THE LOGIC OF PRE-ELECTORAL COALITION FORMATION

Sona Nadenichek Golder

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To my parents,

Jim and Nancy Nadenichek

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PREFACE

In this book, I investigate the conditions under which pre-electoral coalitions form. In most democracies, political parties who wish to exercise executive power are typically forced to enter some form of coalition. In effect, they can either form a pre-electoral coalition with another party (or parties) prior to election in the hopes of governing together afterward if successful at the polls, or they can compete independently and hope to form a government coalition after the election. The fact that coalition government is the norm rather than the exception across the world has encouraged a vast coalition literature to develop in political science. The overwhelming majority of this literature focuses purely on government coalitions. By contrast, electoral coalitions are virtually ignored. This lack of literature is surprising, given that pre-electoral coalitions are common, that they affect election outcomes, and that they have important policy and normative implications. I redress this imbalance in our knowledge of coalitions by focusing on pre-electoral coalitions in this book. I use a combination of methodological approaches (game theoretic, qualitative, and quantitative) to explain why pre-electoral coalitions form in some circumstances, but not in others.

I argue that there is a common underlying logic to the formation of pre-electoral coalitions that can be captured in a simple bargaining model between party leaders who care about office and policy. Using a two-stage bargaining game, I derive several hypotheses relating the likelihood of pre-electoral coalition formation to institutional and ideological features of the party system. I use in-depth qualitative analyses of electoral coalition history in France and in South Korea to provide support for the model's assumptions and hypotheses. I also subject the hypotheses to a more systematic statistical analysis using a new data set on pre-electoral coalitions in advanced industrialized democracies. I find that pre-electoral coalitions are more likely to form between ideologically compatible parties. They are also more likely to form when the expected coalition size is large (but not too large) and when the potential coalition partners are similar in size. They are also more likely to form if the party system is ideologically polarized and the electoral rules are disproportional.

Although party leaders often form electoral coalitions to win more votes and seats, the effects of pre-electoral coalitions do not end once the votes have been counted and legislative seats have been allocated. After presenting my explanation

of pre-electoral coalition formation, I begin to link my analysis to the larger government coalition literature by showing how pre-electoral agreements affect several aspects of government coalitions in advanced industrialized democracies. I find that pre-electoral agreements increase the likelihood that a party will enter into government, they increase the ideological compatibility of governments, and they increase the speed with which governments take office.

In addition to these generally positive consequences, I argue throughout the book that pre-electoral coalitions provide an opportunity for combining the best elements of the majoritarian vision of democracy (increased accountability, transparency, government identifiability, and mandates) with the best elements of the proportional vision of democracy (wide choice, more accurate reflection of voter preferences in both the legislature and government). If this is a desirable goal, as I believe it should be, then the analyses conducted in this book show that political actors can encourage pre-electoral coalition formation by manipulating the electoral rules. As I clearly indicate, though, the actual effect of this manipulation will depend on the size of the party system and the ideological nature of political competition in each country.

I maintain a website for this book. On the website you will find a detailed codebook, as well as all the data and computer code necessary to replicate the results and figures in this book. The current URL is http://www.fsu.edu/~polisci/people/faculty/sgolder.htm. Please contact me if you have any comments, questions, or quibbles concerning the data or any of the analyses. It is my hope that other scholars will pursue the study of pre-electoral coalitions and improve our knowledge beyond what I have provided in this preliminary study—the study of electoral coalitions provides a fertile terrain for the opportunistic researcher.

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I am grateful to the many people who contributed time, energy, and constructive criticism to this book. The Politics Department at NYU provided a challenging and supportive graduate work environment and I cannot possibly speak highly enough of my experience there. If I had not been fortunate enough to work with Bill Clark, Mike Gilligan, Jonathan Nagler, Bing Powell, and Alastair Smith on the first stage of this project, I would have written an entirely different—and markedly inferior—book. Constant interactions over several years with Bill Clark made me a better social scientist, and the book reflects this in ways that are too numerous to itemize here. Jonathan Nagler's patience with questions and multiple drafts of every part of the book is also much appreciated; certainly the analysis, as well as its presentation, would be much less clear and informative without his countless suggestions on matters both large and small. I am lucky to have benefited as well from Bing Powell's enthusiasm, his knowledge of pre-electoral coalitions, and his willingness to serve on a dissertation committee outside his own university.

In addition to the members of my dissertation committee mentioned above, I owe a debt of gratitude to many scholars who provided feedback, data, or other useful information at various stages of this project. I thank John Aldrich, Neal Beck, Torbjörn Bergman, Steve Brams, Fred Boehmke, Jamie Druckman, Mark Hallerberg, Anna Harvey, Indriði Indriðason, Chris Kam, Marek Kaminski, Wonik Kim, Skip Lupia, Bernard Manin, Becky Morton, Adam Przeworski, Marty Schain, Chuck Shipan, Jeff Staton, and Paul Warwick. The anonymous reviewers of this book manuscript were unusually constructive in their criticisms and I thank them for the effort they put into improving the book. Malcolm Litchfield at The Ohio State University Press has been encouraging and enthusiastic throughout all of our interactions, including after finding out that I was expecting a baby a month before the final manuscript was due. I am grateful to Michael Lewis-Beck for providing me with a visiting position at the University of Iowa, which allowed me to spend the 2004–5 academic year revising this book and enjoying the collegial working environment in the Iowa political science department; I thank Fred Boehmke, Sara Mitchell, and Chuck Shipan for being especially welcoming. Parts of the analysis in chapter 3 are based on a similar study published in *Electoral Studies* (2005) under the title "Pre-Electoral Coalitions in Comparative Perspective: A Test of Existing Hypotheses." I thank Elsevier for

permission to reprint the material here. Part of the analysis in chapter 6 was published in the *British Journal of Political Science* (2006) under the title "Pre-Electoral Coalition Formation in Parliamentary Democracies." I thank Cambridge University Press for permission to reprint this material.

The initial puzzle that sparked this entire project was based on my experiences as an intern in the French National Assembly during the 1995 presidential campaign. I was curious about the relationship between the two mainstream Right parties after seeing that both were internally divided over which of the two mainstream Right presidential candidates to support. The odd thing was that the two candidates proposed by the mainstream Right were from the same party, and the choice of which one to support seemed to be unrelated to party affiliation or policy. In fact, I was unable to find anyone at the National Assembly who could explain what the policy differences between the two parties were. Partway through graduate school I returned to this puzzle, wondering why the parties remained separate when their policy agendas were so similar and when their failures to coordinate could sometimes have disastrous electoral consequences. Around this time, I ran into my undergraduate thesis advisor, Daniel Verdier, at an APSA meeting. After I attempted to explain my inchoate dissertation idea to him, he immediately restated the question in terms of why parties form electoral coalitions. His reframing of my project was much more elegant than anything I was able to articulate at the time, and it gave me a clearer idea of how to proceed. It certainly wasn't the first time he had clarified my muddled ideas. Indeed, his willingness to provide round after round of criticisms of my undergraduate thesis—thereby improving it beyond all recognition—had an enormous influence on my decision to go to graduate school in political science.

I should mention two other teachers who played a significant role in my intellectual development. John Thompson was my biology teacher during my freshman year in high school and steered me toward the Illinois Mathematics and Science Academy, a new school then being set up by the state of Illinois. At IMSA I acquired a good background in math and science, which has been extremely important for my training as a political scientist. While at IMSA I also had the good fortune to meet Elia Lopez, who taught me French. The background in math, science, and foreign language that I received at IMSA set the stage for productive college and graduate studies. The influence of both John and Elia (whom I now consider to be family) goes beyond the disciplines they initially taught; both are outstanding teachers and I hope that some of their enthusiasm and technique is reflected in my own teaching.

I have saved my most important debts for last. I rely on the constant support and encouragement from my wonderful family: my parents, my brother Jon, my sister-in-law Rosanne, my 'new' English family, and my irresistibly adorable

nephews Edward and Joseph. Of course, I owe the largest debt of gratitude to my best friend and husband Matt Golder, who has influenced every part of this book. He has always been willing to debate ideas and read multiple drafts of everything I write. I am especially grateful for his help with the final revisions of the book manuscript, completed under two rather pressing deadlines, one imposed by the editor and the other by the impending birth of our son Sean.

CHAPTER ONE

Introduction

Prior to the 2002 German legislative election, the Social Democrats and the Greens reached a pre-electoral agreement announcing that they intended to form a government together if they received sufficient votes at the polls and encouraged voters to support their coalition. In the French legislative elections a few months earlier, the major parties on both the left and right were largely successful in forming pre-electoral coalitions of their own. Doing so typically meant fielding single candidates from the left or right in each electoral district. Yet in the French presidential elections that same year, the absence of pre-electoral agreements on the left and on the right allowed an extreme-right candidate, Jean-Marie Le Pen, into the final round of the presidential elections, an event the world press described as "a political earthquake." Meanwhile, in the Dutch legislative elections, all of the political parties ran independent electoral campaigns, and there was a great deal of uncertainty as to the likely identity of the future coalition government up to and immediately following the legislative elections. These empirical observations raise the question as to why pre-electoral coalitions formed in Germany but not in the Netherlands, and why they formed in some French elections but not others. More generally, why do some parties coordinate their electoral strategies as part of a pre-electoral coalition, whereas others choose to compete independently at election time?

In most democracies, single parties are unable to command a majority of support in the legislature. Thus, political parties who wish to exercise executive power are typically forced to enter some form of coalition. In effect, they can either form an electoral coalition with another party (or parties) prior to an election, or they can compete independently at election time and form a government coalition afterwards. For the purposes of this study, 'electoral' or 'pre-electoral' coalitions are defined fairly broadly to include cases where party leaders announce to the electorate that they plan to form a government together if successful at the polls or if they agree to run under a single name with joint lists or nomination agreements.[1]

The common link between these situations is that parties or party leaders in a pre-electoral coalition never compete in elections as truly independent entities. The fact that coalition government is the norm rather than the exception across the world has encouraged a vast literature to develop in political science. The overwhelming majority of this theoretical and empirical literature focuses purely on government coalitions; electoral coalitions are virtually ignored. This book seeks to redress this imbalance in our knowledge of coalitions by focusing on pre-electoral coalitions; specifically, it aims to explain electoral coalition formation at the national level. Although parties may form pre-electoral coalitions for several reasons, the theoretical and empirical analyses conducted in this book focus primarily on electoral coalitions between parties whose goal is to enter government. By concentrating on national-level efforts to enter government, my analyses of pre-electoral coalition formation can be directly connected with the existing government coalition literature.

Understanding the formation of electoral coalitions is important because (i) they can have a considerable impact on election outcomes, government composition, and policies; (ii) they have important normative implications for the representative nature of government; and (iii) they are quite common. Consider the following simple example. Imagine a legislative election with single-member districts in which there are two blocs of parties, one on the left and one on the right. The right-wing bloc has more electoral support than the Left. Suppose the parties on the left form an electoral coalition and field a common candidate in each district, but the parties on the right compete independently. The Right would most likely lose in this situation. In this example, the possibility arises that a majority of voters could vote for a group of politicians who support similar policies and that these politicians might still lose the election by failing to coordinate sufficiently.[2] The result is that the left-wing party is elected to implement policies that a majority of the voters do not want. In other words, the absence of a pre-electoral coalition on the right can have a significant impact on the election outcome, on the government that forms, and on the policies that are likely to be implemented. Inasmuch as one places a normative value on the basic principle that the candidate with the most support among the electorate should be elected and should implement policy, it matters whether political elites choose electoral strategies and coalitions that make them more or less likely to win elections.

Coalition strategies employed by political parties also have important normative implications for the representative nature of governments. Powell (2000) distinguishes between majoritarian and proportional representation visions of democratic government. In the majoritarian vision, a party with a majority or plurality of the vote wins the election and governs the country until the next election. In this situation, members of the electorate know that their votes directly influence

which party exerts executive power and implements policy. In the proportional representation vision, this is not necessarily the case, since coalition governments often form after the votes have been counted, beyond the scrutiny of the electorate. In effect, elections in proportional systems "serve primarily as devices for electing representative agents in postelection bargaining processes, rather than as devices for choosing a specific executive" (Huber 1996, 185). As a result, the lines of accountability are blurred, and it is unclear how well voter preferences are reflected in the government that is ultimately formed.

To some extent, pre-electoral coalitions can alleviate this problem by helping voters to identify government alternatives and to register their support for one of them. In fact, party leaders in the Netherlands, Ireland, and Germany have made this type of argument publicly in order to explain their participation in electoral coalitions and in an attempt to appeal to voters (Saalfeld 2000; Mitchell 1999; Klingemann, Hofferbert, & Budge 1994; De Jong & Pijnenburg 1986). Arguably, electoral coalitions increase democratic transparency and provide coalition governments with as much of a mandate as single parties in majoritarian systems. In fact, one might even say that pre-electoral coalitions provide an opportunity for combining the best elements of the majoritarian vision of democracy (increased accountability, transparency, government identifiability, strong mandates) with the best elements of the proportional representation vision of democracy (wide choice, more accurate reflection of voter preferences in the legislature). Given the important implications for the representative nature of government, one might want to know the conditions under which pre-electoral coalitions form.

Finally, electoral coalitions are not rare phenomena. There were 240 pre-electoral coalitions between 1946 and 2002 in the 23 advanced industrialized parliamentary democracies at the center of this book. Significantly, 70 (29.2%) of these 240 pre-electoral coalitions actually went on to form the government following the election. This number would be even higher if I also counted governments that contained electoral coalitions along with additional government partners. One hundred seventy-four (47.8%) of the 364 legislative elections between 1946 and 2002 had at least one pre-electoral coalition. Thus, about one-fifth (19.2%) of all the elections examined in this book produced a government that was based on a pre-electoral agreement. Again, this number would be even higher if I counted governments that comprised an electoral coalition along with other parties. A recent study of formal government coalition agreements in Western European parliamentary democracies concluded that when all coalition cabinets were considered, many had an "identifiable coalition agreement," and more than one-third were written *prior* to the election (Strøm & Müller 2000). Naturally, this study did not pick up all instances of electoral coalitions—it obviously omits all electoral coalitions that did not make it into government. However, it does serve to reinforce

the point that coalition bargaining often occurs prior to elections in a wide range of countries and that a large proportion of government coalitions are based on pre-electoral agreements. The strong empirical link found between pre-electoral and government coalitions suggests that if we think that understanding government coalitions is important, which the vast literature on this subject suggests is the case, then it must logically follow that understanding pre-electoral coalitions is important, as well.

Despite these strong reasons for studying electoral coalitions, current research has almost nothing to say about them. Those quantitative analyses and formal models of coalition behavior that exist are typically used to predict which government coalition will form (Baron & Ferejohn 1989; Laver & Shepsle 1990; Austen-Smith & Banks 1990; Baron 1991; Strøm, Budge, & Laver 1994; Diermeier & Merlo 2004), who gets which portfolio (Warwick & Druckman 2001), how long the formation process takes (Diermeier & van Roozendaal 1998; Martin & Vanberg 2003), and how long the government coalition will last (King et al. 1990; Warwick 1994; Lupia & Strøm 1995; Merlo 1997; Warwick 1999; Diermeier & Stevenson 1999; Diermeier, Eraslan, & Merlo 2003). In other words, they focus almost entirely on government coalitions.[3] There are simply no formal models of government coalitions that incorporate the possibility of electoral coalitions. Pre-electoral coalitions are almost entirely absent in the quantitative literature, as well.[4] Only in the case study literature do references to pre-electoral coalitions crop up with any semblance of regularity. Even among those scholars who address electoral coalitions here, the primary interest is not in studying the pre-election stage of electoral competition as such; electoral coalitions are typically treated purely as an interesting aside (Strøm, Budge, & Laver 1994; Laver & Schofield 1998; Müller & Strøm 2000*b*; Strøm & Müller 2000). To this point, there has been no systematic, cross-national research focused on electoral coalitions.[5]

Given the prevalence of electoral coalitions and their potential normative and policy implications, I believe that this lack of focused research represents a serious omission in our knowledge of coalitions. In fact, this state of affairs has led G. Bingham Powell to claim in the conclusion to his highly influential book, *Elections as Instruments of Democracy*, that

> One area that cries out for more serious theoretical and empirical work is the appearance of announced preelectoral coalitions between political parties. We know too little about the origins of such coalitions and about the great variety of forms (shared manifestos, withdrawal of coalition partners, recommendations to voters) that they can take. But in a number of countries such coalitions unmistakably play a critical role at both electoral and legislative levels. (Powell 2000, 247)

My book begins to answer Powell's appeal by examining the conditions under which electoral coalitions form.

This research objective presupposes the existence of a common underlying logic to the formation of pre-electoral coalitions. To some extent, this objective represents a new approach to analyzing these coalitions. As I mentioned earlier, the limited research that already exists on electoral coalitions is often country or election specific. One consequence of this fact is the emphasis placed on factors that are idiosyncratic to particular countries, elections, or party leaders. For example, the inability of the moderate right in France to form electoral coalitions in certain elections has frequently been explained in terms of the personal animosities or plain "stupidity" of party leaders (Bell 2000; Goldey 1999; Knapp 1999; Nay 1994). While the country-specific research is both important and highly informative, it does not offer us a general theory for explaining why electoral coalitions form in some circumstances but not in others. I seek to provide such a theory here.

As with government coalition formation, the emergence of pre-electoral coalitions is the result of a bargaining process among party leaders. For example, party leaders who wish to form a pre-electoral coalition must reach agreement over a joint electoral strategy and the distribution of office benefits that might accrue to them. This process may involve outlining a common coalition platform; deciding which party gets to run the more powerful ministerial posts; choosing which party's candidates should step down in favor of candidates from their coalition partner(s) in particular districts; or determining which leader is to become prime minister. Clearly, any pre-electoral coalition bargaining process involves a thorny set of distributional and ideological issues. Ultimately, party leaders must weigh the incentives to form an electoral coalition against the incentives to run independently.

Before elaborating on these incentives, it is worth noting that the pre-electoral coalition formation process is not quite the same as the government coalition formation process. First, electoral advantages that come from competing together as a coalition, particularly in countries with disproportional electoral rules, will create incentives to form an electoral coalition that are no longer relevant in the post-election context. Put differently, forming a government coalition cannot influence the probability of electoral victory; electoral coalitions can. Second, the ideological compatibility constraint facing potential coalitions is likely to be stronger prior to the election than afterwards. This likelihood is because voters might be unwilling to vote for electoral coalitions comprising parties with incompatible policy preferences; after the election, parties have more leeway to enter into these types of government coalitions, because voters are no longer such an immediate constraint on politicians' actions. My point here is only that it would be a mistake to immediately assume that the factors that have been found to be

important in the government coalition bargaining process will turn out to be the same factors that shape pre-electoral coalition formation.

The logic of electoral coalition formation that I present is based on the belief that party leaders care about winning office and policy (Müller & Strøm 1999). Party leaders must compare the utility that they expect to receive if they competed independently to the utility that they expect to receive if they competed as part of an electoral coalition. Consider first the case where party *i* decides to run independently. In this scenario, the party may be sufficiently successful at the polls that it gets to enter government. If the party wins more than 50% of the seats, it could form a government on its own. In this situation, the party would obtain all of the office benefits associated with being in power and could set policy at its own ideal point. Clearly, this would be the first choice for party *i*. However, party *i* will recognize that it is relatively rare for a single party to control a majority of the seats in most parliamentary systems. If party *i* is to enter government, then it is much more likely to do so as part of a government coalition. In this case, party *i* would receive some utility from its share of the office benefits and would suffer some utility loss from having government policy set at the ideal point of the coalition rather than at its own ideal point. Naturally, the utility loss suffered by each coalition partner would be lower the more ideologically compatible the government coalition. Finally, party *i* will know that there is some probability that it will not get to enter government if it runs independently. If this situation arises, then it will receive no office benefits and will suffer the utility loss associated with having the government set policy at the government ideal point and not at party *i*'s ideal point. The lowest possible utility for party *i* from running independently would occur if it was in opposition and government policy was ideologically distant from its own ideal point.

The second case is when party *i* decides to run as part of an electoral coalition. Note that in order to form a pre-electoral coalition, it is likely that party *i* will need to make some concessions in terms of policy and office to its potential coalition partners. For example, it is highly unlikely that party *i* would get to set the coalition policy exactly at its own ideal point and/or obtain all of the office benefits if the electoral coalition entered government. These concessions are essentially the exact same concessions that parties that run independently would have to make when forming a government coalition after the election. Arguably, these concessions may be more costly to make prior to an election than afterwards. This possibility is because any concessions that must be made to other parties in terms of ministerial posts or coalition policies after an election can more easily be presented to party members as a consequence of the votes cast by the electorate; if the concessions occur before an election, they can only be blamed on the party leadership. Given this idea, one might reasonably wonder why parties do not simply wait until after the election to make these concessions. Indeed, in many elections, this is precisely what happens.

