The quality of local democracy: an institutional analysis

Abstract

Much of the literature on quality of democracy is case study-oriented and focused on nation states. Theoretical work and, in particular, comparative empirical research on the quality of local democracy are less advanced. This paper contributes to our understanding of how democracy works from below. It develops a conceptual framing and employs a multidimensional index of the quality of democracy across all 278 municipalities in mainland Portugal by focusing on procedural dimensions of democratic performance at three levels of legitimacy: input, throughput, and output. Regression analysis is then used as a preliminary test of the usefulness of these measures of quality of local democracy and to uncover associations between them and a range of political and socioeconomic factors. The results suggest that municipalities led by independent mayors, with larger populations and higher levels of multiculturalism are likelier to be associated with “better” local democracy.

Keywords: democratic performance; legitimacy; local government; measurement; quality of democracy.

Introduction

People’s lives are affected and transformed by local politics. It is reasonable to assume that citizens, democracy advocates and decision-makers are interested in knowing how strong their local democracy is. Whether its performance has improved over time. Whether it is more (or less) democratic than those of neighbouring municipalities. Whether their democratic
institutions and practices respond to popular aspirations. And whether the necessary reforms have been implemented. If we accept this, searching for ways to examine and uncover avenues for improving the quality of local democracy (QoLD) is legitimised.

There have been various attempts to assess the quality(ies) of democracy (QoD) across countries displaying different degrees of democratic consolidation. Two approaches have been used: (1) more qualitative case-by-case analysis, such as Beetham’s (1994) Democratic Audit framework, further developed under the auspices of International IDEA (Kemp and Jiménez 2013); and (2) the development of QoD indexes of some kind, focusing on particular aspects of democratic governance – for instance, political competition, public participation, rule of law, transparency, governmental capacity (Vanhanen 1997; Altman and Pérez-Liñán 2002; Andreev 2005; Berg-Schlosser 2006; Bühlmann et al. 2012; Coppedge et al. 2020).¹ Out of these indexes, the Democracy Barometer and the V-Dem project are perhaps the most comprehensive regarding the quality(ies) assessed. However, the focus has been primarily on national politics, even if some indicators on democratic organisation and performance at the subnational level have been included as part of these cross-country assessments² (Geissel 2008). Few studies have adapted the Beetham’s and IDEA’s framework to the context of local governance (Sóos 2006; Kemp and Jiménez 2013). Most are case-oriented, which focus on dynamics that are specific to the local political institutions and processes of the analysis. Their contributions notwithstanding, these studies do not offer strong comparative tools for analysis across polities and time (Coppedge 2004).

¹ There are also other initiatives, like the Quality of Government (https://qog.pol.gu.se), which is not strictly the same as quality of democracy but overlaps in a large number of dimensions (this data is also available at regional rather than local/municipal).
Recent efforts to create multi-dimension indexes attempt to address this problem. The Local Autonomy Index (LAI) measures local autonomy through eleven variables,\(^3\) coded by national experts and compares the scores across the local government systems of 39 European countries and over time (1990-2014). Like the V-Dem subnational indicators, the index is estimated per country, and not per municipality. Our QoLD index draws from two other multi-dimensional indexes developed in recent years in the Portuguese context: the Quality of Local Governance (QoLG) index (da Cruz and Marques, 2019; Tavares et al. 2018) and the Municipal Transparency Index (MTI) (da Cruz et al. 2016). The QoLG index provides a multicriteria model for measuring local governance performance through 22 indicators grouped in five dimensions borrowed from the Worldwide Governance Indicators (WGI) (Kaufmann, Kraay and Mastruzzi 2011); whereas the Municipal Transparency Index (MTI) measures transparency in local government, through the analysis of 76 indicators related to their format, composition and functioning, classified in seven dimensions.

Both these multidimensional indexes are estimated at the municipal level, have been designed to fit the Portuguese context, and have used multicriteria analysis techniques and a panel of local governance experts to select and set weights for each indicator. However, though related to the concept of QoLD, the foci of these indexes are different to what we aim to accomplish with this paper. First, despite still being quite a contested notion, some theorists define ‘governance’ as “a government’s ability to make and enforce rules, and to deliver services, regardless of whether that government is democratic or not” (Fukuyama 2013: 250). Indeed, the QoLG index encompasses some aspects of procedural democracy – such as participation, inclusion and political stability – but it puts most emphasis on governance features at the output level and in actors decoupled from traditional democratic procedures (e.g., regulatory quality and the efficiency of local service providers). Second, transparency is merely one

among many procedural dimensions of democracy. The MTI measures the level of information disclosed through local government websites, which is perhaps necessary to assess the QoLD (at the throughput level), but not sufficient. We draw from these previous experiences to take empirical research in the field of QoLD one step forward. To this end, we propose a composite index for the measurement of QoLD that is attentive to local specificities but also allows for a certain degree of generalisation. It contributes to the literature by operationalising procedural dimensions of democratic performance at all three levels of legitimacy (input, throughput, and output) and by being mindful of the actors traditionally associated with the democratic process: voters and (local) elected officials.

