**

### **A. Governance Structures in Presidential and Parliamentary Systems**

The distinction between presidential and parliamentary systems of governance has long been a central focus in political science literature, particularly in relation to how these systems influence institutional efficiency, transparency, and the decentralization of power. Most stable democracies around the world, with a few exceptions such as the United States, adopt political systems that combine elements of both parliamentary and presidential governance (Samuels & Shugart, 2010). In countries like the United States, the separation of executive and legislative powers is clearly defined, with each branch functioning independently. However, many stable democracies operate under mixed systems where the lines between the executive and legislative branches are less rigidly drawn. These constitutions tend to recognize a balance between the two systems, allowing for a flexible approach to governance that incorporates both parliamentary and presidential features.

Purely parliamentary systems, however, are characterized by the integration of executive and legislative powers (Shugart & Carey, 1992). This integration is grounded in the principle that a government must retain the

confidence of the majority in the national assembly in order to attain and sustain power. In parliamentary systems, the executive branch is directly accountable to the legislature, which means that the government's survival is contingent on maintaining the support of the parliamentary majority. This close relationship between the two branches allows for a more fluid and responsive system of governance, where policies can be adapted quickly in response to shifts in political opinion or public demands.

Parliamentary systems are particularly favored among academics and politicians due to the level of influence these groups can exert over the governing process. As Lijphart (2007) notes, these stakeholders often have a vested interest in ensuring that governance reflects their concerns and priorities. In the event that they are dissatisfied with the direction of the government, they have established mechanisms at their disposal, such as votes of no confidence, to remove the government from power. This system empowers legislators to keep the executive in check, ensuring that the government remains accountable to both the legislature and, by extension, the electorate. The capacity to quickly change leadership in response to dissatisfaction makes parliamentary systems appealing to those who value a high degree of political flexibility (McCormick, 2004).

On the other hand, presidential systems present a starkly different model of governance. In a presidential system, the executive and legislative branches are not only separate but also serve fixed, independent terms in office (Pennington, 2009). This system provides the president, who is directly elected by the people, with a distinct mandate to represent the entire nation. Unlike in parliamentary systems, the president's powers and tenure do not rely on the support of the legislature, allowing the executive to operate independently of parliamentary pressures. This separation can offer stability, as the president cannot be easily removed from office by the legislature, thereby preventing abrupt changes in governance that might occur in parliamentary systems due to votes of no confidence. The president's fixed term allows for longer-term planning and policy implementation, but this can also result in rigidity, particularly when the executive and legislative branches are controlled by opposing parties, leading to gridlock in governance.

However, the distinction between presidential and parliamentary systems is not always absolute. Some countries adopt a hybrid model that incorporates elements of both systems. For example, in countries like Germany, India, and Hungary, the president plays a more symbolic or ceremonial role, with limited influence over policy-making (Samuels & Shugart, 2010). In these nations, the president exists as a minor figure in governance, and while there is a presidential role, the system is largely parliamentary in its functioning. This reflects the diversity of governance structures across democracies, where the mere presence of a president does not necessarily indicate that a country follows a purely presidential system.

The diversity of political systems worldwide highlights the adaptability and flexibility of governance models. Many countries adopt hybrid systems that blend features of both presidential and parliamentary governance to meet their unique political, social, and historical contexts. In countries where the president holds only a ceremonial role, the governance structure remains

rooted in parliamentary traditions, ensuring that executive power is subject to legislative oversight. These hybrid systems reflect the evolving nature of political governance, where nations tailor their systems to balance the need for executive authority with the demand for legislative accountability.

In conclusion, the literature on political systems emphasizes the distinct characteristics of parliamentary and presidential regimes while acknowledging the existence of hybrid systems that combine elements of both. While parliamentary systems offer flexibility and accountability through their integration of the executive and legislative branches, presidential systems provide stability through the separation of powers and fixed terms. The ongoing debate about the relative merits of each system underscores the importance of considering the institutional context in which governance occurs. Ultimately, both systems contribute to democratic governance, but their effectiveness depends on how well they align with a nation's political culture, history, and institutional needs.

## **B. Key Power Dynamics in Presidential and Parliamentary Systems**

One of the fundamental distinctions between presidential and parliamentary systems of governance is the distribution and separation of powers among the branches of government. In presidential systems, the division of authority is obligatory and explicit, with clear roles assigned to each branch (Cheibub, 2006). The executive branch is tasked with enforcing laws, the legislative branch is responsible for creating and amending laws, and the judiciary interprets the laws and assesses their constitutionality (Kailitz, 2007). This clear delineation is essential for maintaining the checks and balances that underpin a presidential system, ensuring that no single branch can monopolize power.