However, the key thing to note about pre-electoral coalitions is that they can affect the probability that a party gets to enter government. Recognizing this fact, party leaders will form a pre-electoral coalition if they think that doing so will increase their probability of entering government to such an extent that the expected utility from forming such a coalition is larger than the expected utility from running independently. There are several reasons why pre-electoral coalitions might be electorally advantageous.[6] First, it may be the case that an electoral coalition would attract a higher number of votes or seats than the coalition parties would jointly win running independently.[7] This situation might occur if voters are risk averse in regard to the policy positions of potential future governments; that is, they prefer being able to identify a government alternative to being faced with a lottery over possible government outcomes, even if the mean expected policy position in both cases is identical. The lottery over possible government outcomes is less desirable, because the variance in possible policy positions is greater (Enelow & Hinich 1981; Snyder & Ting 2002; Ashworth & Bueno de Mesquita 2006). By decreasing voter uncertainty over which government coalition might form and thus which policy would get implemented, the parties that form a pre-electoral coalition might attract more votes than would otherwise be the case.

Second, and probably more important, is the strong empirical evidence that disproportional electoral institutions provide an electoral bonus to large parties or coalitions through their mechanical effect on the translation of votes into seats (Duverger 1963 [1954]; Lijphart 1994; Cox 1997; Clark & Golder 2006). Since all electoral systems are disproportional to some extent, electoral coalitions may hold out significant advantages in terms of extra legislative seats. Although we do not yet have an entirely satisfactory model of how particular distributions of legislative seats get translated into government coalitions, it seems reasonable to think that these extra legislative seats will be positively correlated with an increased probability of being in government. If this is the case, then party leaders will have an incentive to form pre-electoral coalitions.

To sum up, I hope to generate a wider scholarly debate about the role played by electoral coalitions at election time. Pre-electoral coalitions are important. Not only are they commonplace, but they also have the ability to determine electoral and policy outcomes. They may even be preferable on normative grounds to government coalitions that are not based on an electoral agreement. As a result, they deserve more attention from researchers. In the chapters that follow, I develop a theoretical model of electoral coalition formation and expose the hypotheses that it generates to statistical and case study analyses. In an attempt to link these analyses with the existing coalition literature, I also begin to examine how the decision

to form an electoral coalition affects various characteristics of government coalitions. This research represents the first attempt to formally analyze those factors that systematically influence the emergence of pre-electoral coalitions across elections and countries. The empirical analysis also represents the first time that data on electoral coalitions across such a large number of countries have been collected and analyzed.

The book proceeds in the following way. In the next chapter, I discuss in more detail how I define and identify pre-electoral coalitions. In addition to stating my coding rules and addressing several ambiguous cases, I also describe some of the different forms that electoral coalitions take in various countries and briefly summarize the data used in the rest of the book. In chapter three, I examine two hypotheses that are implicitly made in the existing coalition literature regarding pre-electoral coalitions. The first states that pre-electoral coalitions should be more common in disproportional electoral systems (Disproportionality Hypothesis). The second hypothesis focuses on the electorate's desire to be able to identify future governments (Signaling Hypothesis). I test these hypotheses using data on pre-electoral coalitions in 23 advanced industrialized parliamentary democracies between 1946 and 2002. The data support a modified version of the Disproportionality Hypothesis—disproportional electoral rules do encourage pre-electoral coalition formation, but only so long as the number of parties in the system is sufficiently large. There is no evidence for the Signaling Hypothesis.

While electoral institutions are clearly an important determinant of electoral coalition formation, I argue in the conclusion to chapter three that the implication in the coalition literature that pre-electoral coalitions are a simple function of electoral rules is probably too reductionist. I claim that a more nuanced understanding of pre-electoral coalition formation must take account of the distributional costs in terms of policy and office benefits that arise during coalition bargaining, as well as the potential electoral benefits. I develop a model of electoral coalition formation that takes account of these distributional costs in chapter four. The model is a bargaining game between two party leaders who must decide whether to form an electoral alliance or not. I derive several implications that relate the likelihood of pre-electoral coalition formation to various institutional and ideological features of the party system. Of the hypotheses that are generated, the most important are that electoral coalitions are more likely when the potential coalition partners share similar ideological preferences; when electoral institutions generate an electoral bonus for competing as a coalition; when the party's expected share of office benefits from running alone decreases; when the likelihood of entering government after running alone decreases; and when there is an extreme opposition and the coalition is electorally beneficial.

In the following chapter, I use a detailed investigation of electoral coalitions in Fifth Republic France and post-1987 South Korea to illustrate the causal process of pre-electoral coalition formation and the plausibility of my model's assumptions and implications. The unusual nature of the French semi-presidential regime offers an opportunity to examine the impact of different electoral institutions, namely legislative and presidential elections, on pre-electoral strategies while holding other country characteristics constant. Moreover, the French case provides a dramatic example of the impact that pre-electoral coalitions (or their absence) can have on election outcomes. The South Korean case supports the notion that there truly is an underlying general logic of electoral coalition formation. Although France is a country in Western Europe with a well-established democratic pedigree and South Korea is a relatively new democracy in East Asia, similar factors play an influential role in pre-electoral coalition formation in both countries. For example, evidence from both South Korea and France indicate that distributional issues play a significant role in determining the ease with which electoral coalitions form. If these issues can be resolved, then even the most strident and long-held personal animosities among party leaders can be overcome. The South Korean case also provides evidence that my model of electoral coalition formation can be usefully applied to presidential democracies.

In chapter six, I conduct a cross-national statistical analysis of the hypotheses generated by my bargaining model using a data set containing information on potential coalition dyads in 292 legislative elections in 20 advanced industrialized parliamentary democracies between 1946 and 1998. The results provide strong support for all of my hypotheses. Pre-electoral coalitions are more likely to form when parties are ideologically compatible, when the expected coalition size is large (but not too large), and when the potential coalition partners are of similar size. They are also more likely to form if the party system is ideologically polarized and the electoral rules are disproportional.

In the seventh chapter, I begin to link my study of pre-electoral coalition formation more directly with the existing government coalition literature by examining several aspects of the relationship between electoral and government coalitions. I find that electoral coalitions significantly increase the likelihood that member parties enter government; in other words, they affect the identity of government coalitions. I also find that governments that are based on pre-electoral agreements are not only more ideologically compatible than those that are not, but that they also get to take office more quickly. While there are several reasons to think that electoral coalitions might also improve government stability, I find no evidence to support this idea. Overall, the evidence presented in this chapter indicates that the effect of pre-electoral coalitions does not end with the counting of votes and the allocation of legislative seats; electoral coalitions continue to affect important aspects of the government formation process even after elections are over.

In the conclusion, I summarize the theoretical, empirical, and methodological contributions that my study makes to our understanding of electoral coalitions, and I address its normative implications. I also suggest that, although this book represents the first systematic, cross-national analysis to focus on pre-electoral coalitions, a fruitful area of future research would be to develop a more unified approach to government formation that simultaneously incorporates both pre-electoral and government coalitions.

CHAPTER TWO

Identifying Electoral Coalitions

The empirical study of electoral coalitions poses a particular challenge for the researcher. While the identity of government coalitions is typically well documented, the same cannot be said for pre-electoral coalitions. Put simply, it is often quite difficult to determine which, if any, parties actually formed an electoral coalition in a particular election, what the terms of each electoral alliance were, and how successful electoral coalitions were at the polls. The basic problem is that electoral coalitions are not always listed in official election results or on electoral ballots; where they are, they are rarely disaggregated to list their constituent parties. This situation leaves the interested researcher scouring through the vast case study literature that analyzes elections and party competition. The problem is magnified once one realizes that pre-electoral coalitions have rarely been the focus of scholarly attention in these studies. These practical issues may explain why I have failed to locate a detailed database on these coalitions and why there have been no cross-national statistical analyses examining pre-electoral coalition formation prior to this study.[1]

In the appendix at the end of this book, I provide a country-by-country description of the pre-electoral coalitions that I found in the case study literature and the sources used to identify them. The countries include Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Israel, Italy, Japan, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, and the United Kingdom from 1946 to 2002. These countries correspond to the 23 parliamentary democracies most commonly included in government coalition data sets (Mershon 2002). In this chapter, I discuss how I define pre-electoral coalitions and address ambiguous cases, I describe the various forms that electoral coalitions take in different countries, and I provide a brief overview of the data employed in the upcoming analyses.

2.1 Defining Pre-Electoral Coalitions

How do you know a pre-electoral coalition when you see one? There is as yet no accepted definition of electoral coalitions in the existing literature. For the purposes of this book, I define a pre-electoral coalition in the following way:

Definition: A pre-electoral coalition is a collection of parties that do not compete independently in an election, either because they publicly agree to coordinate their campaigns, run joint candidates or joint lists, or enter government together following the election.

There are, of course, finer distinctions that can be made among the various types of electoral coalition. For example, one might argue that coalitions composed of parties with different geographic bases of support are qualitatively different from those composed of parties that typically compete in the same districts. Given the limited research on pre-electoral coalitions to date, though, I prefer to focus in this book on the defining characteristic of a pre-electoral coalition—that parties do not compete independently at election time—rather than on the various ways in which these coalitions can be further disaggregated. The definition shown above employs two objective and observable criteria for identifying pre-electoral coalitions.

Criterion I: An electoral coalition must be publicly stated.

This criterion is important because one of the primary reasons for forming a coalition prior to an election rather than afterwards is to affect voter behavior. While the requirement that electoral coalitions be publicly stated does not necessarily entail that there is an explicit written agreement between the member parties, it does rule out what might be considered 'implicit' coalitions. For example, an outgoing coalition government that is expected to reconstitute itself if given the opportunity might be considered an implicit electoral coalition. The principal problem with including such implicit coalitions in a systematic analysis is that it relies on the subjective evaluation of the analyst as to whether the relevant parties really are coordinating their campaign strategies or not. Moreover, there is no way of knowing if these implicit coalitions would actually have formed the expected government coalitions if they were unsuccessful at the polls. By ruling out these implicit coalitions, I minimize the probability of committing a Type II error when classifying pre-electoral coalitions.

Criterion II: Member parties in an electoral coalition cannot compete in elections as truly independent entities.

This second criterion is fairly inclusive and recognizes that parties can coordinate their electoral strategies in a variety of ways. For example, a coalition strategy might entail merely announcing an intention to govern together if the coalition is successful at the polls, as is sometimes the case in the Netherlands, or it might involve choosing a single coalition candidate to run in each district, as is often the case in France.

While these two criteria help identify pre-electoral coalitions in general, the focus of this book is on national-level electoral coalitions. As a result, I also employed the following criterion when identifying pre-electoral coalitions.

Criterion III: The electoral coalition must be at the national level.

This third criterion means excluding electoral coalitions that compete only in a particular region of a country. In the Spanish case, this definition means that electoral coalitions such as Convergencia i Unió (Convergence and Union), Unidade Galega, the Galician National Popular Block, the Basque Left, and Herri Batasuna (United People) are all omitted from the upcoming analyses (Newton 1997).[2] The third criterion also means excluding several sub-national electoral coalitions in Japan and Finland that were negotiated by local party leaders. Although parties regularly form electoral coalitions to contest mayoral or gubernatorial elections in Japan (Christensen 2000; Johnson 2000), I found evidence for only two national-level electoral coalitions.[3] Local party leaders do sometimes negotiate electoral alliances in various constituencies in Finland, as well. However, "for the most part electoral alliances have been understood simply as technical arrangements which do not structure the bargaining situation. In Finnish elections the parties strive to maximize their parliamentary strength, with government participation in mind; but pre-electoral executive agreements are practically non-existent, and coalition alternatives are not presented to the electorate" (Nousiainen 2000, 270). I found evidence for only three national-level electoral coalitions in Finland.[4] While national-level electoral coalitions did not become commonplace until the Fifth Republic in France, I did find evidence of sub-national coalitions in the Fourth Republic. These sub-national coalitions are not included in the forthcoming analyses, either.

On the whole, it was relatively easy to identify pre-electoral coalitions at the national level using these three criteria. There were only two ambiguous cases of electoral coalition formation in the sample of countries employed in this book.[5] In virtually every pre-electoral coalition that I found, all of the member parties explicitly endorsed the coalition. However, there were two Austrian elections (1986, 1995) in which the Socialist Party announced an intention to govern together with the People's Party. The ambiguity arises because although the People's Party did not

publicly reciprocate this announcement, it did not actually reject the proposed coalition, either. I took the absence of a rejection on the part of the People's Party as a tacit endorsement of the proposed pre-electoral coalition. A similar situation occurred in Ireland in 1992, when the Fine Gael leader publicly proposed a pre-electoral coalition with Labour and the Progressive Democrats. However, in this instance, the leader of the Labour Party immediately and publicly rejected the proposed pre-electoral coalition (Mair 1999, 146). Naturally, I do not code this Irish case as an electoral coalition. Although I code the two Austrian cases as pre-electoral coalitions, I should note that my inferences in the following chapters do not depend on this coding decision.

Using the coding rules outlined above, I found evidence of 240 pre-electoral coalitions in the 23 parliamentary democracies studied in this book. While I have done my best to identify all national-level electoral coalitions that formed between 1946 and 2002, I recognize that my data collection efforts are only as good as the sources that I consulted. Given that some country experts address pre-electoral coalitions in more detail than others, one must conclude that I may have missed one or two electoral alliances.

2.2 Data Overview

Table 2.1 presents some basic information about the pre-electoral coalitions examined in this book. The 240 electoral coalitions that I found competed in 364 legislative elections between 1946 and 2002. Only Canada and Malta have had no experience with pre-electoral coalitions at the national level. While some countries such as Japan, the United Kingdom, New Zealand, and Luxembourg have had few electoral coalitions, others such as Australia, France, Germany, Greece, Israel, and Portugal have had many. In fact, pre-electoral coalitions have competed in all Australian elections, 93.3% of Germany's elections, and 90% of Portugal's elections. The electoral success of pre-electoral coalitions shows considerable variation across countries, too. For example, roughly two-thirds of the governments in Australia and France, and one-half of German governments, have been based on pre-electoral alliances. In contrast, none of the pre-electoral coalitions in Iceland, Japan, Luxembourg, and the United Kingdom have ever made it into government. Pre-electoral coalitions have consistently won a large percentage of the vote in countries such as Australia, Austria, France, and Germany. On average, pre-electoral coalitions comprised 2.8 parties. Although most electoral coalitions (62.5%) formed between two parties, some coalitions have been quite large. For example, the Union of the Democratic Center comprised fourteen parties in the 1977 Spanish elections, and the United Camp of the Nationally Minded contained nine parties in the 1946 Greek elections.

Table 2.1

Descriptive Data about Pre-Electoral Coalitions (PECs) by Country

Country	Election Years	# of Elections	# of PECs	% Elections with PECs	% Votes for PECs	Govts. Based on PECs #	Govts. Based on PECs %	Size of PECs
Australia	1946–2001	23	25	100	46.5	15	65.2	2.0
Austria	1949–2002	17	12	58.8	44.7	9	52.9	2.0
Belgium	1946–1999	18	14	61.1	8.1	1	5.6	2.2
Canada	1949–2000	17	—	—	—	—	—	—
Denmark	1947–2001	22	8	36.4	3.6	1	4.5	2.1
Finland	1948–1999	15	3	20.0	6.9	1	6.7	3.3
France	1946–2002	15	23	73.3	59.7	10	66.7	3.0
Germany	1949–2002	15	19	93.3	57.9	8	53.3	2.3
Greece*	1946–2000	19	25	73.7	26.4	4	21.1	3.2
Iceland	1946–1999	17	8	47.1	6.7	0	0	2.4
Ireland	1948–2002	17	9	47.1	24.4	5	29.4	2.4
Israel	1949–1999	15	26	86.7	35.5	0	0	3.5
Italy	1948–2001	14	9	35.7	23.5	2	14.3	4.5
Japan	1947–2000	20	2	5.0	2.4	0	0	3.5
Luxembourg	1954–1999	10	3	30.0	8.5	0	0	2.0
Malta	1966–1998	8	—	—	—	—	—	—
Netherlands	1946–2002	17	8	35.3	19.0	3	17.6	2.6
New Zealand	1946–2002	20	2	10.0	2.6	1	5.0	2.0
Norway	1949–2001	14	9	64.3	23.8	5	35.7	3.2
Portugal	1976–2002	10	14	90.0	24.6	2	20.0	2.6
Spain	1977–2000	8	11	87.5	3.1	1	12.5	4.4
Sweden	1948–2002	18	8	38.9	17.0	2	11.1	2.5
UK	1950–2001	15	2	13.3	3.2	0	0	2.0
TOTAL		364	240			70		2.8

Sources: Listed in the Appendix to this book.

Notes: Table lists (i) the election years included; (ii) the number of legislative elections; (iii) the number of pre-electoral coalitions; (iv) the percentage of elections with pre-electoral coalitions; (v) the average percentage of votes going to pre-electoral coalitions in all elections; (vi) the number and percentage of governments based purely on pre-electoral coalitions (no additional parties); and (vii) the average number of parties in each pre-electoral coalition by country.

* indicates that the years 1968–1973 are not included; — indicates that there were no pre-electoral coalitions.

I should note at this point that there is a difference between the number of pre-electoral coalitions listed in table 2.1 and the number of pre-electoral coalitions that I am able to include in some of my upcoming analyses. This is not an issue in the next chapter, where my empirical analysis includes all of the national-level

pre-electoral coalitions in my sample. However, it does become an issue in chapters six and seven, where some of my empirical analyses require information on the ideological position of various parties. The problem arises because my source for information on each party's position in the ideological space—the Campaign Manifesto Research Group (MRG)—occasionally treats electoral coalitions as if they were single parties (Budge et al. 2001). Since all of the pre-electoral coalitions in Greece and Israel are coded as single parties, I am forced to omit Greece and Israel from my analyses in chapters six and seven. I am also forced to drop Malta, because no Maltese party is included in the MRG data set. While a few electoral coalitions between *very small* parties in other countries are also coded as single parties, this particular data constraint may actually be appropriate for my purposes. In practical terms, the very small size of the parties in these few cases suggests that the goal of these pre-electoral coalitions is probably to overcome some threshold of representation, rather than to enter government. Although my theory itself does not require the primary goal of parties that form pre-electoral coalitions to be entry into government, the basic theory, as I present it throughout much of the book, is couched in terms of parties in parliamentary democracies that have an interest in entering government. Thus, it is arguably appropriate that the pre-electoral coalitions included in the empirical analyses conducted in chapters six and seven are formed primarily between parties that are large enough to realistically have an eye toward entering government. In any case, this situation is forced upon me by the constraints of the MRG data set.

2.3 Types of Electoral Coalitions

For the purposes of this book, I distinguish between parties that compete independently at election time (no pre-electoral coalition) and parties that do not compete independently (pre-electoral coalition). As I have already stated, this seems a useful starting point, given the limited nature of the research concerning electoral coalitions that exists at present. However, future research might want to move beyond this simple dichotomy and think more along the lines of a continuum of electoral coordination, with completely separate and independent parties competing in elections at one end of the spectrum, and party mergers at the other end. Different points on this continuum would represent different degrees of electoral coordination. For example, parties that agree to present only one candidate per district in a single-member district electoral system or run candidates on a joint list under a coalition name would represent a relatively high degree of electoral coordination. Parties that ask their electorates to vote for more than one member of an electoral coalition in countries where individuals have multiple votes, or where votes can be transferred to other parties, would represent a middling degree of electoral coordination. Parties that simply announce to the electorate that they hope to form a government coalition after the election would represent a relatively low degree of electoral coordination. The specific form that electoral coordination takes in a particular country is likely to depend on the electoral rules, the regional distribution of the party system, and other factors relating to the relative strengths and ideological positions of different parties. Although I do not distinguish between these different types of electoral coalitions or different degrees of electoral coordination in the upcoming analyses, let me briefly describe some of the more common forms that these coalitions take in the 23 parliamentary democracies at the center of this book.