We are aware and acknowledge that reducing highly complex questions to clear and quantifiable indexes can be imprecise and misleading (Sóos 2006). Still, we believe that gauging QoLD across 278 municipalities of varying sizes and geographical locations – but all from the same country – enables us to dig deeper into the challenges of institutional capacity. The subnational comparative method offers three key advantages (Snyder 2001). First, it helps mitigating some of the limitations of small-n research design, by enabling more meaningful and controlled comparisons. Second, it avoids the pitfall of “whole-nation bias” (which derive from the fact that data is often obtained, coded and aggregated at the national level ignoring internal heterogeneity and thus leading to distorted causal inferences and skewed theory-building efforts). Third, it provides a better understanding of spatially uneven processes of social, political and economic transformation. Democratization and socioeconomic development do not take place at the same pace and with a similar degree of success across the whole country, hence the need for a more nuanced insight into these transformations by looking at the broader local governance arrangements and its varied effects on institutional performance of QoLD across the territorially defined sub-units of a political system.
Although in our analysis we differentiate the institutional set up of local democracy from other local governance arrangements with policy and societal implications, we have not insulated the performance of local democracy from the environment where it operates. To test the potential influence of context on institutional performance, we carry out an exploratory multivariate regression analysis to test a set of theory-driven hypotheses, supported in the literature on democratization and consolidation of democracy, which concur to the explanation of variation in our measures of QoLD. This analysis is primarily intended as a scoping exercise to explore the potential usefulness of these metrics. It is not our intention to offer a complex and exhaustive explanatory model for the performance of QoLD, since this would not be possible in a single article, but to enhance the robustness of our index by uncovering possible associations between these measures of QoLD and a set of political and socioeconomic factors.

The article is structured into five sections. In the following section, we address the concepts involved in this pilot-exercise by exploring the relationship between procedural and substantive conceptualizations of democracy and three levels of legitimacy upon which political systems are built and operate. Then, we develop a composite index for the measurement of QoLD by focusing on the procedural dimensions of democratic performance at the three levels of legitimacy. At this point, we explain the selection of sub-components for each dimension, the definition of indicators or performance descriptors to measure them, and the aggregation approaches used to create the index applied to all municipalities in Portugal. Finally, we run multivariate OLS regressions to try to explain variation in our QoLD index through a set of independent variables. Section 5 concludes the paper.
Concepts and normative assumptions on Quality of Local Democracy (QoLD)

‘A quality democracy is a “good democracy”’, as Morlino (2014) puts it. But before engaging with QoLD measurement, we need to start by defining what is meant by democracy. More than a contested concept, democracy is a process in constant redefinition (Diamond and Morlino 2005; Schmitter 2005). Taking stock of the vast literature on the topic (see, e.g., Collier and Levitsky [1997]), we define democracy as:

a stable institutional framework that enables a legitimate, representative and responsive government, chosen by those governed through universal, regular, fair, competitive, and pluralistic elections, with the fundamental goal of realizing a set of constitutional freedoms and equalities of citizens under effective rule of law.

Following prominent studies in the literature, we argue that democracy is compounded by two intertwined normative dimensions (Morlino 2014; Dryzek 2000): one procedural, that has been expanded from Schumpeter’s (1942: 269) minimalist conceptualisation of democracy as ‘the opportunity of accepting or refusing the men who are to rule them’ to include other dimensions, such as vertical and horizontal accountability, pluralism, political and civic freedoms, and the rule of law (Dahl 1956; Diamond 1999); and another substantive, which builds on the works of Marshall (1963), Rawls (1971), Lijphart (1999), Morlino (2003), and Ringen (2007) and offers a more wide-ranging notion of democracy based on equal opportunities and social justice.