In contrast, parliamentary systems function quite differently, with a more integrated approach to governance. Here, the separation of powers is not as rigid, and the executive and legislative branches are often closely interwoven (Lijphart, 2007). The government's survival is dependent on retaining the confidence of the parliamentary majority, thereby creating a system where executive authority is contingent upon legislative support. This integration fosters a higher level of accountability, as the legislative body can swiftly vote to remove a government through a no-confidence vote if it loses the majority's support (McCormick, 2004). The close relationship between these two branches can also lead to a more streamlined policy-making process, but it can result in less independence for the executive.

Another crucial difference lies in the manner in which leaders are chosen in these two systems. In presidential systems, the president, as the head of state and government, is directly elected by the people through nationwide elections (Hug, 2005). This direct election grants the president a broad mandate to govern, independent of parliamentary backing. In nations like the United States, a simple majority of electoral votes is often sufficient to secure victory, while in countries like France, more than 50% of the national vote is required to declare a candidate president (Boix & Stokes, 2009). In cases where no candidate achieves this majority, a run-off election between the top two candidates is held, and the winner of that contest

becomes the president. This ensures that the president has a strong popular mandate, albeit at the risk of creating divisiveness, as elections may become highly polarized (Chaisty, Cheeseman & Power, 2018).

Some presidential systems, such as in the United States, employ the Electoral College to determine the president, further distinguishing them from parliamentary systems (Bara & Pennington, 2009). The Electoral College system allows for indirect voting, with electors casting the final vote for president based on the popular vote in each state. This system can lead to outcomes where the elected president does not necessarily win the popular vote, adding an additional layer of complexity to the electoral process. In contrast, parliamentary systems utilize a more straightforward approach. Members of Parliament (MPs) are elected through general elections, and the political party that secures the most seats typically forms the government (Boix & Stokes, 2009, pp. 99). The elected MPs not only control the legislative process but also play a role in selecting the head of government.

Once the parliamentary election results are finalized, the members of the legislature collaborate to establish the executive branch. They nominate and elect the prime minister, who serves as the head of government and leads the country on behalf of the ruling party (Lijphart, 2012). In cases where no single party holds an outright majority, coalition governments are formed by merging parties to achieve the required majority support in parliament (McCormick, 2004). This system ensures that the government reflects a broad spectrum of political interests, but it can also lead to instability if the coalition partners struggle to cooperate effectively. Instead of holding a run-off election as seen in some presidential systems, parliamentary systems rely on coalition-building to maintain governance, highlighting the cooperative nature of this governance model.

In presidential systems, the president serves a fixed term, typically four to five years, and this tenure is not dependent on parliamentary confidence (Perry et al., 2005). At the conclusion of the term, the president may either step down or seek re-election in another nationwide vote. The fixed-term structure provides a level of predictability and stability, as the president's authority is not easily revoked. However, it can also limit the government's responsiveness to changing political conditions, as the executive cannot be easily removed from office between elections (Samuels & Shugart, 2010). Presidential systems, therefore, tend to favor stability over flexibility, but this can also lead to rigidity and political deadlock in cases where the executive and legislature are controlled by opposing parties.

On the other hand, parliamentary systems do not adhere to fixed-term limits for the prime minister. The prime minister's tenure is directly tied to the confidence and support of the majority in the legislature (Negri-Malbrán, 2008). As long as the ruling party or coalition retains a majority, the prime minister can continue governing and implementing the party's manifesto. However, if the prime minister loses parliamentary support, a vote of no confidence can be called, leading to new elections and the formation of a new government (Samuels & Shugart, 2010). This dynamic makes parliamentary systems more responsive to shifts in political alignment, but it also introduces

a degree of instability, as governments can fall at any time if they lose the support of the legislature.

Furthermore, in parliamentary systems, cooperation among members of parliament is essential for governmental stability. A lack of cohesion or discipline within the ruling party or coalition can lead to the collapse of the government, forcing all elected officials to resign and prompting a new election (Shugart & Carey, 1992). This vulnerability to internal discord makes parliamentary governments more susceptible to changes in political fortunes compared to their presidential counterparts, where the executive is insulated from legislative confidence. The fragility of parliamentary systems, particularly in coalition governments, can create political uncertainty, as seen in cases like the Czech Republic, where a lack of cooperation led to the government's downfall (Hug, 2005).