2.3.1 Nomination Agreements

Nomination agreements between parties represent a relatively high level of electoral coordination on my hypothetical continuum, since they involve parties agreeing to present a coalition candidate in each district rather than each party putting up its own candidate. Such nomination agreements are a typical form of electoral coordination in countries with single-member districts. In France, parties often choose to nominate a single coalition candidate in each district before the first round of elections, or they agree to withdraw their respective candidates in favor of a coalition candidate prior to the second round of voting. For example, the two mainstream right parties (UDF and RPR) in France agreed to put up a single candidate in 385 districts in the first round of the 1981 legislative elections (Bell 2000). In contrast, electoral coalitions between the Socialist and Communist Parties in France do not typically occur in the first round of voting; instead, the parties nearly always agree to compete independently in the first round and then give the best-placed candidate on the left a free-run in the second round. The two national-level pre-electoral coalitions that have occurred in the United Kingdom since 1946 have also involved the use of nomination agreements. In the 1980s, the Liberal Party and the newly-formed Social Democratic Party "recognized that competition between them would be mutually destructive . . . [As a result], they quickly worked out an electoral pact in which constituencies were allocated between the two parties, so that nowhere would they oppose each other. Furthermore, they ran a joint electoral campaign, which, in turn, required some degree of joint policy-making" (Rasmussen 1991, 168).[6]

Nomination agreements have also been employed at various times in Germany, Italy, and New Zealand. During the 1950s in Germany, the Christian Democratic Union (CDU) formed an electoral alliance with the German Party (DP), in which it agreed not to nominate candidates in certain constituencies held by the DP in

return for the DP's continued support of Konrad Adenauer as Chancellor. This electoral alliance was crucial to the DP's 'survival' in the 1953 and 1957 legislative elections (Saalfeld 2000, 39). Following the introduction of a new, mixed electoral system, the major Italian parties grouped together into four competing electoral cartels (Progressives, the Pact for Italy, the Freedom Pole, the Pole of Good Government) for the 1994 legislative elections, with the goal of fielding common candidates in each of the single-member constituencies; these same parties ran separate (or joint) lists in the more proportional upper tier (Daniels 1999, 82–84). The only electoral coalition that formed in New Zealand prior to the adoption of a mixed electoral system in 1996 also consisted of a nomination agreement—the New Labour Party agreed to stand in the general seats and allow Mana Motuhake to stand in the Maori seats for the 1990 elections.

2.3.2 Joint Lists

Joint party lists also represent a relatively high level of electoral coordination since they involve parties agreeing to a single list of coalition candidates. Joint party lists are quite common in Israel, where parties typically run under a new coalition name. For example, Maki and Rakah ran as Moked (Focus) in the 1973 Israeli legislative elections, and Labor and Mapam formed an electoral alliance known as Maarach (Alignment) for the 1969 elections. Since Israeli parties tend to run under joint lists when they form electoral alliances, it is often difficult to determine how many votes come from each member's electorate. As a result, Israeli electoral results are often reported as though the electoral coalitions were single parties. Indeed, there are instances where scholars may describe a particular coalition as "a parliamentary bloc, a combination of single parties rather than a single party," yet they later refer to the same coalition as if it were a single party (Akzin 1979). This confusion obviously makes it difficult for any analyst who is trying to identify the existence of electoral coalitions in Israel.[7] Somewhat interestingly, Israeli electoral coalitions are actually treated as single parties for the purposes of determining who is eligible to become the formateur—customarily, the 'party' that wins the largest number of seats in the Knesset [Israeli parliament] becomes the formateur (Elazar 1979). For instance, the Likud coalition of the Liberals and Herut won more votes than did the Alignment coalition of Mapam and Labor in 1977; as a result, Likud took the lead in forming the government.

Electoral coalitions based on joint lists also occur in other countries such as the Netherlands, Portugal, and Greece. For example, the three Christian Democratic parties in the Netherlands—the Catholic People's Party, the Christian Historical Union, and the Anti-Revolutionary Party—formed a joint list under the heading of Christian Democratic Appeal for the 1977 legislative elections. These three parties later merged in 1980 into a single party, the Christian Democratic Accord (Koole 1994; De Swaan 1982). In Portugal, the Portuguese Communist Party formed a joint list with the small Green Party, under the heading of the Unitarian Democratic Alliance, for the 1987 legislative elections, and the Center Social Democrats, the Social Democrats, and the Popular Monarchist Party ran under the single banner of the Democratic Alliance in 1979 (Cunha 1997, 36–37). In Greece, the Christian Democrats, Communist Party-Interior, Socialist Initiative, Socialist March, and U.D. Left formed a joint list under the heading of the Alliance of Progress and Left-Wing Forces for the three legislative elections in 1989 and 1990.

2.3.3 Dual Ballot Instructions

A slightly lower level of electoral coordination often occurs in countries where individuals get to cast two votes in different electoral tiers.[8] In these countries, electoral coalitions often take the form of party leaders telling their supporters to cast one vote for their party, and the second vote for their coalition partner. This type of electoral coalition occurs quite frequently in Germany, where individuals cast one vote for a constituency candidate elected by plurality rule and a second vote for a party list in a multi-member (regional) district. It is usually understood in the German case that the district vote will go to the candidate from the larger coalition member, and the list vote will go to the smaller partner to ensure that the small party passes the 5% electoral threshold. For example, almost two-thirds of the Free Democrats' (FDP) list vote for the 1994 elections came from supporters of its larger coalition partner, the Christian Democratic Union. "With a core support of approximately 3% of the electorate, the FDP has often relied on a substantial share of so-called 'borrowed votes' (*Leihstimmen*) to straddle the 5 per cent threshold and secure its representation in the Bundestag" (Saalfeld 2000, 40). Given that neither of the two largest parties in Germany seems capable of winning an overall majority of seats on its own, the FDP has been courted as an electoral coalition partner by both the Christian and the Social Democrats; indeed, the FDP has formed electoral alliances with both parties over the years.

2.3.4 Vote Transfer Instructions

In countries where voters get to rank their preferences over candidates and preferences are transferable, electoral coalitions often take the form of party leaders telling their supporters to rank their own party first, and a coalition member second. This is a relatively easy request to make of voters compared to asking them to support a single coalition candidate, as party leaders in non-transferable

single-ballot systems are forced to do. These vote transfer instructions are similar in many ways to the dual ballot instructions discussed above. For example, parties in Australia often give individuals 'how-to-vote' cards outside polling stations, with clear instructions on how to rank candidates so that the flow of preferences will benefit the party if the party is running separately, or the coalition if a pre-electoral agreement is in place. The National Party and the Liberals in Australia have formed a "nearly permanent" electoral coalition that competes against the Labour Party in every election, with the long-term understanding that if the former gains a majority, they will form a government together (Klingemann, Hofferbert, & Budge 1994).[9] Australia's alternative-vote electoral system "gives much scope to the political parties to control the re-direction of preferences, and it is arguable that preferences [have] controlled the last five federal elections" (McAllister 2003, 382).

The existence of preferential voting in Ireland's more proportional single transferable vote system produces electoral coalitions similar to those in Australia. For example, the electorates of Fine Gael and Labour were instructed to list their preferred party's candidate first and their coalition partner's candidate second when these parties reached a pre-electoral arrangement for several elections during the 1970s and early 1980s. Irish voters pay attention to these instructions, and "[h]igh transfer rates among parties can make all the difference to the distribution of a fairly small number of seats . . . [G]iven that the Dáil [the Irish parliament] is often delicately balanced and governments rarely enjoy sizable majorities (if they have one at all), transfers can make or break a prospective coalition" (Mitchell 1999, 246). Perhaps because vote transfers can play such an important role in determining electoral outcomes in Ireland, the country experts who analyze Irish elections often explicitly address whether or not parties choose to form electoral coalitions.

2.3.5 Public Commitment to Govern Together

Electoral coalitions that simply involve parties publicly announcing their intention to govern together if successful at the polls represent a relatively low level of electoral coordination in comparison to nomination agreements, joint lists, dual ballot instructions, and vote transfer instructions. This type of electoral coalition occurs in many countries such as New Zealand, the Netherlands, and Germany. For example, the Alliance and Labour Party in New Zealand formed a loose electoral coalition stating that they would govern together if they won the elections in 1999 (Vowles 2002). In the Netherlands, the Labor Party (PvdA), Liberal Democrats (D66), and the Radical Party (PPR) formed a pre-electoral coalition for the 1971 and 1973 Dutch elections. These three parties announced that they would govern together if successful at the polls, even though they did not compete under a joint coalition list (Timmermans & Andeweg 2000). In Germany, it is generally understood that the Christian Democratic Union (CDU) and the Christian Social Union (CSU) will work together in parliament and govern together if successful at the polls. Voters never actually get a chance to vote for both parties, since the two parties run in different geographic regions—the CSU in Bavaria, the CDU in the rest of the country. Although the CDU and CSU are often seen as a single party, they should rightfully be considered a two-party electoral coalition, because they have separate party organizations and leadership; they also formally organize themselves as a common parliamentary bloc after each election (Norpoth 1982; Mackie & Rose 1991; Laver & Schofield 1998; Saalfeld 2000).

Interestingly, some parties also make public commitments to *not* govern with certain parties (Strøm, Budge, & Laver 1994; Hillebrand & Irwin 1999; Müller 2000; Müller & Strøm 2000*b*; Narud & Strøm 2000). For example, party leaders in Germany, Austria, Norway, and the Netherlands sometimes announce the parties they will refuse to govern alongside under any circumstances, effectively ruling out certain government cabinet configurations. For example, prior to the 1949 German election, the CSU stated that it would not participate in any government with the Social Democrats or the Bavarian Party. More recently, all parties rejected the possibility of forming a government with the Party of Democratic Socialism (the former Communist party in East Germany) prior to the 1990, 1994, and 1998 elections (Saalfeld 2000, 39). A recent empirical study shows that 'anti-coalition pacts' such as these make it more unlikely that a potential government including these parties will form (Martin & Stevenson 2001).

2.4 Conclusion

While I have tried to make my coding rules as clear as possible, I recognize that other scholars may prefer different coding criteria. Depending on the question being addressed, I can imagine scholars wanting to distinguish between different types of pre-electoral coalitions, such as those based on nomination agreements or joint lists and those based simply on a publicly stated intention to govern together. For the purposes of this book, I employ a fairly inclusive definition of pre-electoral coalitions that ignores, to some extent, the variety of forms that electoral coordination can take. I simply distinguish between parties that publicly coordinate their campaign strategies at the national level (pre-electoral coalitions) and those that do not (no pre-electoral coalitions). I believe that this is a useful starting point for research on electoral alliances. I have no doubt that some country experts will disagree with my reading of the case study literature as it relates

to electoral coalitions in their country of expertise. Partly for this reason, my data and codebook are publicly available on my homepage. Analysts should feel free to use these data to further examine the robustness of my results and to begin analyzing the differences between the various types of electoral coalitions. Indeed, as scholars begin to ask different questions about electoral coalitions, such distinctions will be required.

CHAPTER THREE

Existing Theories

3.1 Existing Theories of Pre-Electoral Coalitions

While there has been little systematic investigation of pre-electoral coalitions to this point, it would be misleading to imply that electoral coalitions are never mentioned in the coalition literature. In fact, if one looks carefully enough in the coalition literature one can see that two implicit hypotheses are made regarding pre-electoral coalition formation. The Disproportionality Hypothesis states that pre-electoral coalitions should be more common in disproportional electoral systems. In this case, electoral coalitions are formed as a means of overcoming some barrier of representation. The Signaling Hypothesis focuses on the electorate's desire to be able to identify the nature of future governments. In this case, electoral coalitions act as a signaling device, indicating the likely shape of the post-election government coalition. While the Disproportionality Hypothesis is predominant in the literature, the Signaling Hypothesis tends to be called upon to explain why pre-electoral coalitions sometimes form in highly proportional electoral systems. To date, neither of these hypotheses has been carefully analyzed or tested. In this chapter I examine the theoretical underpinning of each argument in turn, I generate testable hypotheses, and I subject them to statistical analysis using a data set comprising all of the legislative elections between 1946 and 2002 in the 23 parliamentary democracies listed in table 2.1.

3.1.1 Disproportional Electoral Rules

By far the predominant argument in the literature is that disproportional electoral systems encourage pre-electoral coalition formation (Shepsle & Bonchek 1997, 190–91). Strøm, Budge, & Laver (1994, 316) state, "Systems not based on PR [proportional representation] lists tend to force parties to coalesce before elections in order to exploit electoral economies of scale. The more disproportional the

electoral system, the greater the incentives for preelectoral alliances." The argument is fairly straightforward. Electoral rules that consistently benefit larger parties should encourage party leaders to forge pre-electoral alliances. While the implicit goal of pre-electoral coalition formation in this argument appears to be to gain more seats, this need not be the main objective of party leaders. If the size of a party in terms of legislative seats is highly correlated with being part of a government coalition or being chosen as formateur, then party leaders in parliamentary systems could increase their chances of being in government by joining an electoral coalition (Laver & Schofield 1998).

This book opened with an empirical puzzle: Why did pre-electoral coalitions form prior to the 2002 legislative elections in Germany and France, but not in the Netherlands? The disproportionality argument outlined here implies that pre-electoral coalitions are a simple function of electoral rules. Thus, the claim would be that pre-electoral agreements were reached in France because of the majoritarian nature of French electoral institutions, and that they were not reached in the Netherlands owing to the highly proportional nature of Dutch electoral institutions. Of course, the German case is slightly ambiguous, given the way its electoral system combines majoritarian and proportional elements.

While the disproportionality argument has a great deal of intuitive appeal, it needs to be qualified. Imagine a country with a highly disproportional electoral system in which there is only one seat being contested (or one seat per district, the extreme case being a presidential election). The argument as stated above, and in the literature, suggests that pre-electoral coalitions should be quite common in this country. However, if there were only two parties, then there would clearly be no reason to form an electoral coalition. Except for periods of war or political crisis, when political elites may want to form a government of national unity, one would not expect to see electoral alliances in a two-party system. In other words, the incentives to form a pre-electoral coalition only really exist when there are more than two parties. The intuition from this example can be stated more generally: disproportionality encourages pre-electoral coalition formation, *but only when the number of parties is sufficiently large.* In fact, Duverger (1963 [1954], 328) made a similar point when he said in the 1950s that "[t]he action of the simple-majority single-ballot system is totally different according to whether it coincides with a dualist or a multi-party system. In the first case the idea of electoral alliances is logically unthinkable: if the two parties were to unite there would be only one candidate and the election would take on a plebiscitary character that would completely change the nature of the regime." It is unclear why the conditional part of this hypothesis has been dropped or forgotten in the contemporary coalition literature.

Disproportional electoral rules should only encourage electoral coalition formation when the party system is sufficiently large. A vast literature exists investigating the factors that determine the size of the national party system in various countries (Duverger 1963 [1954]; Lijphart 1994; Amorim Neto & Cox 1997; Clark & Golder 2006). There is strong theoretical and empirical evidence that more disproportional electoral systems are associated with fewer political parties. It is the existence of a 'mechanical effect' in favor of large parties that creates incentives for strategic voting on the part of voters and for strategic withdrawal on the part of political entrepreneurs. The end result is that parties typically merge and coalesce so as to exploit electoral economies of scale in disproportional systems. This is precisely the same argument presented in the coalition literature for why pre-electoral coalitions form in disproportional systems. Note that this argument raises an interesting puzzle. If the incentives to coalesce are so great in disproportional systems, then one should not actually observe pre-electoral coalitions in these countries; there simply will not be a sufficiently large number of independent parties. It is only when there are 'surplus' or 'excess' parties that choose to retain their party identity in spite of the incentives created by disproportional systems that one would expect to observe electoral coalitions.

Determining when and why some political parties will retain their separate identities rather than merge or coalesce into a larger party is a complex question that goes beyond the scope of this book. However, several institutions are already known to influence how likely parties are to retain their separate identities. One such institution is the use of fusion candidacies, where multiple parties can nominate the same candidate. Fusion candidacies were employed in many US states in the nineteenth century, and it is interesting to note that electoral alliances were quite common between the Democratic Party and various other parties (depending on the state) at this time. Although this practice continues in New York State, it was stopped in most other states more than a century ago. The end of fusion candidacies contributed quite markedly to the evolution of a party system in which the Democratic and Republican parties were the only viable parties outside New York State (Argersinger 1980). Majority requirements are also thought to encourage parties to retain their separate identities (Duverger 1963 [1954]). Certain characteristics of presidential elections, such as the use of runoff procedures, their temporal proximity to legislative elections, and the number of presidential candidates, have also been found to influence the number of parties (Golder 2006).

The size of the party system is also likely to be determined by the extent to which the party system is nationalized. The Duvergerian logic outlined above applies primarily to the district level. Although a country with single-member districts may well be expected to have two main parties in any given district, there is nothing to say that these parties will necessarily be the same across different districts. Chhibber & Kollman (2004) have shown that the extent to which this local

two-party system is mirrored at the national level will depend on the relative importance of national and sub-national governments. If the most salient political issues are at the national level, and the national government controls most of the economic power, the party system is likely to be highly nationalized, with strong linkages across districts. In this case, disproportional electoral rules should lead to few parties. However, if there are no strong linkages across districts, then the number of parties in the national legislature may be larger than what one would expect from simply looking at the electoral rules. This idea may help to explain some 'non-Duvergerian' outcomes in party system size at the national level.

Although various institutions obviously influence whether there will be a 'surplus' or 'excess' number of parties, these institutions themselves are not the focus of the analysis here. They are relevant only to the extent that they create a party system of sufficient size that parties are able to take advantage of joining a pre-electoral coalition in order to gain office and policy benefits. Thus, the principal point that I want to emphasize is simply that the disproportionality hypothesis regarding pre-electoral coalitions must be conditional in nature:

Disproportionality Hypothesis: Disproportionality increases the likelihood of pre-electoral coalition formation only when there are a sufficiently large number of parties

3.1.2 Signaling Devices

While the Disproportionality Hypothesis is predominant, a second explanation for pre-electoral coalition formation can be discerned in the literature. In this alternative argument, pre-electoral coalitions are treated as signaling devices with respect to voters. There appear to be at least three separate motives behind forming an electoral coalition as a signaling device: (i) to signal that member parties can form an effective government coalition; (ii) to signal the identity of a potential future government as clearly as possible; and (iii) to signal the desire of political parties to give voters a more direct role in choosing government coalitions. These variants of the signaling argument are typically found in the case study literature dealing with coalitions. They are often used to explain what appear to be anomalous cases of electoral coalition formation in highly proportional electoral systems. As such, they tend to be case-specific and rather ad hoc.

The argument that electoral coalitions send a signal to voters that member parties can form an effective government coalition has been made in the case of Ireland, Sweden, and India. Each of these countries has experienced long periods in which a single party has dominated the executive (Fianna Fáil in Ireland, the Social Democrats in Sweden, the Congress Party in India). Those voters who preferred one of the smaller, opposition parties in these countries risked 'wasting' their vote if they voted for this party. Opposition parties formed electoral coalitions in these countries to signal their ability to compete effectively with the ruling party and encourage the electorate to vote for them. In Sweden, the Social Democrats were dominant for decades because the various opposition parties were so ideologically distant from one another that they were not seen as a credible government alternative. Eventually, the three 'bourgeois' parties formed electoral coalitions in the 1970s as a signal to voters that their policy positions had sufficiently converged that they could offer a viable governing alternative (Hancock 1998, 231–32). Similarly, opposition parties in Ireland formed pre-electoral coalitions as a way of signaling to voters that they were a viable alternative to Fianna Fáil (Farrell 1987, 137–38). In India, opposition parties formed an electoral coalition based on a common anti-corruption platform to bring down the long-dominant Congress Party (Andersen 1990, 528–30).

The argument that electoral coalitions are a device to signal the identity of potential future government coalitions is perhaps more common. Pre-electoral coalitions can be used to signal with whom member parties will try to form a government if elected. As a result, pre-electoral coalitions can be expected to offer benefits to risk-averse voters who would rather know the identity of the post-election coalition for sure, rather than wait for the lottery that occurs during a government coalition bargaining process. These benefits are likely to be quite significant in those countries where the post-election bargaining process is very uncertain. Some of the parties in Germany are quite explicit in their campaign messages about the coalition government that they will form if elected. They often tell voters to support a particular coalition by splitting their votes in the constituency and party-list portions of the ballot, precisely because doing so can affect the identity of the post-election government coalition (Roberts 1988, 317–37). Pappi and Thurner (2002, 213) note that in "the German system, voters recognize the realistic options for a new coalition government and the German two-vote system offers voters an opportunity to support not only their party, but also the specific coalition advocated by their party."

The final variant of the signaling argument is that party leaders form electoral coalitions to signal their desire to have voters play a larger role in determining government coalitions. At least, this was the public justification behind the electoral coalitions that formed in the Netherlands in the early 1970s (De Jong & Pijnenburg 1986; Andeweg 1989; Hillebrand & Irwin 1999; Rochan 1999). Coalition parties claimed that voters would feel that the future government coalition was more legitimate if they knew ahead of time what they were voting for.[2] Some analysts have argued that this motivation has been important in Germany, as well. For example, Klingemann, Hofferbert, and Budge (1994) state that the Free Democrats (FDP)

and whichever of the major parties was its partner at the time benefited from forming an electoral alliance, since they could claim to have a direct popular mandate once in office.