Identifying a set of qualities systematically associated with scholarly and political notions of “good democracy” is a challenging endeavour. The selection of democratic qualities and the
normative assumptions behind them is always interpretative and arbitrary to some extent, and it will have a bearing on the measurement of QoLD. Why some dimensions and not others? How are the various dimensions articulated? Should performance in all dimensions be valued the same? These are all legitimate and recurrent questions in this type of exercise for which there are no univocal answers. Thus, before identifying a core of possible qualities on which democratic performance rests and might vary, we need to make explicit a series of normative assumptions underlining our framework of analysis.

First, we take an institutional perspective of QoLD. We assume that democratic performance is primarily contingent upon the way political institutions and governance arrangements ‘frame and regulate political conduct and the relations between voters and their representatives; and how they act as incentive structures, encouraging or discouraging democratic practice/behaviour’ (Schedler 2007).

Second, local democracy in Europe is primarily representative and Portugal is no exception (Klausen and Magnier 1998; Mouritzen and Svara 2002). Local government authorities have been elected through free and fair elections since 1976. These 308 territorial units are composed of two representative bodies at the municipal level, directly elected through party- or independent-lists, under a system of proportional representation with the Hondt’s highest averages method for allocating seats: a local council (Câmara Municipal), with both executive and deliberative powers accountable to a municipal assembly (Assembleia Municipal), with deliberative powers. Notwithstanding, the presence of some elements of direct democracy, such as the (extremely sporadic) use of local referenda, the (statutory) direct intervention of citizens during municipal assemblies and some council meetings, and the (limited) scope of participatory budgets, Portuguese local authorities are fundamentally
representative in its nature (De Sousa et al. 2015). Therefore, our measurement will be focusing primarily on the institutions and mechanisms of representative democracy.

Third, when assessing QoLD, we need to differentiate between intrinsic and extrinsic components of the political system in question (Andreev 2005). In this article, we will be concerned only with intrinsic components, i.e., those principles or dimensions, which are ‘based exclusively on the institutional architecture of a democracy’ (Bühlmann et al. 2007: 15). There are two types of institutional arrangements at the local level (Hooghe and Marks 2003). One is territorially based and democratically elected: representative local government, chosen and mandated by those governed to interpret, pursue and promote the common good in the best interest of the local community. Another set of institutional arrangements work outside of local government jurisdiction but are part of the local governance systems, formally, through service delivery contractual arrangements or, informally, as part of local policy networks (for example, local development agencies, public-private partnerships, private firms, not-for-profit organizations and citizen/civic associations). We will be concerned only with the performance of the first type of institutional arrangements, but we acknowledge that the quality of local governance is much more comprehensive.

Fourth, the selection of the democratic qualities (and metrics to measure them) is based on a territorial conceptualization of representative democracy. Local democracy is a political system circumscribed to an autonomous territorial unit distinct from the regional or national levels of government. Each metric will have to conform to the criteria of ‘ownership’ (Landman 2012), that is, we can only include in the framework those qualities whose variation results from the performance of local governments alone in a municipal territorial jurisdiction (município). For example, the respect for individual freedoms is something that is
beyond the control of Portuguese municipal authorities (as in most contexts). Hence, it does not make sense to include this as a quality to be measured across the various units of analysis.

Fifth, we take a maximalist approach to democracy. In other words, we consider that there is a procedural and substantive dimension to its performance. Weber was perhaps the first to underline the existence and interdependence of different substantive and procedural dimensions in which political systems operate and are legitimised when he conveyed that acts of government can be perceived as legitimate both for what they achieve and for how they do it (Weber 1946). There can be no substantive democracy without procedural democracy, hence we regard the substantive dimension – what democracy has achieved to citizens in terms of their emancipation, wellbeing, quality of life – as an outcome of the procedural dimension – how the rules, institutions, and mechanisms of representative democracies have performed in terms of meeting those expectations (Morlino 2014).

Lastly, a “good” democracy is first and foremost ‘a broadly legitimated regime’ (Morlino 2014: 8). Morlino (2003; 2004) and Diamond and Morlino (2005) suggest three different meanings of quality, deriving from the industrial engineering and marketing literature: procedural-, content- and result-based quality. Democracy operates on three intertwined levels of legitimacy that are not always balanced and correspond to these three meanings of the notion of quality (Höreth 1998; Risse and Kleine 2007; De Sousa 2008; Schmidt 2013; Strebel et al. 2019): input legitimacy, that is, the greater or lesser capacity of the political-administrative system to enable the governed to participate in the selection of their leaders and intervene in the decision-making process; throughput legitimacy, which derives from the normative performance of the political and administrative system, through the internalisation and implementation of norms and conventions in the way decisions are made; and output
legitimacy, the effectiveness of the decisions implemented, including the allocation of various political and societal values. Although public support for local political authorities is affected by the delivery of positive policy outcomes, when expressing their satisfaction with the way their local democracy works, citizens also reason in terms of how much access and opportunities they had to voice their concerns/needs, how much influence they were able to exercise to steer decisions and resource allocation, and to what extent decisions were reached and implemented in an impartial and transparent manner (Magalhães 2016).