In summary, the differences between presidential and parliamentary systems extend beyond the mere separation of powers to include divergent electoral processes, governance structures, and the degree of executive accountability. While presidential systems offer stability and fixed terms, parliamentary systems emphasize flexibility, responsiveness, and legislative accountability. Both systems have their strengths and weaknesses, but the choice between them often reflects deeper political, historical, and cultural contexts within each nation.

### **C. Accountability and Efficiency in Presidential and Parliamentary Models**

The concept of rational choice in political governance, as discussed by Avner Greif in his work *Open-Economy Politics*, underscores the importance of accountability and transparency in leadership. Greif emphasizes that voters are rational actors who prioritize leaders capable of managing national resources effectively, with a strong focus on enhancing the living conditions of the electorate. Voters seek leadership that can ensure optimal resource utilization, promoting accountability and transparency in governance (Axelrod, 1998). This desire for responsible governance aligns with Chaisty, Cheeseman, and Power's (2018) observation that parliamentary systems are generally better equipped to address majoritarian tendencies prevalent in presidential systems.

The distinction between the two forms of governance lies in the different structures of accountability. In a parliamentary system, leaders such as the prime minister are more directly answerable to the legislative body, providing a built-in mechanism for ensuring responsiveness. Unlike a president who may circumvent parliamentary rivals, a prime minister must operate within the mandate of the members of parliament. The potential for removal through a vote of no confidence acts as a powerful check on the prime minister's power, fostering greater accountability (Boix & Stokes, 2009). In contrast, presidential systems, with their strong separation of powers, can sometimes lead to less direct accountability, as the president does not rely on the legislature's support to maintain office.

Further, the dynamics of parliamentary governance contribute to its effectiveness in delivering public goods and services. The ruling party in a

parliamentary system forms the government, while minority party members often seek to challenge the government's actions to gain a competitive advantage in future elections (Boix & Stokes, 2009). This rivalry drives the ruling party to implement successful policies, particularly in areas like education, healthcare, and pensions, which directly benefit the public. The efficiency of parliamentary systems is linked to this constant pressure from opposition parties, which pushes the government to maintain a high level of service delivery. Studies have shown that parliamentary governments tend to excel in areas of public goods spending and demonstrate greater efficiency and durability compared to presidential systems (Chaisty, Cheeseman, & Power, 2018). In essence, the ruling party's success in implementing effective policies translates into political survival, encouraging better governance overall.

In contrast, presidential systems face more significant challenges when it comes to efficiency and policy implementation. Axelrod's work, *The Complexity of Cooperation*, reveals that the inherent separation of powers in presidential systems—where the executive, legislative, and judicial branches function independently—creates a complex environment for governance. These divisions often result in conflicts between branches, slowing down decision-making and policy execution (Chaisty, Cheeseman & Power, 2018). As a result, presidential systems can struggle with delivering services efficiently, as disputes between the executive and legislative branches frequently delay important initiatives. The inefficiencies arising from this separation of powers have been well-documented, with Greif (1998) noting that inter-branch conflicts are a significant hindrance to effective governance in presidential systems.

Despite these shortcomings, presidential systems have the advantage of broad representativeness. The president, as the elected leader of the entire nation, carries the responsibility of representing all citizens, not just those who voted for them. This national focus can encourage a more inclusive approach to governance, compared to parliamentary systems that often cater more to the interests of the ruling party's supporters. The historical examples of U.S. Presidents George W. Bush and Barack Obama illustrate this point. Both leaders, after winning narrowly contested elections, pledged to govern for the entire country rather than just their base of supporters (Lijphart, 2012). This approach contrasts with parliamentary systems, where the ruling party may focus more narrowly on its own constituents, sometimes excluding broader national interests. This broader inclusivity in presidential systems, while fostering national unity, may come at the expense of efficiency in governance.

In summary, the results of the comparative analysis demonstrate that parliamentary systems tend to foster greater accountability and efficiency due to their structural integration of executive and legislative functions, while the separation of powers in presidential systems can hinder effective governance. However, presidential systems offer broader national representation, ensuring that leaders are responsible for the entire electorate rather than just a specific political faction. Both systems have distinct advantages and challenges, and the choice between them ultimately depends on the values a society

prioritizes—whether it seeks efficiency and accountability or broader national representativeness.