If pre-electoral coalitions are to be useful as signaling devices, it must be the case that they translate fairly accurately into the government coalitions that eventually form after elections. If this is not the case, then the electorate is unlikely to continue voting for them in the future. In other words, public commitments to form a government with another party if successful at the polls should actually be implemented. On the whole, there seems to be strong empirical evidence to support this idea (Laver & Schofield 1998; Strøm, Budge, & Laver 1994; Martin & Stevenson 2001). In fact, cases where members of a successful pre-electoral coalition do not enter government together appear to be so unusual that they warrant particular comment in the case study literature. Two cases that are mentioned involve pre-electoral coalitions in Luxembourg and Norway. In Luxembourg, the Socialist Party and the Christian Democrats formed an electoral coalition for the 1968 elections and together won 68% of the vote. Following the election, though, the trade union affiliated with the Socialist Party prevented the party from entering government (Dumont & Winter 2000, 405). In Norway, the three 'bourgeois' parties (the Conservative Party, the Christian People's Party, and the Center Party) formed a pre-electoral coalition for the 1981 elections and did well enough that they were expected to form the government. However, while forming the government, the parties had a disagreement over the issue of abortion, and both the Christian People's Party and the Center Party refused to enter government with the Conservatives. After supporting the minority Conservative government for a couple of years, the Christian People's Party and the Center Party did eventually join the government in 1983 (Narud & Strøm 2000, 177). I do not consider the government that formed after the election in these two cases to be based on a pre-electoral coalition.[3] Despite these two cases, it does appear that parties that form pre-electoral coalitions do enter government together if given the opportunity.

The three variants of the signaling story have often been developed in a case-specific and ad hoc manner. As a result, it is difficult to delineate shared features and generate testable claims that can easily be evaluated across different cases. The variant of the signaling story that can most easily be generalized is the one that focuses on the identifiability of potential future governments. The basic claim is that pre-electoral coalitions are more likely to form when the identifiability of future governments is uncertain. One only needs a measure of identifiability to be able to test this idea. Although measures of 'identifiability' do exist in the literature, the creators themselves acknowledge that the measurement criteria are very 'impressionistic' (Strøm 1990; Powell 2000; Shugart 2001). One alternative to

these impressionistic measures is to assume that uncertainty about the identity of future governments is correlated with the number of potential governments that could form. The number of potential governments is obviously an increasing function of the number of parties. This statement means that those countries with a large number of parties should also have a high level of uncertainty as to who will be in the next government. This line of reasoning generates the following testable hypothesis:

Signaling Hypothesis: Pre-electoral coalitions are more likely to form when there are a large number of parties.

3.2 Data and Model

Before specifying the model to test the Disproportionality and Signaling Hypotheses, it is useful to first examine the *unconditional* disproportionality hypothesis that is predominant in the contemporary coalition literature. Remember that this hypothesis states that electoral coalitions will be common and successful in disproportional systems such as those that employ a majoritarian electoral formula; they should be absent or uncommon in systems that employ a proportional formula (Laver & Schofield 1998; Strøm, Budge, & Laver 1994). In table 3.1, I present information on the number of electoral coalitions that have formed in elections using majoritarian formulas, as opposed to those that have formed in elections using some form of proportional representation (M. Golder 2005). Majoritarian systems—plurality rule, absolute majority rule, alternative vote, single non-transferable vote—all require the winning candidate to obtain a plurality or majority of the vote. Although it is possible to distinguish between proportional, multi-tier, and mixed electoral systems in my sample of countries, I do not do so here—they are all classified as proportional systems because they employ a proportional formula in at least one electoral tier. Table 3.1 also provides information on the average number of pre-electoral coalitions, the average percentage of the vote received by these coalitions, and the average effective number of electoral parties by electoral formula. The effective number of electoral parties is calculated as $1 / \Sigma v_i^2$, where v_i is the percentage of votes won by the ith party (Laakso & Taagepera 1979). If the unconditional hypothesis is correct, then pre-electoral coalitions should be both significantly more frequent and more successful in countries that employ majoritarian systems than in those using proportional systems.

The evidence in table 3.1 is quite clear. Pre-electoral coalitions are just as likely to form in proportional systems as in majoritarian ones. Indeed, the percentage

Table 3.1
PECs by Electoral Formula

Electoral Formula	# of Elections with PECs	# of Elections without PECs	% of Elections with PECs	% of Vote for PECs	Effective # of Electoral Parties
Majoritarian	37	64	37	19.8	3.2
Proportional	137	126	52	20.7	4.2

Notes: Data are based on 364 legislative elections from 1946 to 2002 in the 23 countries listed in table 2.1. Majoritarian electoral formulas include plurality rule, absolute majority rule, the alternative vote, and the single non-transferable vote. Proportional electoral formulas include proportional, multi-tier, and mixed electoral systems (M. Golder 2005).

of elections with pre-electoral coalitions is higher in proportional systems than in majoritarian systems. Moreover, the average percentage of the vote won by pre-electoral coalitions is also slightly higher in proportional systems than in majoritarian systems. In sum, there is very little evidence thus far in favor of the unconditional disproportionality hypothesis found in the existing coalition literature. This outcome is exactly as I predicted earlier. Note that the average number of electoral parties is significantly lower in majoritarian systems than in proportional ones. By encouraging political parties to coalesce and merge, disproportional systems have fewer parties and, hence, fewer opportunities for electoral coalitions to form. Making the disproportionality hypothesis conditional on the number of parties was motivated precisely by the need to take account of the opportunity structure facing individual parties. The question now is whether there is evidence in favor of the *conditional* Disproportionality Hypothesis.

Up to this point, I have expressed the Disproportionality and Signaling Hypotheses in terms of the likelihood of pre-electoral coalition formation—whether an electoral coalition forms or not. However, the literature is slightly ambiguous on this point, referring at different times to the likelihood that pre-electoral coalitions will form, to the electoral success of these coalitions, and to the relative importance of electoral coalitions. In this chapter, I test the Disproportionality and Signaling Hypotheses using (i) the percentage of the vote received by pre-electoral coalitions and (ii) the percentage of parties involved in a pre-electoral coalition as dependent variables. In chapter six, I examine how the disproportionality of the electoral system and the number of parties affect the actual likelihood of electoral coalition formation. The results from that analysis are qualitatively similar to those presented in this chapter, using the different dependent variables just mentioned.[4]

The Disproportionality and Signaling Hypotheses can be tested using the following multiplicative interaction model:

$$\text{PEC} = \beta_0 + \beta_1 \textbf{Effective Threshold} + \beta_2 \textbf{Electoral Parties} + \beta_3 \textbf{Effective Threshold} \times \textbf{Electoral Parties} + \varepsilon \qquad (3.1)$$

where PEC is one of the two dependent variables already mentioned. *Effective Threshold* captures electoral system disproportionality and is measured using Lijphart's effective threshold.[5] The higher the effective threshold, the more disproportional the electoral system. An alternative measure of electoral system disproportionality is the district magnitude. While district magnitude has long been considered the decisive factor in determining the proportionality of an electoral system (Rae 1967; Taagepera & Shugart 1989; Cox 1997), it captures only one element of it. In contrast, the effective threshold takes account of several aspects of the electoral system—the district magnitude, legal thresholds, and upper-tier seats. It is for this reason that I prefer to use the effective threshold. I should note, though, that qualitatively similar results to those presented here are found if the log of average district magnitude is used instead of effective thresholds. *Electoral Parties* is the effective number of electoral parties. The interaction term is required to test the conditional nature of the Disproportionality Hypothesis.

The marginal effect of *Electoral Parties* is

$$\frac{\partial PEC}{\partial \textit{Electoral Parties}} = \beta_2 + \beta_3 \textit{Effective Threshold}$$

According to the Signaling Hypothesis, this quantity should always be positive, since an increase in the number of electoral parties is expected to increase both dependent variables irrespective of the effective threshold. It follows from this idea that β_2 should be positive. The Signaling Hypothesis does not make a precise prediction about β_3, because it says nothing about the modifying effect of electoral system disproportionality.

The marginal effect of *Effective Threshold* is

$$\frac{\partial PEC}{\partial \textit{Effective Threshold}} = \beta_1 + \beta_3 \textit{Electoral Parties}$$

The Disproportionality Hypothesis predicts that this quantity should only be positive when the number of electoral parties is sufficiently large. Since β_1 indicates the marginal effect of effective thresholds when there are no electoral parties, this coefficient should be zero (or negative). Given that the marginal effect of effective thresholds should be increasing as the number of parties grows, β_3 should be pos-

itive. While this theory does not provide us with a clear expectation as to when the marginal effect of effective thresholds will become positive and significant, the Disproportionality Hypothesis will have found little support if this never occurs across the observed range for the number of electoral parties. The flip side of the Disproportionality Hypothesis is that the marginal effect of electoral parties should only increase the two dependent variables when the electoral system is sufficiently disproportional. Thus, β_2 should be zero (or negative), since this coefficient indicates the marginal effect of electoral parties in highly proportional systems (*Effective Threshold* = 0). This prediction is in direct contrast to the Signaling Hypothesis, where β_2 was expected to be positive.

I use the data described in chapter 2 to test the Disproportionality and Signaling Hypotheses. Thus, I analyze all 364 legislative elections that took place in Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Israel, Italy, Japan, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, and the United Kingdom from 1946 to 2002. The data set contains evidence of 240 pre-electoral coalitions competing in 174 elections. Unfortunately, my analysis omits parties that won less than 1% of the national vote, because official electoral statistics typically do not list them. Descriptive statistics for the data are shown in table 3.2. The percentage of the vote for pre-electoral coalitions ranges from zero, in elections where there were no coalitions, to 99.12% in the 1976 German election. The 1976 German election also had the highest percentage of parties in a pre-electoral coalition (100%). Effective thresholds range from a low of 0.6% in Israel in 1949 to a high of 35% in countries such as the United Kingdom with single-member districts. The lowest effective number of electoral parties was 1.99 in the 1971 New Zealand elections, and the highest was 10.29 in the 1999 Belgian elections.

I tested the Disproportionality and Signaling Hypotheses using a pooled analysis. The reader might be concerned that the data are censored, since it is not possible to observe the electoral support for pre-electoral coalitions if no coalition actually forms. After all, there were 190 elections with no pre-electoral coalitions. One might be tempted to omit countries and elections where there were no pre-electoral coalitions to avoid this censoring issue. However, doing so leads to biased and inconsistent estimates, since those countries that have factors discouraging the formation of pre-electoral coalitions would be systematically under-represented. The second temptation is to include countries and elections that do not have pre-electoral coalitions but code electoral coalition support as zero. Including these countries and elections is wrong, since doing so also results in inconsistent estimates (Wooldridge 2002, 524–25). The correct procedure would be to include all observations, but to use a tobit model to take account of the censored nature of the data. However, it turns out that using a tobit model in this particular case

Table 3.2
Descriptive Statistics for PECs

Variable	*N*	Mean	Standard Deviation	Min	Max
Percentage Vote for PECs	364	20.42	28.46	0	99.12
Percentage of Parties in PECs	364	22.86	27.85	0	100
Electoral Parties	364	3.90	1.42	1.99	10.29
Effective Threshold *	349	13.43	12.86	0.6	35

*Data on effective thresholds are missing for Austria (1994–2002), Belgium (1995–2002), and Greece (1946–64).

yields almost exactly the same inferences as using straightforward ordinary least squares (OLS). Given that interpreting the results from tobit models can be quite complicated (Sigelman & Zeng 1999) and that my inferences are unaffected, I prefer to report OLS results. I employed the Beck and Katz (1995) procedure for panel-corrected standard errors to take account of panel heteroskedasticity and contemporaneously correlated errors—this procedure would not have been possible with the tobit model.

3.3 Results and Interpretation

The results from my analysis are shown in table 3.3. Models 1 and 2 refer to the two dependent variables that I use. Model 1 refers to the percentage of the vote won by pre-electoral coalitions, and Model 2 refers to the percentage of parties in a pre-electoral coalition. The first column provides a direct test of the Signaling Hypothesis, because the effective number of electoral parties is the only variable included. I do not show the equivalent results for the case where the dependent variable is the percentage of parties in a pre-electoral coalition, because they are qualitatively similar to those already shown. By including *Electoral Threshold* without an interaction term, the second column provides yet another test of the unconditional disproportionality hypothesis. Finally, the last two columns provide a test of the conditional Disproportionality Hypothesis by presenting results from the full model outlined in equation (3.1).

The first column provides no support for the Signaling Hypothesis. The number of parties in a country seems to have no significant impact on pre-electoral coalitions. Nor is there any evidence that an increase in the number of parties will have any effect on the vote for pre-electoral coalitions when we control for electoral sys-

Table 3.3

Regression Results: Disproportionality vs. Signaling Hypotheses

Model 1: Dependent variable is the percentage of the vote won by pre-electoral coalitions.
Model 2: Dependent variable is the percentage of parties in a pre-electoral coalition.

Regressor	Signaling (Model 1)	Unconditional Disproportionality (Model 1)	Conditional Disproportionality (Model 1)	(Model 2)
Electoral Parties	-0.05	0.86	-3.22*	-1.98
	(1.04)	(1.40)	(1.76)	(1.48)
Effective Threshold		0.17	-1.27***	-0.99***
		(0.12)	(0.47)	(0.43)
Effective Threshold × Electoral Parties			0.42***	0.35***
			(0.14)	(0.12)
Constant	20.68***	14.42**	30.71***	27.21***
	(4.04)	(6.71)	(7.89)	(6.73)
Observations	359	344	344	344
R^2	0.000	0.005	0.051	0.043

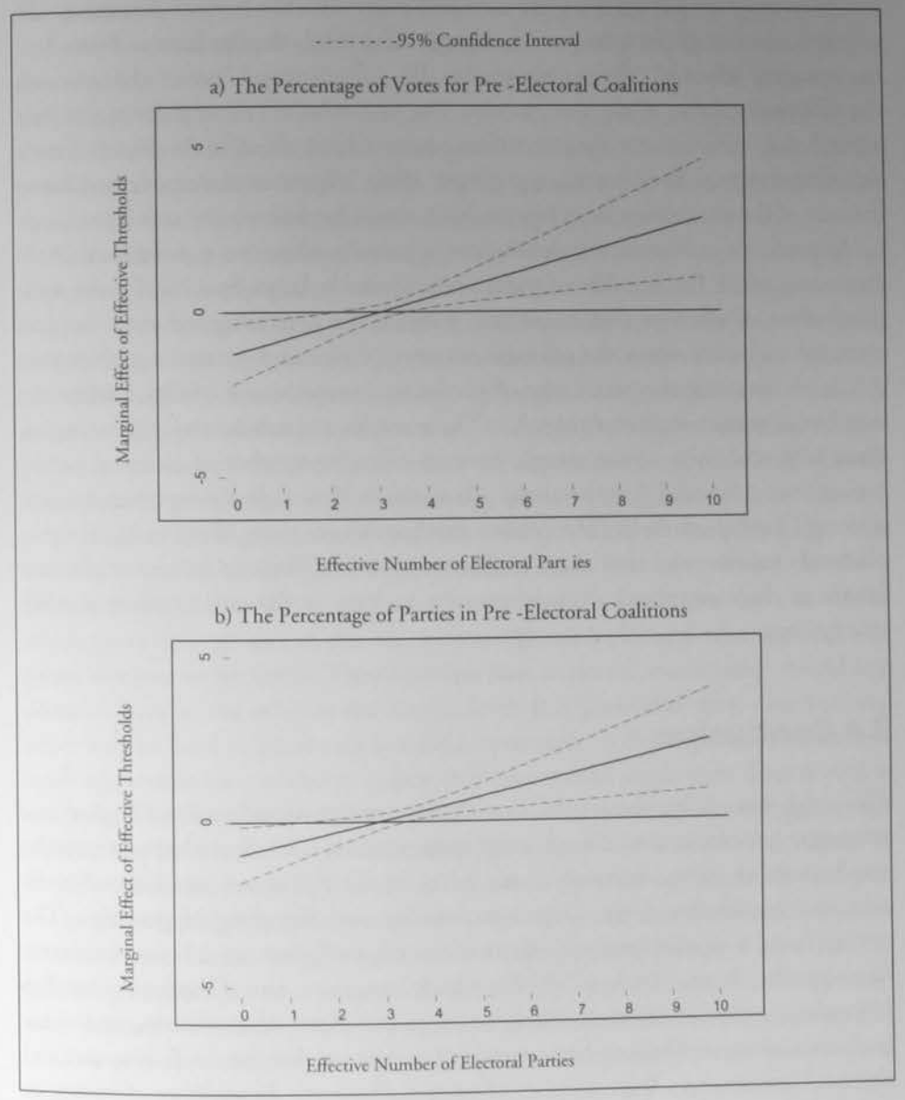
Note: Data are based on 364 legislative elections from 1946 to 2002 in 23 parliamentary democracies. $^{*}p < 0.10$; $^{**}p < 0.05$; $^{***}p < 0.01$ (two-tailed). Panel-corrected standard errors appear in parentheses.

tem disproportionality (column 2). The results from the full model outlined in equation (3.1) also provide no support for the Signaling Hypothesis (columns 3 and 4). The marginal effect of electoral parties on both the percentage of votes won by pre-electoral coalitions and the percentage of parties in a pre-electoral coalition is negative in highly proportional systems, that is, when *Effective Threshold* = 0. This result is in direct contrast to the Signaling Hypothesis, which predicts that this effect should always be positive. The positive sign on the interaction coefficient does indicate that this reductive effect declines as the effective threshold increases, though.

As expected, there is no evidence in support of the unconditional disproportionality hypothesis (column 2). An increase in the effective threshold appears to have no significant effect on pre-electoral coalitions. However, there is considerable support for the conditional Disproportionality Hypothesis (columns 3 and 4). As predicted, the interaction term *Effective Threshold* × *Electoral Parties* is positive and significant in both Model 1 and Model 2. While this finding is supportive of the Disproportionality Hypothesis, it should also be the case that the marginal effect of effective thresholds is positive when the number of electoral parties is sufficiently high. Although the coefficient on *Effective Threshold* is negative in both models, it is important to remember that this coefficient only captures the marginal effect of effective thresholds when there are no electoral parties

Figure 3.1

The Marginal Effect of Effective Thresholds on:



(Brambor, Clark, & Golder 2006). As should be obvious, this coefficient is substantively meaningless, and it is necessary to evaluate the marginal effect of effective thresholds at more realistic values for the number of electoral parties. This is exactly what I do in figure 3.1.

Figure 3.1 graphically illustrates the marginal effect of effective thresholds on the percentage of the vote won by pre-electoral coalitions (the top figure) and on the percentage of parties in a pre-electoral coalition (the bottom figure) as the effective number of electoral parties changes. The solid, sloping lines indicate how the marginal effect of effective thresholds ($\beta_1 + \beta_3$*Electoral Parties*) changes with the effective number of electoral parties. The two-tailed 95% confidence intervals around the lines indicate the conditions under which effective thresholds have a significant effect—they exert a significant effect whenever the upper and lower bounds of the confidence intervals are both above (or below) the zero line.

As predicted, effective thresholds have a positive effect on pre-electoral coalitions only when the number of parties is sufficiently large. Specifically, the marginal effect of effective thresholds will increase the percentage of votes for pre-electoral coalitions when the effective number of electoral parties is greater than 3.5. It will increase the percentage of parties in a pre-electoral coalition when the number of parties is greater than 3.4. These results are substantively meaningful, since 48% and 56% of the sample have an effective number of electoral parties higher than 3.5 and 3.4, respectively. Thus, the evidence clearly supports the *conditional* Disproportionality Hypothesis that parties are more likely to be in a pre-electoral coalition and that these coalitions are more likely to be electorally successful in disproportional electoral systems so long as the party system is sufficiently large.

3.4 Conclusion

This brief analysis represents the first attempt to formulate and test hypotheses relating to pre-electoral coalitions using cross-national data. Specifically, it tests the two hypotheses most commonly made (often implicitly) about pre-electoral coalitions in the literature—the Disproportionality and Signaling Hypotheses. The results from a pooled analysis of pre-electoral coalitions in 23 parliamentary democracies from 1946 to 2002 clearly support the Disproportionality Hypothesis—parties are more likely to be in pre-electoral coalitions, and these coalitions are more likely to be successful in countries that have a disproportional electoral system and a large number of parties. Although the number of parties in a country was taken as given in this analysis, I did indicate several institutions that might encourage political parties to retain their separate identities in disproportional systems despite electoral incentives to merge or coalesce.

In contrast, there was little evidence that electoral coalitions are more likely to form when there are many parties, so as to signal the identity of future governments to voters (Signaling Hypothesis). While the evidence in support of the Disproportionality Hypothesis seems clear, I believe that one should be cautious in rejecting the Signaling Hypothesis on the basis of this analysis alone. As my earlier discussion indicated, there are several versions of the Signaling Hypothesis, and only one variant was tested here. Moreover, the proxy for the identifiability of future governments used in this analysis was the effective number of electoral parties. It may simply be the case that this is not a particularly good proxy. The fact that countries such as the Netherlands and Israel do have a number of successful pre-electoral coalitions despite their highly proportional electoral institutions should make one wary of rejecting the Signaling Hypothesis too hastily.