Analytical framework of the QoLD index

Dimensions and indicators

Our analytical framework of QoLD draws from existing operationalisations of QoD that have taken both the procedural and substantive dimensions into account (Table 1), but goes one step forward by combining both qualitative and quantitative indicators in the general empirical analysis (Beetham 1994). We aim to make our analytical framework as parsimonious as possible while adapting the fundamental principles and indicators to the local political reality.

[Insert Table 1 here]

All framings start from a similar set of principles intrinsic to democracy, except for Diamond and Morlino (2005) who try to focus on the notion of “quality” itself. When decomposing
those core principles or notions of QoD, most operationalisations, except for Lijphart’s (1999), tend to converge on the dimensions used to enact them. All authors convey the idea that these dimensions or qualities of democracy can be combined in multiple ways (no “one-size-fits-all” models), that they vary across space and time (no “synchronic” measurements) and that the demarcation between these dimensions is not hermetic (intertwined functions). The issue of whether one sub-component/indicator belongs to one dimension or another is interpretative and no “relative importance” weights are set to the various qualities.

Taking stock of these models, we have identified nine procedural qualities (or dimensions) of democracy and grouped them according to the three abovementioned levels of legitimacy (input, throughput and output). Our framing assumes that substantive qualities of democracy are an outcome of the way democracy performs at the procedural level. This does not mean that greater inclusion or a fairer treatment of citizens is an output of procedural democracy. They are equally the result of the way democracy enables citizens’ inclusive access to the decision-making and the way decisions are reached and implemented on their behalf. Outputs and outcomes are often used interchangeably but they mean different things. Outputs are the policies, services, resource and value allocations achieved through democratic government. Outcomes, on the other hand, are the impacts, effects or results of the outputs of democracy. When we say that freedoms, equality/solidarity, inclusion, quality of life, etc. are outcomes, we are looking at citizens’ voluntary acceptance, appropriation, and use of intrinsic and extrinsic components of democratic governance that affect their judgement on the performance of democracy at different levels of legitimacy.

[Insert Table 2 here]
We have grouped the identified qualities (dimensions) of democratic performance in each of the levels of legitimacy through which political systems operate (Table 2). All these dimensions are procedural and intrinsic to local politics. We have then disaggregated these dimensions into various sub-dimensions, through which they are given effect in practice and selected a set of indicators or performance descriptors to measure them (Table 3). There are of course many possible ways to operationalise the underlying normative objectives/concepts of QoLD (like “political responsiveness”). In our effort to select indicators or descriptors that allow us to gauge performance in each of the dimensions and sub-dimensions of QoLD as we define it here, we first performed an extensive review of the academic and grey literature alongside the many indexes and datasets produced by various organisations. However, a key constraint in this process was selecting indicators for which it would be possible to obtain data for all Portuguese municipalities. In the end, we made sure that the indicator scores allow to grasp the degree to which the normative objectives linked to enhanced democratic procedures are being achieved. In other words, if the indicator measures (even if only partially) the degree of achievement of the specific objective in question satisfactorily, and if we can retrieve the data for all municipalities, we accept it as part of the model. All indicators were structured in a way where higher values represent better performances in terms of the QoLD.

[Insert Table 3 here]

Data

We assess the QoLD for all 278 municipalities in mainland Portugal (executive council and municipal assembly), excluding from the analysis the municipalities from the archipelagos of the Azores and Madeira and 3091 civil parishes at the sub-municipal level. We excluded the municipalities from the islands because there is more data scarcity in these territories and also
due to the fact that there is another tier of government (the autonomous regional governments take on many responsibilities that municipalities in the mainland have to deliver themselves). And although parishes have seen their competences slightly augmented in recent years, their scope of responsibilities is still extremely narrow, and they have little fiscal autonomy. Local government in Portugal is first and foremost a municipal-level political institutional arrangement, not only concerning policy competence and fiscal capacity, but also regarding citizens’ political and territorial identity (De Sousa et al. 2015). The data collected is for 2015, a mid-term year, which pre-empts the effects of elections over specific subcomponents. Thus, electoral data refers to 2013, the elections for which the term limits (three consecutive terms) were enforced for the first time.