#### **D. Comparative Examination of the Strengths and Challenges of Presidential and Parliamentary Systems**

The debate over which system of governance—presidential or parliamentary—is more effective has been ongoing for an extended period, with strong arguments on both sides. Critics of the presidential system often assert that it is a form of governance prone to generating conflicts and political instability. These skeptics argue that the presidential system, by its very nature, fosters division among the electorate. As Pennington (2009) points out, “presidential regimes were prone to conflict and, in some cases, democratic collapse.” This vulnerability stems from the majoritarian foundation of presidential governance, in which the winner takes all. The winner-takes-all principle means that in presidential elections, the runner-up receives no political power or influence, regardless of how close the election may have been or the level of support the candidate garnered (Samuels & Shugart, 2010).

One prominent example of this dynamic can be seen in the 2000 U.S. presidential election. Despite winning the popular vote, Al Gore lost to George W. Bush due to the Electoral College system. This outcome left Gore and his supporters without any form of political consolation, even though a significant portion of the electorate had voted for him. Such instances can lead to political gridlock, disillusionment, and even deepened divisions among voters. In extreme cases, this kind of political stalemate could lead to drastic actions that might threaten the overall stability of a nation's political system (Pennington, 2009). The perception that the presidential system allows for a complete shutout of the losing side can create lasting resentment, further fueling tensions within the political landscape.

On the other hand, while parliamentary systems are often lauded for their greater emphasis on accountability and responsiveness, they are not without their challenges. In some cases, the leading political party in a parliamentary system may marginalize the interests of its opponents and their supporters. This lack of representation can lead to feelings of alienation among opposition parties and their constituencies. Over time, this marginalization can erode political cohesion, resulting in groups or regions feeling excluded from national decision-making processes. While parliamentary systems may offer mechanisms for coalition-building and compromise, these do not always ensure the inclusion of all voices in governance, which can, in the long term, create divisions and dissatisfaction within a country.

In conclusion, both governance systems have inherent strengths and weaknesses. The presidential system's majoritarian approach can result in political exclusion and potential instability, while the parliamentary system, despite its emphasis on accountability, may still lead to alienation and marginalization of minority groups. The ongoing debate highlights the complexities of both systems, with each presenting unique challenges that

must be carefully managed to ensure political stability and representativeness.

### **E. Economic Outcomes in Governance Systems**

There is considerable debate regarding the impact of different forms of government, particularly presidential and parliamentary systems, on corruption, economic performance, and political stability. Empirical studies reveal conflicting evidence on these fronts, raising critical questions about which governance structure offers superior outcomes.

On corruption, there is no consensus. Persson and Tabellini (2004) argue that presidential systems, with their stronger mechanisms of accountability, are less prone to corruption and rent-seeking behaviors than parliamentary systems. Conversely, Lederman et al. (2005) found that parliamentary systems are associated with lower corruption levels, as they tend to foster more immediate legislative oversight of the executive, leading to increased accountability.

The relationship between constitutional types and the survival of democracies is similarly contentious. Stepan and Skach (1993) assert that parliamentary democracies are significantly more durable than presidential ones, showing a survival rate three times higher. However, Mainwaring et al. (1997) challenged this finding, pointing to methodological flaws such as selection bias and spurious correlation that cast doubt on the robustness of Stepan and Skach's conclusions.

When it comes to government size, the evidence favors presidential systems. Studies by Persson and Tabellini (2003, 2004, 2006) demonstrate that presidential regimes tend to have smaller government, with public spending as a percentage of GDP being roughly 5% lower than in parliamentary systems. Furthermore, government expenditure grows more slowly in presidential systems, affecting both national and local governance structures. The distinction in spending patterns between the two regimes is statistically significant.

Parliamentary systems, on the other hand, exhibit stronger correlations with structural policies that promote openness and the protection of property rights. Persson and Tabellini (2004) and Lederman et al. (2005) found substantial links between parliamentary systems and greater economic openness, alongside significant connections to proportional democracy and structural reforms. However, when examining the broader economic performance of parliamentary systems—measured by indicators such as per capita GDP and labor productivity—Persson (2005) concludes that parliamentary governance has no substantial impact on overall economic performance.

McManus and Ozkan (2018, 2023) have contributed significantly to this discourse, highlighting the economic underperformance of presidential regimes compared to parliamentary ones. McManus and Ozkan (2018) found that presidential systems are associated with slower economic growth, higher inflation, and greater income inequality. Annual output growth in presidential regimes was consistently lower by 0.6 to 1.2 percentage points, while inflation rates were at least four percentage points higher, signaling economic

instability. Income inequality was also markedly worse in presidential systems, where power is concentrated in the hands of a single executive, often leading to elite-favoring policies. By contrast, parliamentary systems, with their emphasis on coalition-building and inclusive governance, promote more equitable wealth distribution and greater political accountability.