The evidence presented in this chapter shows that electoral institutions play an important role in explaining pre-electoral coalition formation. Though the link between electoral rules and pre-electoral coalitions has long been suspected, this chapter is the first to systematically analyze and find evidence for such a relationship. Although this is an important step, the implication common in the coalition literature that pre-electoral coalitions are a simple function of electoral rules is probably too reductionist. After all, there are costs to forming pre-electoral coalitions. Just as government coalitions emerge out of a bargaining process between party leaders, so do pre-electoral coalitions. Party leaders who are thinking about forming a coalition must reach an agreement as to how they would distribute office benefits if they come to power. For example, party leaders have to decide which party will get to run the more powerful ministries and who is to become prime minister or president. They may also have to decide which party should step down in favor of the other at the district level. It is likely that these distributional issues will be hard to resolve in some circumstances. Political parties also have to reach agreement on a coalition policy that they would implement if successful at the polls. The fact that parties must make concessions on office and policy may explain why pre-electoral coalitions often fail to form, even when there appear to be clear electoral incentives to do so. A more nuanced understanding of pre-electoral coalition formation must take account of the distributional costs that arise during coalition bargaining, as well as the potential electoral benefits. The following chapter provides a formal model in which the electoral benefits of coalition formation are clearly weighed against the associated distributional costs. The analysis will show that it is only under particular conditions that pre-electoral coalitions actually form.

CHAPTER FOUR

A Theoretical Model

In this chapter, I present a theoretical model of pre-electoral coalition formation. The analysis emphasizes that party leaders must carefully weigh the costs and benefits associated with coordinating their pre-electoral strategies when deciding whether to form an electoral coalition. The model provides clear predictions about the conditions under which electoral coalitions are likely to form. The chapter is divided into two sections. In the first, I outline the basic intuition behind the model. In the second, I formalize this intuition and examine how particular variables affect the likelihood of electoral coalition formation.

4.1 The Intuition

Given that it is often infeasible for a single party to govern alone in most democracies, party leaders are faced with a strategic choice. They can form an electoral coalition either prior to the election or compete independently at election time and possibly participate in government coalition bargaining afterwards. As I have already stated, the vast majority of the coalition literature in political science ignores the first possibility. However, the fact that one regularly observes electoral coalitions across a broad range of countries suggests that they must offer some form of political advantage—at least some of the time. Since electoral coalitions do not always emerge, it must equally be true that there are costs associated with party leaders coordinating their pre-electoral strategies. It seems natural, then, to seek an explanation of electoral coalition formation in terms of its associated costs and benefits. I argue that party leaders can be expected to care about policy, office, and votes when they make decisions about whether to participate in electoral coalitions (Müller & Strøm 1999).

4.1.1 Office

Just as with government coalition formation, the emergence of pre-electoral coalitions is the result of a bargaining process among party leaders. Thus, I use a bargaining model to analyze the formation of electoral coalitions (Morrow 1994; Osborne & Rubinstein 1990). Some of the issues that concern party leaders prior to an election are likely to be very similar to those involved in any post-election bargaining process. In particular, party elites must decide how office benefits are to be distributed if they win the election. It seems an obvious assumption to make that politicians care about winning office both for its own sake and for the ability to affect policy. Winning office allows them to enjoy the perquisites of power and to influence policy (Downs 1957; Mayhew 1974). It follows, though, that they also care about their place in the party or coalition hierarchy. After all, only a limited number of party members can hope to win highly visible and important national posts. Any electoral coalition agreement must be able to overcome what can be a complex set of distributional issues both among elites from the same party and across elites from different parties.

These distributional issues are particularly stark if there are few offices available to satisfy the party elites. For example, only one party leader can be the official presidential candidate of an electoral coalition. Legislative elections might offer party elites an easier opportunity to reach an agreement on distributional issues, since there are multiple legislative seats and ministerial portfolios to hand out. In other words, one might expect that the divisibility of office benefits would affect the ease with which pre-electoral coalition agreements are reached. As will be shown in the next chapter, it seems to be the case in French elections that parties on both the right and the left find it easier to organize nomination agreements prior to the first round of voting in legislative elections rather than in presidential ones. However, even pre-electoral agreements in legislative elections can be problematic, since they raise the possibility that some candidates will be forced to step down in favor of candidates from another party. Evidence from South Korea also suggests that the divisibility of office benefits may be a crucial determinant of how easy it is to reach presidential electoral coalition agreements. For example, the presence of term limits in South Korea seems to make electoral coalitions for presidential elections more attractive than they might otherwise be, because the leader of one party can throw his support behind a candidate of another party in exchange for a promise of similar support in future elections. This promise is deemed more credible because of the presence of term limits.

Questions of credibility and commitment become an issue in pre-electoral coalition bargaining when nomination agreements are not being used. For example, party elites in a proportional representation system might be able to reach an agreement

on how to divide the spoils of office before an election occurs. However, there is no concrete guarantee that one of the parties will not renege on this agreement afterwards. A strong electoral performance by one of the coalition parties might cause it to want to renegotiate, or even cancel, the deal. There are no third-party enforcers for these types of agreements unless one considers the threat of future voter sanctions to be great enough to deter parties from reneging. When nomination agreements are employed, though, there is no obvious way for parties to renege on their commitments after the election, since the constituencies have already been divided up and the electoral campaign has already been fought. As a result, questions of commitment are less pertinent when party leaders are discussing nomination agreements. As I indicated in a previous chapter, though, it turns out that questions of credibility and commitment are rarely a problem in practice, even when discussions of electoral coordination do not involve nomination agreements (Strøm, Budge, & Laver 1994). Laver and Schofield (1998, 28) note that when

> the coalition formation strategies of electoral coalitions are publicly announced—as they must be, since a more powerful legislative bargaining bloc is precisely what electoral alliances set out to offer the electorate—then the extent to which the alliance can subsequently be abandoned is a significant empirical matter. Certainly, when two or more parties promise to go into government together if they are able, such promises tend only rarely to be broken.

It is also important to realize that political parties are engaged in repeated interactions. If a coalition partner refuses to honor the terms of an electoral agreement, then that party may find itself unable to gain electoral coalition partners in the future. Mitchell (1999) argues that, though parties could change partners between the pre-electoral and post-electoral stages, "they may risk credibility costs if they do so. In practice parties that have formed electoral coalitions and offered themselves as a government-in-waiting do tend to govern together if the numbers allow it."[1]

4.1.2 Policy

While party leaders care about office benefits, it seems clear that they also bring policy concerns to the table during any electoral coalition bargaining process. In those models of government coalition formation that include policy as a component of the players' utility function (Austen-Smith & Banks 1988), party leaders bargain over the policy that they will introduce as the government coalition. Typically, the bargaining process results in a 'coalition policy' that is some weighted average of the policy ideal points of the parties in the government coalition. Obviously, such a bargaining process must occur when pre-electoral agreements are made as well.

However, policy concerns take on more significance during electoral coalition bargaining than during government coalition bargaining, since the party leaders do not know if they will actually get to form the government. They face the possibility that an opposition party or coalition might win the election and implement its ideal policy. This 'opposition government' might implement moderate or extreme policies. I believe that the ideological position of the opposition may be taken into account during pre-electoral coalition bargaining. In particular, I expect that party leaders are more willing to compromise on office and policy issues if they face an ideologically extreme opposition party with a credible expectation of electoral success. Imagine two countries in which moderate right-wing parties are considering whether to form an electoral coalition. In one country, the principal opposition party is on the extreme left, and in the other it is on the center left. Holding everything else constant, the parties on the right are likely to feel a greater urgency to overcome bargaining conflicts in the first country compared to the second, because they risk increasing the possibility that policy far from their ideal point will be implemented if they fail to form an electoral coalition. Right-wing parties faced by the center-left party may feel less obliged to compromise, since policy will be fairly moderate regardless of the election outcome.

4.1.3 Votes

Of course, these distributional and ideological issues are moot if the pre-electoral coalition is expected to be disadvantageous from an electoral standpoint. Party leaders are unlikely to engage in electoral coalition bargaining if they can expect to do as well or better by running separately at election time. There is no guarantee that participation in an electoral alliance is going to increase the likelihood of participating parties entering government or increasing their seat or vote shares. Potential coalitions can either be super-additive, additive, or sub-additive. A super-additive coalition is one in which the coalition wins more votes or seats than the coalition members can expect to win running separately. A coalition that wins the same number of seats is additive, whereas a coalition that wins fewer seats is sub-additive (Kaminski 2001). Coalitions between parties with extremely disparate policy platforms may well be sub-additive. Even if the party leaders were willing to form a coalition, voters might reject it because one of the members supported objectionable policies. For instance, a coalition that consisted of a small party on the far right and a small party on the far left would have difficulty in winning the support of either electorate if the main policy issues of the election fell along a standard left-right issue dimension.[2] I would argue that it is a fairly safe assumption that party leaders will not wish to participate in electoral coalitions if they think that such a coalition offers no significant electoral gains.[3]

The extent to which a pre-electoral coalition offers gains is likely to be a function of the electoral institutions in a given country. As the discussion in chapter three suggested, disproportional electoral systems should provide larger incentives for party leaders to reach pre-electoral agreements than proportional ones. One would expect the electoral bonus associated with electoral coalition formation to be higher the more disproportional the system. This line of reasoning also holds for presidential and legislative elections. Since only one party can win the presidency, size matters. As a result, the electoral bonus associated with forming a pre-electoral coalition in presidential systems is likely to be larger than that associated with forming a similar coalition in legislative elections. It is interesting to note that it is precisely where the electoral incentives to form a coalition are highest (presidential elections) that the distributional issues that need to be overcome are the most problematic.

Party elites often invest considerable resources in various methods to measure the size of the electoral benefits associated with possible coalitions (Kaminski 2002). For example, party leaders sometimes employ private polling companies to carry out surveys asking voters whether they would support particular coalition arrangements (Kaminski 2001). Other party leaders engage in coalition experiments at the regional level to evaluate the performance of particular combinations of parties (Downs 1998). Based on these local experiences, party leaders then decide whether these coalitions should be implemented at the national level. In many cases, politicians often go to great lengths to determine whether an electoral coalition is likely to offer significant electoral benefits or not.[4]

It is clear that party leaders' concerns with office, policy, and votes should be incorporated into models of pre-electoral coalition formation. The first thing to note is that party leaders will be unwilling to form a coalition if it offers no electoral advantage or if the coalition's policy would be incompatible with their party's preferences. The second is that a coalition may not see the light of day even if it offers electoral benefits; party elites still have to overcome a whole host of distributional and policy differences. Finally, the extent to which these elites are faced with a moderate or extreme opposition party may influence how willing they are to compromise on these differences. To give this intuitive argument precise meaning, I now turn to a more formal description of its structure and underlying assumptions.

4.2 The Model

The model is based on a standard, two-person sequential bargaining game. There are two possible coalition partners (Party Leader A, Party Leader B) and an opposition party. In order to keep the model as simple as possible, the opposition party is not treated as a strategic actor in this game. The two party leaders must decide

whether to run separately or form an electoral coalition. To form an electoral coalition, they must reach agreement on a coalition policy and a post-election distribution of offices. The two party leaders will only decide to form a pre-electoral coalition if the expected utility from this agreement is greater than the expected utility from running separately (the reservation price).

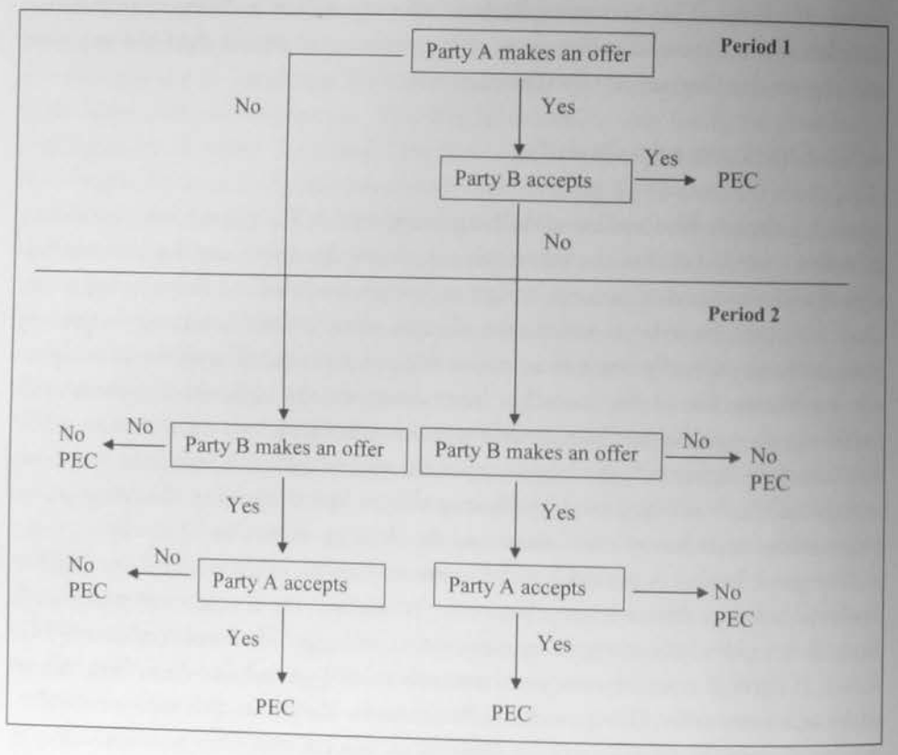
4.2.1 Structure and Payoffs

Figure 4.1 depicts the timeline of the bargaining model. The game takes place in two periods $t = \{1, 2\}$ because the substantive question that motivates this analysis suggests that the bargaining process is most accurately modeled as a finite period game. Once elections have been called, the election date is fixed, and any bargaining process must necessarily come to an end at this point in time. The choice of two periods is arbitrary, but as the game has finite duration, the addition of more periods would not change the conclusions with regard to whether or not a pre-electoral coalition forms. In figure 4.1, the beginning of the second period is indicated by a horizontal line. Each decision node is illustrated by a box containing the name of the player whose turn it is to move there and the decision that must be made.

The game begins in period 1 at the topmost decision node, where Party A either makes an offer or does nothing. If an offer is made, Party B accepts or rejects it. If Party B accepts it, the bargaining game ends, and a pre-electoral coalition (PEC) forms. If Party B rejects it, the game enters a second period, in which Party B can make a counter-offer. If no counter-offer is made, the game ends without the formation of a pre-electoral coalition (No PEC). If a counter-offer is made, Party A must decide whether to accept or reject it, and the game ends with PEC or No PEC. If Party A made no offer in period 1, Party B decides whether to make an offer in the second period. If no offer is made, the game ends with No PEC. If an offer is made, Party A accepts or rejects it, and the game ends with PEC or No PEC. Each time a player has the opportunity to make an offer, he picks from a continuum of choices that corresponds to the potential electoral coalition agreements that each player can propose. The continuum arises because each electoral coalition offer is a particular division of an overall 'pie.'[5]

As I mentioned earlier, party leaders will decide to form an electoral coalition only if the expected utility from forming a coalition is larger than the expected utility from running separately (the reservation price). Let me begin by outlining how the reservation price is calculated. The reservation price for each party is simply the sum of (i) what they expect to get if they win the election after competing separately, weighted by the probability that they win; and (ii) what they expect to receive if they do not win the election, weighted by the probability that they do not win. It is important to remember that 'winning' the election may mean different

Figure 4.1
Timeline of PEC Formation Game



things in parliamentary and presidential regimes. For the purposes of this study, 'winning' in a parliamentary system means entering the government, and 'winning' in a presidential system means gaining control of the presidency.

The probability that party leaders 'win' after running separately (or divided) is P_{i_d}, and the probability that they 'lose' is $1 - P_{i_d}$. If they lose, they do not receive any office benefits and must suffer the utility loss associated with having the opposition set policy. Party leaders suffer a utility loss whenever policy is not implemented at their own ideal point. I capture this utility loss with a standard quadratic loss function, $-(p_i - p_{opp})^2$, where p_i refers to the policy ideal point of party i and p_{opp} refers to the policy of the non-strategic opposition party. This loss function means that as the policy of the opposition moves further away from party i's ideal point, then party i's utility decreases at a faster and faster rate.[6] To simplify the notation, I call this utility loss λ_{i_opp}.

If they win after running separately, then they receive utility from office benefits (s_i) and policy (λ_{i_gov}). The total amount of office benefits available is large S. Without loss of generality, this value is normalized to 1. In a presidential regime, S refers to the office benefits associated with the presidency. Naturally, the expected share of office benefits will either be $s_i = S$ or $s_i = 0$ in a presidential system. In other words, if you win the presidency, you gain all of the office benefits; if you lose the presidential election, you gain nothing.[7] In a parliamentary regime, one can think of S as the collection of ministerial portfolios available to the governing coalition and s_i as the share of these portfolios going to party i. It seems reasonable to think that the share of ministerial portfolios going to party leaders who enter government will be equal to their share of the government-controlled legislative seats, i.e.,

$$s_i = \frac{seats_i}{seats_{gov}}$$

where $seats_i$ is the number of seats won by party i and $seats_{gov}$ is the number of legislative seats won by the government coalition. This assumption seems particularly reasonable given that one of the most consistent empirical regularities in comparative politics is that the share of ministerial portfolios in government coalitions is predicted quite well by the relative share of seats that the coalition partners control in the legislature (Laver 1998; Warwick & Druckman 2001). As before, the utility loss suffered by party i in terms of policy (λ_{i_gov}) is determined by a quadratic loss function capturing the ideological distance between party i's ideal point (p_i) and the policy actually implemented by the government coalition (p_{gov}).

Party leaders must compare the reservation price that I have just outlined with the expected utility that they would receive from forming an electoral coalition. This expected utility is simply the sum of (i) what they expect to get if they win as a coalition, weighted by the probability that the coalition wins; and (ii) what they expect to receive if they lose as a coalition, weighted by the probability that they lose. The probability that they win as an electoral coalition (or as united parties) is P_u^t, where t refers to the period in the game in which the coalition forms; the probability that they lose as a coalition is $1 - P_u^t$. I assume that $P_u^1 > P_u^2$ in order to incorporate a cost of delay and capture the notion that forming a coalition three months before an election is preferable to forming one a few days before it (Smith 2004). More time to plan and execute a coherent and coordinated campaign strategy is presumably an asset in electoral competition. If the pre-electoral coalition offers an electoral advantage, then $P_u^1 > P_{i_d}$ or $P_u^2 > P_{i_d}$. Note that I make no assumption as to whether the electoral coalition will be advantageous or not.

If the coalition does not win, the parties receive no office benefits, and each

must suffer a utility loss from having the opposition set policy (λ_{i_opp}). If the coalition wins, though, the parties receive a share of the office benefits (o_i^t or $1 - o_i^t$) and experience a utility loss associated with implementing coalition policy (λ_{i_pec}). By necessity, $o_i^t \geq 0$ and $1 - o_i^t \geq 0$. When parties form an electoral coalition, they have to agree to a particular division of the office benefits. Since this division of the office benefits is determined prior to the election, I make no assumption that this division will be proportional to the post-electoral share of government-controlled legislative seats controlled by each party. This is why I refer to the share of office benefits going to party *i* when it runs as an electoral coalition as o_i but refer to the share of office benefits going to party *i* when it runs separately as s_i.

The utility loss associated with having the electoral coalition policy rather than one's own ideal point is calculated as follows. The coalition policy (p_{pec}) is first calculated by weighting the ideological distance between the potential coalition partners ($|p_A - p_B|$) by the relative legislative strength of the coalition members (s_{uA} or s_{uB}, where $s_{uA} + s_{uB} = 1$). If party A is to the left of party B, then p_{pec} can be calculated as either $p_A + s_{uB}\,|p_A - p_B|$ or $p_B - s_{uA}|p_A - p_B|$. A simple numerical example might better illustrate how p_{pec} is calculated. Take a policy space from 0 to 100, where Player A is located at 50 and Player B is located at 60. The coalition policy would be somewhere between the two parties, and the larger of the two should exercise a stronger influence over the coalition's policy. To determine the weighted average for the coalition, use the expected seats or votes to be won by each player, s_{uA} and s_{uB}. Imagine that $s_{uA} = 0.8$ and $s_{uB} = 0.2$. Thus, Player A has to cede 20% of the policy distance to Player B, and Player B in turn will yield 80% of the policy distance to Player A. The coalition policy (p_{pec}) would be set at 52. I let $\lambda_{i_pec} = -(p_i - p_{pec})^2$. I do not assume that $s_{uA} = s_A$ or that $s_{uB} = s_B$, since a party may win more seats (or fewer) as part of an electoral coalition compared to running alone.