*Aggregating indicators*

All efforts to develop composite indexes or assess multi-dimensional, complex problems face the same basic challenge: how to aggregate the indicators (which only gauge a specific concern, not the broader notion)? There are several approaches to do this. Some are merely arbitrary, for example: equal weights to all indicators or any other weighting scheme that does not consider the relative impact of the range of performances in each indicator. Some use technocratic assumptions that can be difficult to unpack (consider, for example, the case of Data Envelopment Analysis – where for each observation the most favourable set of weights is assumed – or Principal Component Analysis or Factor Analysis where there is no normative correspondence between how much each indicator is valued and an underlying system of values). And some others model value functions and weights (for each specific concern) using inputs by a legitimate group of experts or “problem owners” (see the Multicriteria Decision Analysis literature). The latter is certainly the more rigorous way to model composite indexes that tackle complex and contested concepts (da Cruz and Marques 2017, 2019). However, for certain phenomena, it is often impracticable to identify a
“legitimate group of experts” or problem owners and even in cases where it is possible to identify this group, it is often impracticable to carry out the modelling process due to political reasons, ethical challenges, or logistical/resource constraints. With this in mind, and because there is no one univocal best way to overcome the aggregation issue, we have adopted six different strategies to estimate the overall QoLD.

We use two main types of indexes. For indexes ‘type A’, all the indicators are normalized by considering the maximum (score 1) and minimum (score 0) value observed for that indicator and assuming a linear variation between these two extreme levels of performance. By doing this, we are assuming that all differences in performance have the same value for the QoLD (e.g. in voter turnout, moving from 40% to 60% participation is as important as moving from 70% to 90%), which is not always reasonable but is not a strong assumption, in most cases. The overall QoLD score is obtained by aggregating the normalized scores, where:

- For index A1, all indicators have equal weights. Here, we are assuming that swings of performance – for example, from 0 to 1, i.e., from the worst-registered performance to the best-registered performance – are valued the same across all sub-components of QoLD.
- For index A2, the axes of legitimacy are weighed according to the importance given by public opinion to these dimensions in a survey carried out in 2006 and within each axis the indicators have equal weights (De Sousa and Triães 2008). Here we are assuming that, within each axis, swings of performance are valued the same across sub-components. However, the contributions to the overall QoLD vary according to the number of sub-components in each axis and, importantly, the perceptions of the survey respondents (regarding the “importance” of high-level concerns for the QoD).
Finally, for index A3, the axes of legitimacy have equal weights, and within each axis, the indicators also have equal weights among them. Here we are assuming that, within each axis, swings of performance are valued the same across sub-components. However, the contributions to the overall QoLD vary according to the number of sub-components in each axis and, importantly, the sum of the weights of the sub-components of each axis is equal to 1/3 (so that each axis contributes the same to the QoLD).

For indexes “B”, all the indicators are normalized by subtracting the population mean from the raw scores and then dividing the difference by the respective standard deviation (i.e. we compute the z-scores). By doing this, we are assuming that all shifts away from the average value observed for each indicator (measured in terms of number of standard deviations) have the same value for the QoLD (which is harder to interpret than the normalisation adopted for type A indexes, but produces scores with some statistical advantages). Once again, the overall QoLD score is obtained by aggregating the normalized scores, where:

- B1. All indicators have equal weights (same as for A1).
- B2. The axes of legitimacy are weighed according to the importance given by public opinion to these dimensions in the survey carried out in 2006 and within each axis the indicators have equal weights (same as for A2);
- B3. The axes of legitimacy have equal weights and within each axis the indicators also have equal weights among them (same as for A3).

The descriptive statistics for the six QoLD indexes are shown in Table 4. Without additional data, it is difficult to argue which of the indexes is ‘closer’ to reality. In theory, indexes A2
and B2 should perform better in modelling the real world (because they include some empirical information about preferences), or at least in operationalising the concept of QoLD as seen by the general public. Still, assuming equal weights for the sub-components included in each axis might be distorting this empirical judgement. To enhance the robustness of the findings, we will carry out six regression analyses, one for each index.