McManus and Ozkan (2023) explored the widening economic disparities between the two governance systems over time. For example, in 1960, the median real GDP per capita in parliamentary countries was \$6,260, significantly higher than the \$1,428 in presidential countries (adjusted to 2010 US dollars). By 2019, the gap had widened dramatically, with parliamentary countries reaching a median GDP per capita of \$24,659, while presidential countries lagged behind at \$5,204. This long-term trend illustrates the economic superiority of parliamentary systems.

A key factor in this disparity, according to McManus and Ozkan (2023), is the institutional strength that parliamentary systems promote. The need for coalition-building fosters a more inclusive political culture, which strengthens economic institutions and leads to better governance. These robust institutions enhance political accountability and foster policies that support sustained economic growth. In contrast, presidential systems often concentrate power in the executive branch, which can result in unchecked authority, inefficiencies, and political instability. McManus and Ozkan cite Turkey as an example, where President Recep Tayyip Erdogan's consolidation of power has weakened democratic institutions, leading to both political instability and economic decline.

Moreover, the adversarial nature of presidential systems contributes to policy volatility, undermining long-term projects in critical sectors such as infrastructure and education. Parliamentary systems, with their stability and emphasis on consensus-building, are better equipped to manage long-term economic strategies, ensuring a more predictable political environment conducive to investment and growth.

In conclusion, while both forms of government present advantages and challenges, the research consistently shows that parliamentary systems tend to outperform presidential systems in key economic, social, and political indicators. McManus and Ozkan's work underscores the critical importance of political stability, inclusive governance, and strong institutions in fostering sustainable economic growth. Countries seeking long-term prosperity would do well to consider the merits of parliamentary governance over presidential regimes.

## **CONCLUSION**

Research on governance systems consistently demonstrates that parliamentary regimes outperform presidential ones across several important dimensions, particularly in fostering political accountability, stability, and favorable economic outcomes. Presidential systems, characterized by the centralization of power in a single executive, often face challenges such as policy discontinuity, political instability, and weaker frameworks for long-term economic planning. This concentration of authority can hinder effective governance, as decisions are less consultative and more prone to abrupt

changes with each leadership transition. Consequently, these systems tend to experience slower economic growth, higher inflation, and widening income inequality, as the lack of stable, long-term planning undermines economic performance.

In contrast, parliamentary systems offer a more balanced distribution of power among government branches, promoting a cooperative political environment where decisions are made through consensus and collaboration. This decentralized structure enhances political accountability, as executives are more directly accountable to the legislature, ensuring more rigorous oversight and transparency. Parliamentary systems also tend to be more stable, as the need for coalition-building and inclusivity leads to more predictable governance and reduces the likelihood of abrupt policy shifts. Furthermore, the emphasis on collaborative governance helps prevent the kind of political polarization often seen in presidential regimes, contributing to greater democratic resilience and long-term political stability.

Another key advantage of parliamentary systems is their ability to curb corruption more effectively. With stronger legislative oversight and more immediate accountability mechanisms, these systems are better equipped to monitor executive actions, leading to a lower likelihood of corruption and rent-seeking behavior. Political stability, along with factors like press freedom, also plays a significant role in reducing corruption in parliamentary regimes. Moreover, these systems are often associated with greater openness to structural reforms and economic liberalization, which are crucial for long-term economic development. By fostering cooperation among political actors, parliamentary systems create a conducive environment for reforms that support economic growth, protect property rights, and encourage trade and investment.

While there is ongoing debate about the direct impact of governance systems on economic performance, the evidence strongly supports the conclusion that parliamentary regimes offer a more stable, transparent, and inclusive framework for both political governance and economic growth. The decentralized and consultative nature of parliamentary systems ensures that policies are more consistent, effective, and inclusive, allowing governments to better navigate complex challenges and promote sustainable development. Overall, the findings indicate that parliamentary systems are better equipped to deliver long-term political and economic benefits, reducing corruption, fostering structural reforms, and ensuring a stable environment conducive to sustainable growth. The advantages of parliamentary governance, particularly in terms of accountability, stability, and institutional quality, make it a more effective system for achieving both political and economic progress in the long run.

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