The payoffs associated with each of the potential outcomes of the timeline outlined in figure 4.1 are listed in table 4.1. Player A's payoffs are listed first, followed by a semicolon and then Player B's payoffs.

4.2.2 Equilibrium Behavior and Comparative Statics

Having outlined the structure of the bargaining game and the payoffs, it is now possible to examine the equilibrium behavior of the party leaders. I follow common practice and solve the game through backward induction for sub-game perfect Nash equilibria. There are three sub-game perfect Nash equilibria, depending on the specific values of the model's parameters.[8] In two of the equilibria, an electoral coalition forms in the first round, while in the other, the parties run separately.

Table 4.1

Actors, Actions, and Payoffs in Bargaining Game

Period	Actors	Possible Action	Expected Payoffs
1	A	(i) offer electoral coalition	
		(ii) make no offer	
		(if Party A makes offer)	
		(i) accept offer	$Pu^1(o_A^1 - \lambda_{Apec}) - \lambda_{Aopp}(1 - P_u^1)$; $P_u^1((1 - o_A^1) - \lambda_{Bpec}) - \lambda_{Bopp}(1 - P_u^1)$
		(ii) reject offer	
2		*(if Party A makes offer, B rejects)*	
	B	(i) offer electoral coalition	
		(ii) make no offer	$P_{A_d}(s_A - \lambda_{Agov}) - \lambda_{Aopp}(1 - P_{A_d})$; $P_{B_d}(s_B - \lambda_{Bgov}) - \lambda_{Bopp}(1 - P_{B_d})$
		(if Party A makes offer, B rejects, B makes counter-offer)	
	A	(i) accept offer	$P_u^2(o_B^2 - \lambda_{Apec}) - \lambda_{Aopp}(1 - P_u^2)$; $P_u^2((1 - o_B^2) - \lambda_{Bpec}) - \lambda_{Bopp}(1 - P_u^2)$
		(ii) reject offer	$P_{A_d}(s_A - \lambda_{Agov}) - \lambda_{Aopp}(1 - P_{A_d})$; $P_{B_d}(s_B - \lambda_{Bgov}) - \lambda_{Bopp}(1 - P_{B_d})$
2		*(if Party A makes no offer)*	
	B	(i) offer electoral coalition	$P_{A_d}(s_A - \lambda_{Agov}) - \lambda_{Aopp}(1 - P_{A_d})$; $P_{B_d}(s_B - \lambda_{Bgov}) - \lambda_{Bopp}(1 - P_{B_d})$
		(if Party A makes no offer, Party B makes offer)	
	A	(i) accept offer	$P_u^2(o_B^2 - \lambda_{Apec}) - \lambda_{Aopp}(1 - P_u^2)$; $P_u^2((1 - o_B^2) - \lambda_{Bpec}) - \lambda_{Bopp}(1 - P_u^2)$
		(ii) reject offer	$P_{A_d}(s_A - \lambda_{Agov}) - \lambda_{Aopp}(1 - P_{A_d})$; $P_{B_d}(s_B - \lambda_{Bgov}) - \lambda_{Bopp}(1 - P_{B_d})$

In order to ease the presentation of the equilibria, I first simplify the presentation of the payoffs somewhat. Let

- $R_A \equiv P_{A_d}(s_A - \lambda_{Agov}) - (1 - P_{A_d})\lambda_{Aopp}$
  This expression represents Player A's expected payoff from running independently.

- $R_B \equiv P_{B_d}(s_B - \lambda_{Bgov}) - (1 - P_{B_d})\lambda_{Bopp}$
  This expression represents Player B's expected payoff from running independently.
- $\Omega^1 \equiv P_u^1(1 - \lambda_{Apec} - \lambda_{Bpec}) - (1 - P_u^1)(\lambda_{Aopp} + \lambda_{Bopp})$
  This expression represents the total expected 'electoral coalition pie' in round 1.
- $\Omega^2 \equiv P_u^2(1 - \lambda_{Apec} - \lambda_{Bpec}) - (1 - P_u^2)(\lambda_{Aopp} + \lambda_{Bopp})$
  This expression represents the total expected 'electoral coalition pie' in round 2.

One can think of R_A and R_B as representing the 'reservation' prices for each player, respectively. In other words, these are the payoffs that each player will receive if no electoral coalition agreement is reached by the end of the second period. The terms Ω^1 and Ω^2 represent the total 'pie' available in the game to an electoral coalition formed in round 1 and round 2, respectively.

Let $(X_t, 1 - X_t)$ be the offer made by Player A in period t, where X_t is Player A's share of the electoral coalition pie and $1 - X_t$ is Player B's share. Let $(W_t, 1 - W_t)$ be the offer made by Player B in period t, where W_t is Player A's share of the electoral coalition pie and $1 - W_t$ is Player B's share. I make the assumption that if a player is indifferent between making an offer and not making an offer, he will choose to not make an offer. This assumption has a substantive justification if one believes that there are costs associated with making an electoral coalition offer. This assumption does not affect the comparative statics or the model's implications.[9] As I have already mentioned, there are three possible sub-game perfect Nash equilibria, given the payoffs and assumptions outlined above:

1. If $R_B < \Omega^2 - R_A$, then Player A offers $(X_1 = \Omega^1 - \Omega^2 + R_A, 1 - X_1 = \Omega^2 - R_A)$ in the first round and Player B accepts; if the game were to reach the second round, Player B offers $(W_2 = R_A, 1 - W_2 = \Omega^2 - R_A)$ and Player A accepts.
2. If $\Omega^2 - R_A \leq R_B \leq \Omega^1 - R_A$, then Player A offers $(X_1 = \Omega^1 - R_B, 1 - X_1 = R_B)$ in Round 1 and Player B accepts; if the game were to reach the second round, Player B does not make an offer.
3. If $R_B > \Omega^1 - R_A$, then neither player makes an offer in either round.

The proof for each equilibrium is provided in the appendix to this chapter. An electoral coalition forms in the first round in equilibria 1 and 2 but never forms in equilibrium 3.

The equilibria of the model allow a certain number of insights into electoral coalition formation. However, before moving on to an analysis of the comparative statics, it is worth taking a moment to better understand the intuition and distributional consequences associated with each of these equilibria. Although the first two equilibria result in the formation of an electoral coalition, the nature of the bargain itself is very different. In the first equilibrium, the player who moves last (in this case Player B) is able to determine the nature of the bargain that is ultimately reached. This is the result of having a two-period model in which Player B can make a credible threat to reject an initial offer from Player A that is insufficiently attractive. Player B knows that if the game enters a second period, he can always make a take-it-or-leave-it offer that will be accepted by Player A. This, in turn, is the result of having a large enough 'electoral coalition pie' (Ω^2) to bargain over relative to the disagreement payoffs (R_A and R_B) available from running separately. Both parties clearly benefit from forming an electoral coalition in this equilibrium. The bargain reached in the second equilibrium is very different. In this case, Party A is able to obtain all of the gains from reaching a pre-electoral agreement; Party B only ever receives his disagreement payoff. The reason that the distributional consequences of forming an electoral coalition are different in the second equilibrium is that Party B can no longer credibly threaten to reject an offer made by Party A in the first round. In contrast to the first two equilibria, no electoral coalition forms in the third equilibrium, because there are no gains to be made from reaching a pre-electoral agreement. Both parties would have to give up so much in the bargaining process to get the other to accept that each would be better off running alone.

How do the variables in the model affect whether or not an electoral coalition forms? Remember that there are two possible states of the world: one in which an electoral coalition forms (equilibria 1 or 2), and one in which it does not (equilibrium 3). The comparative statics generated by the model are shown in table 4.2.

The model provides clear implications. First, electoral coalitions are more likely to form as the probability that the coalition wins increases (P_u^1 and P_u^2). In practice, the probability that a coalition is successful will be a function of the electoral rules in a given country. For example, disproportional electoral institutions such as low district magnitude or high electoral thresholds provide an electoral bonus for pre-electoral coalitions through their mechanical effect on the translation of votes into seats (Duverger 1963 [1954]). The corollary of this implication is that pre-electoral coalitions are less likely to form the greater the probability that a party wins after running independently (P_{i_d}). Second, the probability of electoral coalition formation should increase when the ideological distance between the potential coalition partners decreases, because λ_{i_pec} will fall. Third, pre-electoral coalition formation should also be more likely when the ideological distance between a

Table 4.2
Comparative Statics from Bargaining Game

Increase in Variable	Probability of Electoral Coalition Formation
Probability first-period PEC wins (p_u^1)	Increasing
Probability second-period PEC wins (P_u^2)	Increasing
Probability i wins given no PEC (P_{i_d})	Decreasing
Distance between i and PEC position (λ_{i_pec})	Decreasing
Distance between i and opposition (λ_{i_opp})	Increasing if $p_u^t > p_{i_d}$
	Decreasing if $p_u^t < p_{i_d}$
Party i's share of office benefits given no PEC (s_i)	Decreasing

Note: "Increasing" means non-decreasing.

party's policy and that of the opposition increases (λ_{i_opp} increases). However, this inference holds only if the coalition is electorally advantageous ($P_u^t > P_{i_d}$). In other words, having an extreme opposition will make electoral coalition formation more likely only if the probability of winning as a coalition is greater than the probability of winning running separately. Finally, electoral coalitions are more likely as a party's expected share of office benefits from running alone (s_i) decreases relative to its expected share of office benefits as part of a coalition.

4.3 Conclusion

The theoretical model presented in this chapter sought to explain why, and under what circumstances, electoral coalitions form. The answer, I argue, lies in a careful analysis of the costs and benefits associated with forming a coalition prior to the election. In order to fully understand this cost-benefit analysis, I presented a game-theoretic model in which two party leaders are involved in a sequential bargaining process where they must decide whether or not to coordinate their pre-electoral strategies. Both party leaders get to propose an electoral coalition agreement if they wish. Any coalition offer that is proposed by either party leader can be rejected or accepted. At the end of the game, the payoffs are distributed as a function of the decisions reached in the game. I find that there are two types of equilibrium outcomes—either an electoral coalition forms in the first period of the game, or no coalition forms at all.

The model generates several testable implications that will be evaluated in the next two chapters using qualitative and quantitative analyses. These implications

are that coalitions should be more likely to form if the chance of winning as a coalition increases. On the other hand, if a party's chance of winning when running alone increases, it will be less likely to join a coalition. If an opposition victory would mean that extremely unsatisfactory policies will be implemented, a party's likelihood of joining a coalition goes up, but *only if* joining such a coalition makes it more likely that the opposition would not win. Of course, greater ideological compatibility between the potential coalition partners makes pre-electoral coalition formation more likely.

The implications generated by the model should seem reasonable. However, it would be a mistake for the apparent plausibility of these results to cause the reader to question the usefulness of formalizing the process through which party leaders bargain over electoral coalition formation and the insights that it generates. For example, an informal analysis may well have reached the conclusion that electoral coalitions are more likely when there is a large ideological distance between the party's ideal policy and the policy of the likely opposition. On the face of it, this situation seems quite plausible. However, the model clearly illustrates that this is the case only if the pre-electoral coalition is expected to be electorally beneficial. Without formalization, it would have been easy to overlook the conditional nature of this hypothesis.

The fact that the model incorporates the ideological positions of other potential governments is an important insight that has not been taken into account to any great extent in the existing formal or empirical coalition literature. For example, although government coalition analysts have suggested for years that coalitions are more likely to form between parties with similar policy preferences, one does not find similar references in the coalition literature regarding the ideological position of the likely opposition. This situation is odd, since one would think that party leaders who are deciding whether to form a coalition and contemplating the possibility of being in opposition should take account of the ideological position of other potential governments, irrespective of whether this coalition bargaining process occurs prior to the election or afterward.

I now turn to a qualitative analysis of pre-electoral coalitions in France and South Korea to show that the assumptions underlying my bargaining model, as well as the predictions that it generates, are plausible and generate useful intuitions for thinking about the electoral strategies chosen by party elites.

Appendix: Proofs for Equilibria

The bargaining model presented in this chapter has three sub-game perfect Nash equilibria. Here I provide a proof for each equilibrium.

Equilibrium 1: If $R_B < \Omega^2 - R_A$, then Player A offers ($X_1 = \Omega^1 - \Omega^2 + R_A$, $1 - X_1 = \Omega^2 - R_A$) in the first round and Player B accepts; if the game were to reach the second round, Player B offers ($W_2 = R_A$, $1 - W_2 = \Omega^2 - R_A$) and Player A accepts.

Proof: There are two diverging paths in the timeline outlined in figure 4.1. I focus first on the one in which Player A makes an initial offer. At the last decision node on the right-hand side of the timeline, Player A must decide whether to accept or reject a coalition offer made by Player B. He will accept this offer only if he receives at least as much utility as he would get from rejecting it. In other words, he accepts if he receives at least R_A. If Player B makes an offer, he will want to maximize his payoff. Thus, he will offer exactly R_A to Player A and keep the rest of the 'electoral coalition pie' for himself. Player B would propose the agreement pair (R_A; $\Omega^2 - R_A$) in the second period. It is important to note that Player B will only make this counter offer if $\Omega^2 - R_A > R_B$. If this condition does not hold, then Player B will prefer to make no offer in the second period. A little substitution and algebra indicate that this is precisely the condition associated with the first sub-game perfect Nash equilibrium outcome.

Continuing with the proof and assuming that this condition holds, Player A knows that he must give at least $\Omega^2 - R_A$ to Player B in order for him to accept a first period offer. Since Player A wants to maximize his payoffs, as well, this is all he will offer Player B. He will keep the rest, namely $\Omega^1 - \Omega^2 + R_A$, for himself. Player A will want Player B to accept the initial offer, since the associated payoff is larger than if the game continued into the second period. This situation is immediately obvious, since $\Omega^1 > \Omega^2$. Thus, if Player A does make an initial offer, then the agreement pair will be ($\Omega^1 - \Omega^2 + R_A$; $\Omega^2 - R_A$), and an electoral coalition will form in the first period.

The question is whether Player A will actually make this initial offer. The result will depend on the payoffs he expects to receive if he does not make an offer in period 1. Finding the answer requires examining the left-hand side of the timeline, which has so far been overlooked. The important thing to note is that the second period on this side of the timeline is identical to the one already examined. Thus, we know that if the second period is reached, then Player B will make an electoral coalition offer of (R_A; $\Omega^2 - R_A$). This offer will be accepted by Player A. Since we already know that Player A can guarantee himself a payoff of $\Omega^1 - \Omega^2 + R_A$ if he makes an electoral coalition offer in period 1 (which is larger than R_A), we know that he will always make an offer in the first period. Thus, the sub-game perfect Nash equilibrium outcome is one in which Player A makes an initial offer that is accepted by Player B. The game never enters a second period. This equilibrium outcome assumes that the condition $R_B < \Omega^2 - R_A$ holds.

Q.E.D.

Equilibrium 2: If $\Omega^2 - R_A \leq R_B \leq \Omega^1 - R_A$, then Player A offers ($X_1 = \Omega^1 - R_B$, $1 - X_1 = R_B$) in Round 1, and Player B accepts; if the game were to reach the second round, Player B does not make an offer.

Proof: Given that there are two diverging paths in the timeline, I again focus first on the one in which Player A makes an initial offer (the right-hand side). I have already shown in the previous proof that if Player B makes an offer in the second period, then it will be the agreement pair (R_A; $\Omega^2 - R_A$). However, it may be the case that Player B prefers not to make a counter offer in the second period. This case will be true if $R_B \geq \Omega^2 - R_A$.

If this condition holds, then Player A knows that he only has to give R_B to Player B for him to accept an offer in the first period. Since Player A wants to maximize his payoff, he will propose the agreement pair ($\Omega^1 - R_B$; R_B) if he wants his offer to be accepted. However, it may be the case that Player A prefers his initial offer to be rejected if his expected payoff in the second period is larger. This will be the case if $R_A > \Omega^1 - R_B$. The second sub-game perfect Nash equilibrium relies on the fact that this condition does not hold. In other words, it must be the case that if Player A makes an offer in the first period, he does not want it to be rejected.

The only remaining question at this point is whether Player A prefers to make an offer that is accepted in the first period or make no offer at all. Finding the answer requires examining the left-hand side of the timeline. Again, the second period in this half of the timeline is identical to the one already examined. Thus, Player A expects that Player B will make no offer in the second period. Given the assumption that $R_A < \Omega^1 - R_B$, we know that Player A will always make an offer in the first period. Thus, the sub-game perfect Nash equilibrium outcome is one in which Player A makes an initial offer that is accepted by Player B. The game never enters a second period. This equilibrium assumes that $R_B \geq \Omega^2 - R_A$ and $R_A < \Omega^1 - R_B$ both hold. With a little algebra, it is clear that these conditions can be rewritten as $\Omega^2 - R_A \leq R_B \leq \Omega^1 - R_A$, which is the condition associated with equilibrium 2.

Q.E.D.

Equilibrium 3: If $R_B > \Omega^1 - R_A$, then neither player makes an offer in either round.

Proof: To a large extent, this proof is identical to the previous one. Again I focus first on the right-hand side of the timeline, in which Player A makes an offer. I have already shown that if Player B makes an offer in period 2, then Player A will accept it. As in the previous proof, I now assume that Player B prefers not to make

a counter-offer in period 2. This case will be true if $R_B \geq \Omega^2 - R_A$. I have also shown that if Player A wants his initial offer to be accepted, then he will propose the agreement pair $(\Omega^1 - R_B; R_B)$. In the previous proof, I then assumed that Player A would only make an initial offer if it was going to be accepted. In other words, his payoff from having his offer accepted was larger than that from having his offer rejected and Player B making no counter-offer. The precise condition was that $R_A < \Omega^1 - R_B$. I now assume that this condition does not hold. This assumption is the only thing that distinguishes equilibrium 3 from equilibrium 2.

The question that needs to be resolved is whether Player A would prefer to make an offer that he knows is going to be rejected or make no offer at all. Finding the answer requires examining the left-hand side of the timeline. Again, the second period in this half of the timeline is identical to the one already examined. Thus, Player A expects that Player B will make no offer in the second period. It is clear that Player A will receive R_A whether he makes no initial offer in the first period or he makes an offer that gets rejected. Player A is, therefore, indifferent between these actions. As I stated earlier, I assume that if a player is indifferent between making an offer and not making an offer, then he will choose to do the latter.[10] Thus, the sub-game perfect Nash equilibrium is one in which both players fail to make an offer. This equilibrium assumes that $R_B \geq \Omega^2 - R_A$ and $R_A > \Omega^1 - R_B$ both hold. With a minor bit of algebraic manipulation, it is easy to see that if the second condition holds, the first automatically does, as well. The second condition can be expressed as $R_B > \Omega^1 - R_A$, which is the condition associated with the third equilibrium.

Q.E.D.

CHAPTER FIVE

France and South Korea

In this chapter, I use a detailed investigation of electoral coalitions in Fifth Republic France and post-1987 South Korea to begin evaluating the plausibility and usefulness of the implications generated by the theoretical model presented in the previous chapter. To a large extent, the selection of these specific countries is somewhat arbitrary, since I believe that there is a general underlying logic of pre-electoral coalition formation that is not country specific. However, an analysis of electoral coalition history in France and South Korea is particularly informative for a number of reasons. First, the two countries are very distinct in terms of their geography, democratic history, and party systems. France is a well-established democracy in Western Europe whose party system is characterized by a well-entrenched left-right cleavage. In contrast, South Korea is a newly democratic country in East Asia whose party system is characterized by an almost total absence of ideological division. If similar factors are found to influence electoral coordination in such different contexts, then this would provide strong evidence that there truly is a general underlying logic to pre-electoral coalition formation.

Second, the unusual nature of France's semi-presidential regime offers an almost unique opportunity to evaluate the impact of different institutions on pre-electoral strategies while holding other country characteristics constant. For example, the ability to observe legislative and presidential elections in the same country allows us to explicitly examine whether the divisibility of office benefits affects the likelihood of electoral coalition formation in a manner consistent with the theory presented in the previous chapter. France is also particularly informative because it offers so many clear examples of electoral coalition success and failure on both the left and right of the political spectrum. Moreover, the ability (or inability) of political parties to form electoral coalitions has often had a large impact on election

outcomes in France. The result of the 2002 presidential election, in which the extreme right candidate, Jean-Marie Le Pen, made it through to the second round because the left-wing parties failed to coordinate their electoral strategies, is perhaps the clearest example of this situation.

Third, the short overview of electoral coalitions in South Korea is useful for illustrating the danger of putting too much stock in personal feuds as an explanation for the inability of party leaders to reach pre-electoral agreements. Descriptive accounts of electoral campaigns and elections in countries such as France often emphasize the significant role that personal feuds and long-standing rivalries play in the electoral coalition formation process (Bell 2000; Knapp 1999). Although the absence of ideological divisions in Korean politics has meant that politics is largely driven by personal enmity and disdain, the history of electoral coalitions in South Korea clearly indicates that the most strident and long-held personal animosities threatening electoral coordination can be overcome if only party leaders can resolve the distributional issues associated with electoral coalition formation.