[Insert Table 4 here]

To summarise, like the approach followed by the Democracy Barometer (Bühlmann et al. 2007, 2012), our QoLD index and its underlying variables are in line with a theoretically-driven definition and conceptualisation of democracy. As discussed by Munck and Verkuilen (2002), there are three main steps in all efforts to structure an index of democracy: conceptualisation, measurement, and aggregation. In the previous section we defined the concept of QoLD theoretically. That was followed by a stepwise theoretical deduction of the basic elements of QoLD: three fundamental levels of legitimacy (input, throughput, output) for which we derived the various dimensions that operate at each level (see the Appendix in the supplemental online material). The degree of fulfilment of these dimensions is assessed by sub-components which are operationalised by different metrics. It is a top-down, logical, and theoretically based process from the abstract concept (ends) to the lowest levels (means). The normalisation and subsequent aggregation of the indicators at the lowest levels which then allows to gauge fulfilment upwards, level by level, are also aligned with our theoretical model but we have no information about their trade-offs (e.g. in terms of participation, moving from 40% to 60% in voter turnout rates is equivalent to what percentage increase in total annual investment determined through participatory budgeting?). This is obviously a limitation, but it is difficult to identify a stakeholder with the legitimacy to elicit judgements about the trade-
offs across all sub-components/indicators. Still, resorting to a “black box” statistical aggregation of the various indicators would not overcome this challenge and, depending on the approach, could even dismantle the theoretical framework of the index.

**Explaining variation in the QoLD index**

*Theoretical expectations: hypothesis for the exploratory analysis*

The literature on democratization and consolidation of democracy offers a series of causal explanations for variations of democratic performance observed across our units of analysis (Linz and Stepan 1996; Lijphart 1999; Przeworski et al. 2000). To test our hypotheses derived from the literature and try to explain the variation found in our QoLD indexes, we collected data for a number of political and socioeconomic variables (see Table 5).

According to Piotrowsky and Ryzin (2007) higher levels of education enables populations to better understand how local authorities are organised, who is who inside the bureaucracy, and whom is accountable should they need to obtain information or a decision, service or benefit. Therefore:

**Hypothesis 1.** *Populations with higher levels of education are likelier to demand more from their local governments and contribute positively to the QoLD.* (We expect the direction of the impact to be positive at the input level.)

Good quality democracies are expected to support multiculturalism (e.g. measured in percentage of population that is foreign) by effectively enfranchising minorities (Banducci, Donovan, and Karp 2004). That said, having electoral capacity is a modicum of civilized life,
to paraphrase Marshall (1950) – other social and economic conditions also need to be in place in order to translate this formal right into effective participation in local politics. In this sense, we do not expect multiculturalism to bring about more pluralism or inclusion at the input level in the short or medium term since immigrant’s engagement with (local) politics is still low, scattered and informal (Marques and Santos 2004). Instead, multiculturalism may help to improve the quality of political institutions by influencing political change, not only by exposing local authorities on the supply side and the domestic population to different governance traditions, but also by placing pressure on local authorities to process demands to differentiated publics and to be seen doing so in an impartial manner (Batista and Vicente 2011).

**Hypothesis 2.** The higher the percentage of foreign population, the likelier local authorities will show a better performance at the throughput and output level.

The literature is inconclusive about the impact of the size of municipalities upon their democratic performance. Most studies seem to indicate that size has a positive effect at the output level, but not at the input level. Dahl and Tufte’s (1973) early findings indicated that larger municipalities tend to be more effective but less inclusive: they are likely to be better service providers due to increased capacity but less democratic, offering less possibilities for citizens to participate and control policymaking processes. In the same vein, Vetter (2003) and Lassen and Serritzlew (2011) suggest that they are negatively associated: when the municipalities’ size increases, internal political efficacy (the psychological condition that many see as necessary for high-quality participatory democracy) declines. Hansen (2013) also finds that the size of municipalities has a negative effect on citizens’ political trust.
Hypothesis 3. Larger municipalities tend to display lower levels of democratic performance at the input level (H3a) but are likely to be more effective at the output level (H3b). (We expect the overall direction to be negative. Moreover, we expect the association between size and democratic performance to be negative at the input level, but positive at the output level.)

Both theoretical and empirical literatures argue that female mayors tend to be more responsive to their constituencies, more transparent in running their municipalities (Beck 2001) (increasing information transparency and reducing information asymmetry [Araújo and Tejedo-Romero 2016; Tavares and da Cruz 2017]), more inclusive (encouraging greater participation in the decision-making process), and more ethically minded in terms of the motivation to be in politics – women are socialized to ‘view politics as an opportunity to forward a cause and fight for an issue’ (Fox and Schuhmann 1999). Local politics in Portugal is still “a men’s world”: out of 1170 mayors in Portugal between 1976 and 2005, only 31 of them were women (2.8%). Although recent research has found that female candidates tend to perform just as well as male candidates in electoral terms (Black and Erickson 2003; Fox and Oxley 2003; Dolan 2010) other studies indicate that gender stereotyping influences the electoral environment (Sanbonmatsu 2002; Herrnson, Lay, and Stokes 2003) and voter preferences to the disadvantage of female candidates (Huddy and Terkildsen 1993).