Finally, the investigation of electoral coalitions in France and South Korea illustrate that my theory can be usefully employed to explain pre-electoral agreements in semi-presidential and presidential regimes. Throughout the presentation of my theoretical model in the previous chapter, I was careful to indicate how it applied to both parliamentary and presidential regimes. However, as with the vast majority of the government coalition literature, the statistical analyses conducted in chapters three and six focus primarily on parliamentary democracies. Studying France and South Korea in this chapter helps to show that my theory can also provide insights into the electoral coalition formation process in non-parliamentary democracies.

5.1 French Fifth Republic

Pre-electoral coalitions have played an important and often dramatic role in determining electoral outcomes in France. Consider the surprising outcome of the first round of the 2002 French presidential elections. It had been widely expected that Jacques Chirac, the president and leader of the mainstream Right, would make it through to the second round, along with Lionel Jospin, the Socialist prime minister and leader of the mainstream Left. The real question for months had been which of the two men would win the second round. Then, unexpectedly, the left vote was split among so many candidates that the Socialist leader came in third behind the extreme-right politician Jean-Marie Le Pen. The French press described the event as an earthquake, and the French elections were, for a couple of weeks, the subject of world-wide speculation. Most analyses of this particular election will

no doubt focus on the disturbing success of the extreme Right. However, it is worth emphasizing that this political 'earthquake' had as much to do with the inability of the French Left to form a coherent pre-electoral coalition as it did with an increase in the strength of the extreme Right. After all, Le Pen enjoyed only a rather modest increase in his vote share compared to what he had received in the previous presidential elections of 1995.[1]

The outcome of the first round in 2002, though admittedly a surprise, is not unprecedented. The Left had approached the 1969 presidential elections in such "total disarray" that none of the left-wing candidates made it to the second round (Pierce 1980). This situation enabled a little-known centrist candidate, Alain Poher, to compete in the second round against Georges Pompidou. In 1981, the unwillingness of Jacques Chirac to publicly encourage his electorate to support the remaining mainstream right candidate (Valéry Giscard d'Estaing) after Chirac had been eliminated in the first round of the presidential elections clearly contributed to François Mitterrand's electoral victory (Wright 1995; Ysmal 1989). The inability of the moderate Right to form a cohesive electoral alliance in these elections and at the subsequent legislative elections a few weeks later enabled the first left-wing government to come to power since the Popular Front in 1936.

These examples raise the question as to why party leaders were willing and able to form pre-electoral coalitions in some French elections, but not in others. The bargaining model presented in the previous chapter suggests that it should be possible to explain the observed variation in terms of the changing concerns of party elites with votes, office, and policy.

5.1.1 Votes

The first question to ask is whether parties in France have an electoral incentive to form pre-electoral coalitions. As my analysis in chapter three indicates, party elites are more likely to form pre-electoral coalitions when there are many parties and the electoral system is disproportional. Since France is well known both for its plethora of parties and its highly disproportional electoral institutions used to elect its president and legislature, French party leaders nearly always have incentives to form pre-electoral coalitions.

The French party system consists of numerous parties spread all across the political spectrum. At the moment, the mainstream Left consists of the Socialist Party (PS), the Communist Party (PCF), the Left Radical Party (PRG), and various environmental parties such as the Green Party (Greens), the Independent Ecological Movement (MEI), and Ecological Generation (GE-Les Bleus). On the extreme left are several other parties such as Workers' Struggle (LO), the Communist Revolutionary League (LCR), and the Workers' Party (PT). On the

mainstream right there are the Gaullists (UMP), the Union for French Democracy (UDF), and an environmental party called Citizen Action and Participation (CAP21). On the extreme right there is the National Front (FN) and the breakaway National Republican Movement (MNR). There are also a number of personalistic parties such as Pasqua (Charles Pasqua) and Movement for France (Philippe de Villiers), as well as several rural parties such as the Hunting, Fishing, Nature and Tradition party (CPNT) and the Right to Hunt party (DC). Many of these parties win a significant number of votes and legislative seats. Fully 16 parties managed to win more than 1% each of the national vote in the 2002 legislative elections and at least 10 of these parties won legislative representation, according to the *Election Politique* website.

The French electoral system is highly disproportional. Presidential and legislative elections both have two rounds of voting, in which a limited number of candidates progress to the second round. If a presidential candidate wins an absolute majority of the national vote in the first round, then he or she is automatically elected president. If this is not the case, then the top two candidates go through to the second round, which is held two weeks later; since the introduction of direct presidential elections in 1962, all presidential elections have gone to a second round. Whoever wins the most votes in the second round becomes president. Legislative elections are very similar. Each electoral district is a single-seat district, and any candidate who passes a threshold of electoral support in the first round of voting is eligible to enter a second round one week later.[2] The particular threshold that must be overcome has changed twice since the foundation of the Fifth Republic. It was originally set at a relatively low 5% of the vote in 1958. This percentage was subsequently increased to 10% for the 1967 election and 12.5% for the 1978 election.[3] The plurality winner in the second round of voting becomes the elected deputy. The first-past-the-post nature of legislative and presidential elections, along with the fact that only a limited number of candidates can progress to the second round, clearly provides incentives for electoral coalitions to form. In fact, the right-wing president Giscard d'Estaing specifically increased the threshold that needed to be overcome to enter the second round of legislative elections to 12.5% in 1978 in order to force centrist and center-right parties to merge or form alliances with his own party. This move was motivated by the growing success of the Socialists and the Communists at local elections in the mid-1970s (Duhamel 1999).

Given the nature of the electoral system in France, party leaders have a range of pre-electoral choices for legislative and presidential elections. One option is for parties to compete independently at election time and refuse to form an electoral coalition in either round of voting. This is what happened on the left prior to 1965, and it is what typically occurs now between the National Front and the moderate right-wing parties.[4] A second option for party leaders is to compete against each other in the first round and then form an electoral coalition for the second round. This has been a common occurrence in legislative elections among the mainstream parties on both the left and the right. A third option is for parties to form an electoral coalition prior to the first round. This option requires choosing a single candidate to run in each district. Although this option is not as common as the previous one, it does occur with some frequency on both the left and the right. The last option is for parties to move beyond electoral coalitions and simply merge into a single party. The center-left parties chose this option when they merged to form the Socialist Party in 1969. The non-Gaullist parties on the right also chose this option when they formed the UDF in 1978 (Massart 1999; Portelli 1994; Bell & Criddle 1984). Something similar seems to have occurred after the 2002 legislative elections, following the success of the UMP pre-electoral coalition between the Gaullists, the Liberal Democrats (DL), and part of the UDF.

5.1.2 Office

The fact that the disproportional electoral institutions employed to elect presidents and legislators are very similar might lead one to expect that pre-electoral coalitions are equally common in presidential and legislative elections. One might even argue that pre-electoral coalitions should be slightly more common in presidential elections, given that only two candidates can actually enter the second round. However, the information provided in table 5.1 illustrates that this is not the case. While electoral coalitions are relatively frequent in legislative elections, they are quite rare in presidential contests. In fact, pre-electoral coalitions have only formed twice in presidential elections.

What explains this variation across legislative and presidential elections? The bargaining model from the previous chapter notes that while party leaders should react to the potential electoral gains that might accrue from forming an electoral coalition, they are just as likely to be concerned with the expected office benefits associated with the coalition. The salient point about presidential elections is that only one party leader can win the presidency. The fact that the presidential office is not divisible means that the other coalition partner essentially receives no office benefits. As a result, the expected utility of joining a presidential electoral coalition is likely to be quite low for at least one of the coalition parties. In contrast, distributional issues are likely to be resolved more easily in legislative elections, because ministerial portfolios and National Assembly seats are more divisible—both coalition partners receive office benefits. Thus, one explanation for why electoral coalitions form more often in legislative elections than in presidential ones has to do with the relative divisibility of office benefits across these elections.

Table 5.1

Electoral Coalitions in French Legislative and Presidential Elections

Election Year	Presidential Elections	Legislative Elections	
		Round 1	Round 2
1958		None	None
1962		None	UNR+UDT+RI
1965	PCF+FGDS (FGDS:SFIO+PRG+CIR)		PCF+SFIO+PRG
1967		UNR+UDT+RI	UNR+UDT+RI+CD
		FGDS:SFIO+PRG+CIR	FGDS+PCF+PSU
		UNR+RI	UNR+RI+PDM
1969	None		FGDS+PCF
1973		UDR+RI+UC	UDR+RI+UC+REF
		UGDS:PS+PRG	UGDS+PCF+PSU
1974	PCF+PS		
1978		UDF:CDS+PR+RI	UDF+RPR
		PS+PRG	PS+PRG+PCF
1981	None	RPR+UDF	
		PS+PRG	PS+PRG+PCF
1986*		RPR+UDF	—
		PS+PRG	
1988	None	RPR+UDF	
		PS+PRG	PS+PRG+PCF
1993		RPR+UDF	
		PS+PRG	PS+PRG+PCF
1995	None	Greens+GE	
1997		RPR+UDF	
		PS+Greens+PRG	PS+Greens+PRG+PCF
2002	None	UMP:RPR+UDF+DL	
		PS+Greens+PRG	PS+Greens+PRG+PCF

* indicates that the legislative elections employed proportional representation; there was no second round. All coalitions that formed in the first round also formed in the second round; only additional coalitions are listed as forming in the second round. If the parties ran under a common coalition name, this is shown first followed by a colon and the names of the member parties.

Left-Wing Parties: Socialist Party (**PS**: 1969–, SFIO: 1905–69); Communist Party (**PCF**); Left Radical Party (**PRG**: 1998–, PRS: 1996–98, MRG: 1973–96, MGRS: 1972–73, Radicals: 1901–72); Generation Ecology (**GE**); Green Party **Greens**); Unified Socialist Party (**PSU**); Convention of Republican Institutions (**CIR**).

Right-Wing Parties: Union for French Democracy (**UDF**); Gaullists (**UMP**: 2002–, **RPR**: 1976–2002, UDR: 1968–76, UDVe: 1967–68, UNR-UDT: 1962–67, UNR: 1958–62); Liberal Democrats (**DL**); Democratic Union of Labor (**UDT**). Democratic Center (**CD**); Social Democratic Center (**CDS**); Independent Republicans (**RI**); Progress & Modern Democracy (**PDM**); Republicans (**PR**); Reform Movement (**REF**); Center Union (**UC**).

Electoral Coalition Names: Federation of the Democratic & Socialist Left (**FGDS**); Union for a Presidential (Popular) Majority (**UMP**); Democratic & Socialist Union (**UGDS**); Union for French Democracy (**UDF**). Several of these coalitions became single parties.

This explanation is exactly as suggested by the theoretical model in the previous chapter. I now illustrate the importance of distributional conflict in more detail with a description of coalition formation in French presidential and legislative elections.

Presidential Elections The fact that only two candidates can go through to the second round of French presidential elections would suggest that party elites should have considerable electoral incentives to form pre-electoral coalitions. Presumably, party leaders on the left would like to avoid the outcomes of the 1969 and 2002 elections, where the left-wing vote was split among so many candidates that none of them made it into the second round. The electoral incentives for parties to coordinate their pre-electoral strategies would not be so great if the presidency held little power. However, the presidency is considered to be an extremely important political prize. Indeed, when the president enjoys a legislative majority, he holds the most powerful position in the country (Duhamel 1999; Keeler & Schain 1996; Charlot 1994; Hayward 1993). It is only when the president lacks a majority that the system behaves as if it were a parliamentary regime dominated by the prime minister. The presidency has been the dominant political position throughout the Fifth Republic, with the exception of the three periods of 'cohabitation' between 1986–88, 1993–95 and 1997–2002.[5] The nature of the semi-presidential regime in France means that party leaders care a great deal about controlling both the legislature and the presidency.

Despite the obvious importance of the presidential position and the incentives created by the electoral system, there have only ever been two examples where parties on the left or the right actually coordinated their strategies so as to present a single presidential candidate for election. In both cases, the Communist Party (PCF) accepted a non-communist candidate as the main standard bearer for the Left. Both times, the electoral coalition quickly collapsed under the strain of distributional conflicts, as the PCF came to realize that the chief beneficiary of these pre-electoral agreements was the Socialist Party (Johnson 1981).

The willingness of the Communist Party to accept a Socialist candidate in 1965 and 1974 stems from the widely held belief that a Communist could never be elected president during the Cold War period. It is important to remember that the rise of the Socialist Party (PS) as the dominant party on the left was almost unthinkable in the 1960s and early 1970s. The PCF had been the largest party in 1945 and was still the dominant party on the left by a considerable margin during the early years of the Fifth Republic. To a large extent, the PCF could only expect to benefit from supporting François Mitterrand as the single candidate of the left in the 1965 presidential elections. The PCF hoped to gain from a show of left-wing unity without ceding any authority to the Socialists. In fact, the PCF probably did not expect Mitterrand

to even make it into the second round, let alone make the election competitive—Mitterrand won 44.8% of the vote in the second round compared to Charles de Gaulle's 55.2% (Johnson 1981). It was only because a centrist candidate, Jean Lecanuet, managed to win 15.6% of the vote in the first round that a second ballot involving Mitterrand and de Gaulle was actually required. It was this unforeseen occurrence that indirectly began to establish Mitterrand's reputation as the leader of the Left.

It was the Socialists who were the most reluctant to consider an electoral coalition with the Communists in the early years of the Fifth Republic. To some extent, this reluctance can be traced to the traditional and deep-seated hostility on the non-Communist left toward the PCF (Jackson 1990; Judt 1986). However, more important were the relative positions of the two parties among the electorate. The PCF was by far the dominant party on the left, and any alliance with the Communists would automatically position the Socialists as minority partners. Many feared that the emerging left-right polarization of the political system threatened the very existence of the Socialist Party, given its small size relative to the PCF. This situation helps to explain why one-third of Socialist voters refused to support the PCF in the second ballot of the 1962 legislative elections (Williams, Goldey, & Harrison 1970). A national electoral coalition with the Communists also threatened the Socialists' ability to conclude alliances with both the Center and the Left. For example, it threatened the Socialist policy of allying with the center-Right in Marseilles but with the PCF in certain regions of Paris. Moreover, an alliance with the PCF was expected to cause problems in winning over those center-Left and center-Right voters who had not thrown in their lot with de Gaulle in 1962. These voters were influential, since they represented the swing vote throughout the 1960s (Portelli 1994; Ysmal 1989).

The Socialists ultimately accepted an electoral coalition in 1965 only after having unsuccessfully attempted to build a federation of the center-Left around the presidential candidate of Gaston Deferre.[6] Deferre had wanted to build a 'grande fédération' of progressive forces reaching rightward to the Christian democratic movement (MRP) (Jenson 1991). However, center-Right voters seemed more likely to vote for the Gaullists than for the center-Left (Hanley 2002). This center-Left federation eventually fell apart at the end of 1964 because of reluctance on the part of the MRP to participate in it. It also collapsed under the pressure exerted by the Communists in municipal elections, from parts of the Socialist Party that refused the centrist discourse, and from the reappearance of the Catholic school question (Jenson 1991).[7] The failure of the center-Left federation left the way open for Mitterrand to run against de Gaulle in 1965. Mitterrand had organized the non-Communist Left under the banner of the Fédération de la Gauche Démocrate et Socialiste (FGDS) and allied it with the Communists. The relative success enjoyed by his candidacy helped to cement the idea of a Left-Left alliance.

The events of May 1968 and the presidential elections of 1969 provided further evidence that a Left-Left alliance was capable of providing realistic opposition to the Gaullists. In February 1968, the Socialists and the Communists reached an agreement on a common electoral 'platform,' thereby consolidating the initiative that had begun in the 1965 presidential elections. However, the left-wing alliance soon began to disintegrate in May 1968, after several weeks of widespread strikes and rioting by students and workers. Without consulting the leadership of the PCF or the FGDS, Mitterrand announced that he was willing to lead the Left in taking up its responsibilities for transition after the defeat of de Gaulle, which he argued was imminent. This announcement appeared as a coup d'état to the FGDS and "reeked . . . of Fourth Republic centrism" to the Communists (Jenson 1991). The alliance between the FGDS and the PCF collapsed; the FGDS itself fell apart. As a result, each party on the left put up its own candidate and refused to form electoral pacts in the 1969 presidential elections. This situation meant that two right-wing candidates, Poher and de Gaulle, contested the second ballot run-off. The disastrous outcome of these elections for the Left provided further evidence that a change in electoral strategy was needed.

> With the Left balkanized as never before during the Fifth Republic, a number of lessons cried out to be learnt from the disasters of 1969. First, [Socialist candidate Gaston] Deferre's exclusively Centre-Left version of Socialism had been routed at the polls, securing indeed the lowest Socialist vote ever. Second, the Communist go-it-alone strategy was shown to be no way for that party to get a candidate through to the second round, despite a remarkably avuncular performance by Jacques Duclos. It had been amply demonstrated how not to play the presidential game, and the most certain long-term beneficiary of the Left's fragmentation of 1969 was François Mitterrand, who had shown four years earlier how far a united Left could go. (Bell & Criddle 1984)

Thus, by the end of the 1960s, it had become apparent to the Left that there were no electorally viable alternatives to a left-wing alliance. The total number of votes cast for the Left as a whole had not dramatically declined in 1969. However, the failure to coordinate meant that the Left lost a huge number of seats. This result suggested that if the Left could only reach agreement, then they might achieve electoral success. In 1972, the Communists, the Socialists, and the small left-radical MRG successfully negotiated a 'Common Program,' in which they agreed upon a platform for an eventual left-wing government, as well as cooperation in future elections (Bell 2000; Frears & Parodi 1979; Johnson 1981). The Left as a whole advanced in the 1973 legislative elections, drawing higher than usual vote shares. The PCF was still the leader by a small margin, with 21.3% of the vote

to the Socialists' 20.4%. The PCF leadership, not yet worried about the increasing strength of the Socialist Party, backed the Left's most viable presidential candidate (Mitterrand) in the 1974 presidential elections. Mitterrand led the vote in the first round of balloting before narrowly losing to the mainstream-Right candidate, Giscard d'Estaing; Mitterrand won 49.2% compared to Giscard d'Estaing's 50.8%. Shortly thereafter, the Communist-Socialist alliance hit rocky ground because of shifts in the electoral support for the two parties.

Even though opinion polls in 1977 foreshadowed an almost certain victory for a united Left in the parliamentary elections of 1978, most analysts agree that the electoral coalition collapsed under the weight of strong distributional conflicts between the Communists and the Socialists. The Communist Party had agreed to the Common Program at a time when it was the largest party on the left and could expect to dominate a coalition government. However, the Socialist Party had been the chief beneficiary of the Common Program and had displaced the PCF as the dominant party on the left. The 1977 polls indicated that the Socialists could expect to win 35% of the vote compared to 20% for the Communists (Wright 1995, 425). From this perspective, Mitterrand's claim in the early 1970s that his fundamental objective was to build a great Socialist Party on the terrain occupied by the Communists in order to demonstrate that "out of five million communist voters, three million can vote socialist" turned out to be remarkably prescient (Portelli 1994; Bergounioux & Grunberg 1992). The Socialists could now expect to call the shots in any left-wing coalition government. As Wright (1995, 426) states, "To the Communist leadership, such a prospect must have seemed a worse threat than a continuation of conservative rule." Once the Communist leadership realized that the Socialist Party was getting nearly as much support as the PCF, they withdrew from the electoral alliance agreements in an attempt to arrest the Socialist Party's growing momentum (Melchior 1993; Johnson 1981; Frears & Parodi 1979).

Ever since the late 1970s, the PCF has been fighting against Socialist hegemony on the left. This fight has meant refusing to form electoral coalitions with the Socialist Party prior to the first round of both presidential and legislative elections. Indeed, the PCF has sometimes taken steps to directly undermine the electoral advance of the Socialists. For example, the candidacy of the Communist Party leader Georges Marchais prior to the 1981 presidential elections "was an act of pure defiance. It was motivated by the desire to build up, as in the elections of 1978 and 1979, a Communist resistance to Socialist advance, and by a particular concern to establish a strong base from which to defend Communist positions in the municipal elections due in March 1983" (Bell & Criddle 1984).

Unlike the Left, the parties on the right have never formed an electoral coalition in presidential elections. Until the mid-1970s, the dominance of the Gaullist party meant that there was never a need to form a coalition. In the early years of the Fifth Republic, de Gaulle had managed to sweep through the floating electorate on the right and in the center that had not been tied down by party allegiances under the Fourth Republic.[4] He picked up 50% of the vote from the National Center of Independents and Peasants (CNIP), 30% from the People's Republican Movement (MRP), and 30% from the Radical Party in the 1962 legislative elections, thereby wiping out most of the political center (Charlot 1971). The dominant role played by the Gaullist party only came to an end in 1974, when the party split following the death of the incumbent Gaullist president, Georges Pompidou. The majority of the party supported Jacques Chaban-Delmas in the 1974 presidential elections, while a minority followed the rising politician Jacques Chirac in supporting Valéry Giscard d'Estaing and his new party (UDF). This split initiated a long-standing power struggle between the Gaullists and the UDF for supremacy on the mainstream right.