Hypothesis 4. Municipalities governed by female Mayors are likely to display higher levels of democratic performance. (We expect the direction of the impact to be positive at the throughput and output level and not significant at the input level.)
Ferejohn (1999) argued that because left-wing incumbents favour a larger public sector, they are expected to reinforce mechanisms of transparency and accountability. Recent empirical studies also support the idea that the incumbent’s ideology matters to the normative notion of good governance. According to Piotrowsky and Ryzin (2007) left-wing local governments tend to be more sensitive to the provision of transparency than right-wing ones, a tendency confirmed by Albalate del Sol (2013), who demonstrates that left-wing local government incumbents are generally associated with higher fiscal transparency standards. Moreover, left-wing parties also tend to be more receptive to the idea of participatory democracy (Coffé and Geys 2005; Sintomer, Herzberg, and Röcke 2008).

**Hypothesis 5.** *Municipalities governed by left-wing executives are likely to display a better performance at the input and throughput levels, whatever the performance may be in terms of policy output.*

In addition, recent empirical studies seem to indicate that independent mayors are more open and likely to build broader issue-coalitions than party mayors, because the latter are more constrained by ideological coherence and party discipline (Copus 2004; Schaap, Daemen, and Ringeling 2009). Party mayors also tend to appoint loyal party members for their cabinet, whereas independent mayors are more likely to look for talent and capacity (Copus 2006; Magre and Bertrana 2007).

**Hypothesis 6.** *Independent mayors may promote a better democratic environment in their municipalities.* (We expect the overall direction to be positive at all levels.)

*Empirical associations: multivariate regression analysis*
We employed multivariate regression analysis to test these hypotheses. The descriptive statistics for the independent variables are shown in Table 4. The models depicted below use cross-sectional OLS estimations with clustering of standard errors by district (bundles of adjacent municipalities). Each specification used one of the six QoLD indexes for the dependent variable (see Table 6). The coefficients obtained are small because the QoLD indexes have a narrow range of performance (which is to be expected since we measure institutional features in municipalities within the same country that have the same institutional framing and are subject to the same rules regarding organisation, financing and electoral processes). In any case, the direction of the impact (the sign of the coefficients) is the most important result given the objectives at hand.

[Insert Table 5 here]

[Insert Table 6 here]

We found empirical evidence to support Hypothesis 2 and Hypothesis 6. Multiculturalism does seem to be positively associated with higher levels of QoLD. In Portugal, higher percentages of foreign population may push local authorities to be more sensitive and responsive towards diversity in the way citizens’ demands are treated and independent executives may achieve better QoLD during their terms. Conversely, we found no evidence to support Hypothesis 5. Municipalities ran by left or centre-left executives do not seem to show performance standards in terms of participation (input level) and transparency and accountability (throughput level) that allow them to achieve higher overall levels of QoLD when compared to right-wing local executives. The evidence regarding the impact of having a female mayor leading the local executive (Hypothesis 4) is somewhat feeble: it seems that it
could be positively associated with overall QoLD but the results do not allow us to make that assertion.

Strikingly, the results contradict Hypothesis 1 and Hypothesis 3. The QoLD seems to be lower in municipalities with populations with higher levels of education. This is unexpected considering the theory. Still, previous empirical studies in Portugal have also found that higher socioeconomic status (in that case measured in terms of financial resources) were associated with less interest of the populations in monitoring local government activities (da Cruz and Marques 2014). Regarding Hypothesis 3, it seems that subsidiarity is not being hindered in larger municipalities. Though it may be due to the fact that, in Portugal, even the larger municipalities are not that heavily populated, it is interesting to note that this is a somewhat robust result challenging the theory as in this instance the internal political efficacy seems to be increasing with the size of the municipality (perhaps the effect of population size is \(\cap\)-shaped; more research would be needed to determine this).

In order to dive deeper into the (potential) underlying dynamics between the independent variables and the QoLD, we also calculated the partial indexes corresponding to the input, throughput and output dimensions. Using equal weights for all the indicators within each dimension, we obtained six indexes: three ‘type A’ and three ‘type B’. The descriptive statistics for these dependent variables are shown in Table 7.

[Insert Table 7 here]
The results of the multivariate regressions using the indexes for the axis of legitimacy of QoLD as dependent variables are shown in Table 8. These coefficients allow us to understand at what level of legitimacy the independent variables might be having an impact. For example, it becomes clear that the positive effect of multiculturalism is mainly felt at the throughput level, which is (partially) in line with our hypothesis. The negative effect of higher levels of education is also solely (but considerably) felt at the throughput level. The weak positive association between female mayors and QoLd is now more apparent at the level of input legitimacy, which is surprising given our review of the relevant literature. Peculiarly, the weak association between population size and QoLD seems to stem from a highly statistically significant and positive association between population size and QoLD at the input level – this is also completely contrary to what we expected. These results highlight the need for more empirical research and new theory building efforts into the underlying dynamics.

[Insert Table 8 here]

Conclusions

Recent reform debates on local democracy have been motivated and driven by three major deficits affecting legitimacy: declining rates of voter turnout; poor transparency and accountability standards; and declining local government capacity to address complex social, economic and environmental challenges (Wollmann 2008). In the Portuguese context, recent debates on local government reform have mainly been focused on the issue of decentralisation rather than on the need to innovate local democratic practices.
By proposing a set of indicators embedded in a coherent theoretical framework this paper makes an important contribution to the literature on measuring good local democracy and its determinants. The results suggest that municipalities led by independent mayors, with larger populations and higher levels of multiculturalism are likelier to be associated with better QoLD. Local communities with higher percentages of foreign population are likelier to have a positive impact on the performance of local governments in general and the way public markets operate in particular. In the case of Portugal, immigrants ‘have contributed to the introduction of alterations in some regulatory mechanisms, both in the sectoral and the spatial contexts’ (Malheiros 2008: 148) through the revitalising of run-down urban areas, the introduction of new businesses and commercial practices and the creation of wealth and jobs for themselves and to others in the community. All these shifts in the local economies not only put pressure on the regulatory performance of local authorities, it also forces them to be seen as impartial when processing demands from different local economic agents, for instance, in the way non-competitive tendering procedures are used. This empirical evidence supports the notion that diversity is one of the cornerstones of more just societies (Feinstein 2010). We also found that more educated local populations are associated with lower levels of QoLD. Although this contradicts our initial expectations, few studies have tested this association at the subnational level. One possible explanation is the overall declining turnout across European democracies, including those with higher standards of living, both at the national and subnational levels. Another possibility could be the fact that our aggregate measure does not take into account the educational environment in a given local community. In a recent paper, Aars and Christensen (2018) concluded by using individual-level data collected in 414 Norwegian municipalities, that ‘[t]he most likely explanation for shrinking participation among high-educated individuals in high-educated environments is that the relative value of education decreases as the aggregate level of education increases’. This is
something worth exploring in future research. The association between the QoD and other variables is harder to ascertain. There is a weak (positive) association between the presence of female mayors and the QoLD and we found no relationship between the ideology of local executives and their overall democratic performance. Future empirical work should continue to engage with the process of aggregating the several sub-components of QoLD.

The bearing that independent mayors seem to have on QoLD may be particularly important for the case of Portugal. In a context where the credibility and legitimacy of political parties are at odds, independent candidacies can have a galvanizing effect on participation in local elections. Independently of being party dissidents, outcasts or outsiders, independent Mayors are not constrained by party discipline and ideology, hence more open to build broader issue-coalitions and recruit new elements from outside party circles. Indeed, previous research in this context pointed to the positive effect these candidacies have on electoral participation (De Sousa and Maia 2017). The introduction of independent lists has been a learning process for both voters and parties themselves and further effects may still emerge in the future.

While traditional forms of political representation and formal participation in local council meetings have been largely neglected, new forms of political participation are taking shape. Participatory budgets and local referenda initiatives have multiplied in recent years, strengthening citizens’ role in the decision-making through consultation and deliberation procedures (LSE Cities, UN-Habitat and UCLG 2020). Institutional change in local democracies tends to be path-dependent and country-specific, but there are a series of democratic innovations that can be easily accommodated in different contexts (Sandford 2004). Additionally, promoters of democracy have been exploring the potential of technological innovations for the betterment of local institutions with the intent of fostering
citizens’ direct involvement, reducing information asymmetries between officials and voters, improving transparency standards and strengthening the overall performance of local deliberative processes.

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