Although Giscard won the 1974 presidential elections, the Gaullists remained the largest party in the legislature. As a result, Giscard relied on Gaullist support to implement his policy and was forced to appoint a Gaullist prime minister, Jacques Chirac. Although Chirac was a loyal prime minister at first, he soon began to assert himself as the real leader of the mainstream Right and as the only candidate capable of arresting the electoral rise of the Left. By 1976, the tension between the two men had become so great that Chirac resigned and positioned himself to challenge Giscard in future presidential elections (Portelli 1994). Following an acrimonious presidential campaign in 1981, first-round loser Chirac conspicuously failed to encourage his supporters to vote for Giscard in the second round (Bell 2000; Becker 1994; Ysmal 1989). The leaders of the two parties were fighting for supremacy of the Right more than they were fighting against their left-wing opponents (Bell 2000; Martin 1993). When Chirac was unable to advance to the second round, he may well have calculated that a second presidential mandate for the UDF leader would give the UDF too much of an advantage over his own party. Ultimately, Giscard lost the election, even though the aggregate score for the Right had been higher than that for the Left in the first round (Du Roy & Schneider 1982; Bréchon 1995).

Ongoing coordination failures on the right have had significant consequences in terms of its ability to enter government and control policy (Bréchon 1995; Ysmal 1989, 76–77). In fact, the Right was only able to control the government for six years in the period from mid-1981 to mid-2002. The Socialist Party was the primary beneficiary of this internal fighting. The most egregious example of conflicts on the right helping the Left was perhaps the 1981 presidential election, in which the Right lost control of the presidency for the first time in the history of the Fifth Republic. Since then, voters have not coordinated on a single preferred

mainstream right party, and party elites have been largely unwilling to compromise. As a result, the Left was able to dominate French government for a couple of decades.

Given the high political cost and the incentives generated by the electoral system, it is hard to explain the unwillingness and inability among right-wing leaders to coordinate their pre-electoral strategies without emphasizing the distributional issues that separated them. After all, there were very few ideological differences between the two mainstream parties in this period (Golder 2000). Some scholars have pointed to the personal animosities or plain 'stupidity' of party leaders to explain the dearth of right-wing presidential coalitions (Bell 2000; Knapp 1999). However, these accounts are unconvincing for several reasons. For example, they cannot explain why the non-Communist Left managed to merge into the Socialist Party in 1969 and why the Left managed to form two presidential coalitions in 1965 and 1974 despite party leaders sharing personal animosities at least as large as those on the right (Alexandre 1977). Nor do they explain why the Right has been able to form successful coalitions for legislative elections.

Legislative Elections Table 5.1 illustrates that electoral coalitions on both the left and right have been much more common in legislative elections than in presidential elections. Although some pre-electoral agreements are concluded in particular districts in the first round of voting in legislative elections, most occur prior to the second round. Pre-electoral coalitions for legislative elections have become increasingly comprehensive over time on the mainstream left and right, and this fact has resulted in a sharp decrease in the number of second-round contests with more than two candidates. This case is shown quite clearly in table 5.2.

The catalyst for these increasingly comprehensive agreements was the conclusion of the 1972 Common Program committing the Socialists and the Communists to a policy of withdrawal in favor of the best-placed candidate on the left after the first round. The goal of this agreement was to avoid splitting the left-wing vote in the second round. It was remarkably successful, given that only one of the 81 second-round presidential contests with three or more candidates in 1973 involved multiple left-wing candidates. Seventy-eight of these second-round contests involved multiple mainstream-right candidates. Moreover, a left-wing candidate managed to win the seat in four of these 78 contests, even though the right-wing candidates won a majority of the votes. It was in response to the Left's success in 1973 that the Gaullists and the UDF signed a 'Majority Pact' in June 1977 with a similar withdrawal policy (Jaffré 1980; Frears & Parodi 1979). As with the Left, the effect on the number of mainstream-right candidates competing in the second round was quite dramatic. Table 5.2 illustrates that there was only one second-round contest in 1978 with more than two candidates. While there

Table 5.2

Electoral Thresholds and Second-Round Candidates in France

Election Year	Threshold (% of Registered Voters)	Average Number of Candidates Eligible for 2nd Round	Number of 2nd Round Contests with More than Two Candidates
1958	5*	5.02	351
1962	5*	4.33	140
1967	10	3.08	74
1968	10	2.76	48
1973	10	3.32	81
1978	12.5	2.93	1
1981	12.5	2.33	1
1988	12.5	2.14	9
1993	12.5	1.96	15
1997	12.5	2.19	79
2002	12.5	2.04	10

* indicates that the threshold is based on the number of actual votes cast rather than on the number of registered voters. Figures in columns three and four are calculated based on the official election results from the Ministry of the Interior.

were 79 second-round contests with more than two candidates in 1997, all but three of these contests were the result of an extreme-right (FN) candidate maintaining his candidacy and not the result of multiple candidates from the mainstream left or right maintaining their candidacies.[9]

In order to further match the success of the Left's withdrawal agreements, the mainstream-right parties have made efforts to nominate a single right-wing candidate for the first round in each of the legislative elections since 1978.[10] For instance, the Gaullists and the UDF agreed on 385 unique candidates for the first round of the 1981 elections (Bell 2000). The fact that nearly all of these 'unique' candidates were incumbents suggests that agreeing to allow sitting deputies to run unopposed from fellow moderate-Right politicians is one way that party elites on the right have been able to resolve distributional issues associated with electoral coalition formation. Of course, making such agreements is likely to work only in those districts where a reasonably popular deputy is seeking reelection. Despite attempts by party leaders to coordinate their electoral strategies through nomination agreements such as these, some politicians refuse to step down. Electoral contests where this situation occurs are referred to as unapproved primaries (*primaires sauvages*). For example, although the mainstream-Right parties designated over 450 unique candidates for the 1993 elections, many politicians who were not

selected decided to run anyway (Backman & Birenbaum 1993). On the whole, though, the pre-electoral coalitions (withdrawal and nomination agreements) between parties on the mainstream left and right have been successfully implemented and have been instrumental in reducing the number of candidates who compete in the second round of legislative elections. Indeed, the nomination agreement reached by the mainstream Right prior to the first round of the legislative elections in 2002 was the most comprehensive and successful electoral coalition in the history of the French Fifth Republic.[11]

One might argue that the sharp reduction in the number of second-round contests with more than two candidates after 1973 was caused by the introduction of a larger electoral threshold (12.5%) for the 1978 elections and not the increasing use of pre-electoral withdrawal agreements on the left and right. While it is fairly obvious that rising electoral thresholds have reduced the average number of candidates qualifying for the second round, table 5.2 suggests that the higher thresholds do not fully explain the drop-off in the number of second-round contests with more than two candidates. For example, the number of second-round contests with more than two candidates in 1997 (79) was similar to that in the 1960s, despite the use of the higher (12.5%) electoral threshold. As I have already stated, all but three of these 79 contests in 1997 involved an extreme-Right (FN) candidate maintaining his candidacy in the second round. The important point here is that these FN candidates were precisely those candidates who were not participants in any pre-electoral pact. Thus, it seems safe to say that both electoral thresholds *and* pre-electoral agreements have clearly helped the reduction in the number of second-round contests with more than two candidates.

Empirically, table 5.1 indicates that electoral coalitions are much more common in the second round of legislative elections than in the first. Why might this be the case? Traditional explanations have claimed that the French two-round majority system does not provide any incentives to form a coalition in the first round, because parties are free to compete in the first round and coordinate in the second (Massart 1999). This notion of how the electoral system works fits with the popular refrain that "in the first round, you choose; in the second round, you eliminate" (Cayrol 1971; Mény 1996). I believe that these traditional explanations are wrong.

The presence of electoral thresholds creates incentives for parties to form electoral coalitions in the first round rather than waiting until the second round. The most obvious reason is that a pre-electoral pact might be the only way for a party to make it into the second round. However, it is worth noting that there may be benefits to forming an electoral coalition in the first round even if a party already knows for sure that it is going to make it into the second round. Unlike American elections, in which there are often several months between party primaries and legislative elections, there is only one week between the two in French elections. As Tsebelis (1990, 191) argues, this short delay means that if "the two partners of a coalition go too far in criticizing each other in the first round, they will not have time to change their strategies in the second round and heal the wounds (even if they wish to)." Parties could avoid these difficulties if they formed an electoral coalition in the first round. It must also be remembered that the transfer of votes between rounds from one candidate to another is often far from perfect. Thus, waiting until the second round before forming an electoral coalition can be a dangerous strategy (Cole & Campbell 1989). For example, Jaffré (1986) notes that right-wing losers in the first round do not necessarily offer their full support to the right-wing politician who continues on to the second round, even when this politician is facing a left-wing opponent. The fact that the number of parties competing in the first dual-ballot election in 1958 was half that typically found in the proportional representation elections of the Fourth Republic provides tentative evidence to suggest that party elites were already aware of these strategic incentives at this early date (Bourcek 1998, 119). It is for these reasons that the traditional explanation as to why electoral coalitions are more common in the second round is not entirely convincing.

A more plausible explanation for the observed variation in the timing of electoral coalitions in French legislative elections has to do with the distributional issues at stake in coalition formation. Though party leaders may have an incentive to coordinate their pre-electoral strategies in the first round and have a single candidate representing their camp, it is not always possible to find an agreement that suits everyone. Hanley (1999) makes this point when he states:

> If proximate parties can agree on a single candidacy on the *first* ballot, their chances are maximized even more. Voters' attention is focused on the sole real choice (assuming that not too many are put off by the withdrawal of their traditional champion), and the possibility of winning more seats at the first round increases. If *désistement* [withdrawal agreement] is one way of restricting competition, then first-ballot agreements are, potentially, an even better one. The main problem is to strike an agreement among the competitors that suits everyone.

Striking an agreement that suits everyone is the problem. Even if it is easier to reach pre-electoral agreements in legislative elections than in presidential ones, this does not mean that there are no distributional issues to overcome. For example, such agreements still require some candidates to step down in favor of candidates from other parties. To some extent, these distributional problems can be overcome in those districts in which one party has a clear competitive advantage over its

potential coalition partner. Anecdotal evidence suggests that this is precisely what happens in those districts where electoral coalitions are formed in the first round (Hecht & Mandonnet 1987; Spoon 2004). However, it is not immediately obvious how party leaders can reach agreement in those districts where both candidates are competitive. After all, why would a candidate be willing to step down if he or she has a distinct possibility of progressing to the second round and winning? Waiting until the second round to form a coalition allows these divisive choices to be made by the electorate. All the party elites have to agree to is to abide by the decision made by the voters and support whichever candidate from their camp receives the most votes. It is arguable, then, that electoral coalitions are less common in the first round of legislative elections, because party leaders prefer to let the electorate solve distributional disputes for them.

5.1.3 Policy

Distributional disputes that lie at the heart of the coalition formation process help to explain why pre-electoral coalitions in France are more common in legislative elections than in presidential elections. However, they do not explain why the Left did not consistently engage in electoral coalition building prior to the 1970s or why the Right was more divided in the 1980s than it had been in the early years of the Fifth Republic. Distributional issues cannot explain this temporal variation. It is only by focusing on the policy differences among potential coalition partners and between opposing electoral coalitions that one can explain this observed variation. The bargaining model that I presented in the previous chapter suggests that potential coalition members with widely divergent ideologies will find it difficult to reach pre-electoral agreements. It also predicts that electoral coalitions are more likely to form when the opposition party or coalition is more extreme in its policy preferences. The history of electoral coalitions in France provides significant support for these predictions.

Differences *within* Electoral Coalitions One explanation for why left-wing electoral coalitions were relatively rare prior to the 1970s is that the Socialist Party was vehemently opposed to the Communist Party's dogmatic allegiance to Stalinism. Many Socialists believed Guy Mollet's famous remark that the French Communist Party was "not on the left, but in the East" (Du Roy & Schneider 1982, 25). During the height of the Cold War, the close ties between the PCF and the Soviet Union were a distinct electoral liability (Hanley 2002). Although the PCF was the largest party on the left, a majority of the French electorate opposed its ideology. This situation probably contributed to common perceptions of it as an undesirable coalition partner. The fact that the other parties on the left were small and

fragmented meant that these parties could not credibly offer the electorate a moderate policy if they were to govern with the Communists (Bell & Criddle 1984). As a result, the PCF found few willing electoral partners.

The Communists did begin to seek out some limited withdrawal arrangements for the second round of legislative elections following the disastrous results of the 1958 election. The PCF leaders had little choice but to reach some kind of electoral agreement with the other parties on the left if they were to avoid being marginalized. Although these withdrawal agreements were far from perfect, they were sufficiently effective to increase the number of seats received by the Communists from 10 in 1958 to 41 in 1962.[12] The non-Communist parties on the left also benefited, increasing their number of seats from 65 to 106 (Williams, Goldey, & Harrison 1970).

Although the PCF abandoned its strategy of militant autonomy in favor of limited left-wing alliances for the 1962 elections, it was not until the reorganization of the Socialist Party and the Communist Party's sustained policy of 'destalinization' and democratization in the late 1960s that pre-electoral agreements on the left became common. The revision of the PCF's Stalinist policies derived from its desire to reenter mainstream politics, prevent the Socialists from drifting into an alliance with the centrist parties, and regain some of the popularity it had lost owing to its 'betrayal' of the student and worker uprising in Paris in 1968 and its timid reaction to the Soviet invasion of Czechoslovakia. Besides making a commitment to party pluralism, negotiated programs, and internal democratization, the Central Committee's manifesto of Champigny-sur-Marne in December 1968 acknowledged that while the revolution remained an end, it was no longer a means (Gildea 1997). This revision of PCF ideology showed that the Communists had adopted a more conventional interpretation of electoral democracy and were willing to play by a set of coalitional rules that were more acceptable to its potential left-wing allies (Jenson 1991).

The reorganization of the Socialist Party also made electoral coalition formation on the left easier. In 1969, various non-Communist parties merged into the Socialist Party (PS). This move was seen as part of a larger plan to eventually contain the PCF within a wider left-wing alliance (Melchior 1993; Bell & Criddle 1984; Johnson 1981; Frears & Parodi 1979). By this stage, the leaders of the moderate left-wing parties had accepted the conclusion that a broad electoral coalition encompassing the entire Left was a necessary prerequisite to winning national elections.[13] To some extent, this reorganization of the Socialist Party created a greater ideological affinity between the PS and the PCF. The new Socialist Party united three currents of the non-Communist Left that each had some sort of ideological affinity with the 'reformed' Communist party. The PS accepted the dogma of the necessary 'break with Capitalism,' and the PCF accepted that democracy would

not be replaced by a dictatorship of the proletariat if the Left won. This acceptance made it much easier for the party elites to form a programmatic alliance in 1972.

Despite these ideological changes, it would be wrong to overstate the extent to which the PCF and the PS shared similar policy objectives. Moderate voters on the left were never entirely willing to vote for the Communists (Frears & Parodi 1979; Williams, Goldey, & Harrison 1970). Since Communist voters *were* typically willing to support Socialist candidates, the shifting of the electoral fortunes of the two parties is not entirely surprising. By the mid-1970s, the PS attracted more votes than the PCF did. Leaders on the right still played on the electorate's fear of Communist rule, as this had always proven to be an effective campaign tactic. The rupture of the left-wing coalition prior to the 1978 legislative elections was particularly advantageous for the Right (Hanley 2002; Du Roy & Schneider 1982; Fabre 1978). The PCF actually campaigned against the Socialists, and many moderate voters seemed hesitant to support a potentially unstable PS-PCF government (Jaffré 1980). The day after the first round of the legislative elections, the Socialists and the Communists tried to reestablish their electoral alliance (Lavau & Mossuz-Lavau 1980). However, by then it was too late. By not agreeing to the electoral coalition publicly and further ahead of time, the transfer of votes was not sufficiently effective to obtain the left-wing victory that had been expected (Bell 2000). Jaffré (1980) argues that "the incessant quarrels between the Communist party and the Socialists . . . destroyed the Left's credibility as an alternative governing coalition [in 1978]. An important segment of public opinion felt that Communist participation in a Government would have a negative effect in many areas." The election results confirmed the Socialist Party's new dominance on the left—the PS received 24.4% of the vote, compared to 20.5% for the PCF. From this point on, there was little the PCF could do to prevent increasing levels of support for the Socialists. In the end, being the smaller partner of a victorious Left coalition may have seemed better than continuing with the Right's conservative policies (Johnson 1981). This idea helps to explain the PCF's willingness to form cohesive second-round (though still not first-round) electoral coalitions with the Socialists through the 1980s and 1990s.

While ideological differences have often made the formation of left-wing electoral coalitions difficult, this has never really been the case on the right. Among the elites of the moderate Right, there are "very few real differences of policy" (Frears & Parodi 1979, 23–24). There is also strong evidence that the electorates of the Gaullist party (RPR) and the UDF share similar policy preferences and are willing to support candidates from either party. At least one poll asked RPR and UDF voters in 1986 whom they would vote for in the upcoming legislative election according to two different hypotheses: (i) if the UDF and RPR ran separate lists, and (ii) if the UDF and RPR ran a single list. Using voter intentions and simulations, pollsters concluded that the unified list would receive 15 more seats than the two parties could expect to receive running separately. Given that the Right only had a majority of two seats in the 1986 elections, an extra 15 seats would have been a significant gain (Bourlanges 1986).[14] Other survey data have consistently shown that most voters on the mainstream right were in favor of a union of the two parties (Jaffré 1986; Charlot 1993; Wilson 1998; Duhamel 2000). These survey data were echoed by a growing number of French political scientists and commentators (Duhamel 1995, 319–20; Donegani & Sadoun 1992; Duverger 1996, 473; Jaffré 1986, 66; Wilson 1998, 40; Cole & Campbell 1990, 133).

The 1995 presidential election provided further evidence that the mainstream Right cannot be separated into two parties with substantive policy differences. The UDF failed to present its own candidate and simply divided its support between two RPR candidates, Jacques Chirac and Edouard Balladur. Although the UDF split its support between these two candidates, there were no real policy differences between them (Mazey 1996, 13; Fysh 1996, 74; Goldey 1997, 56; Gaffney 1997, 78). The weight of the evidence suggests that there was little division between the 'Orleanist' UDF and the 'Bonapartist' RPR in these elections.[15] Instead, it seemed that the divisions in the UDF were related to what they expected each RPR candidate to offer them if he won.

If ideological divisions among potential coalition partners were the only determinant of how easy it is to reach pre-electoral agreements, then the Right should have found it easier to form electoral coalitions than the Left. The fact that the Right was much more divided in the 1980s and 1990s than earlier, even though the UDF and RPR remained ideologically similar, therefore suggests that other factors are also important. The bargaining model in the previous chapter suggests that the ideological position of the likely opposition party or coalition might be able to explain this temporal variation in electoral coalition formation on the right.

Differences *between* Electoral Coalitions The French case offers considerable evidence that electoral coalitions are easier to form when parties face a more extreme opposition party. For example, one explanation for why the Right was more divided in the 1980s and 1990s than it had been previously focuses on the collapse of the PCF as the dominant left-wing party in the 1970s. The threat posed by the Communists was largely responsible for the rise of the Gaullist hegemony on the right and the electoral collapse of the centrist parties (CNIP, MRP, and Radicals) between 1958 and 1962. Moderate voters were simply unwilling to support center parties if doing so risked increasing the likelihood of a Communist government. Moreover, vote transfers on the right in the second round of legislative elections were more effective when the Left candidate was a Communist rather than a Socialist (Frears & Parodi 1979; Williams, Goldey, & Harrison 1970). In

sum, electoral coordination on the right was strong when there was a realistic threat of a Communist-led government. It was only when the Socialists had obviously become the dominant party on the left that the non-Gaullist parties on the mainstream right broke away from the Gaullists to form their own united party (UDF) in 1978. Right-wing parties no longer had to worry about a Communist-led opposition coming to power if they failed to sufficiently coordinate their electoral strategies. The moderate nature of Socialist policies in the 1980s and 1990s has not created overwhelming incentives for the Right to overcome its internal distributional conflicts. Mitterrand's experiment with nationalization, state subsidies, and minimum wage increases between 1981 and 1983 was relatively short-lived. Since then, the Socialists have consistently implemented moderate neoliberal economic and social policies (Schmidt 1996).

To some extent, the fact that the mainstream parties on the left and right are now so similar has increased the relative importance of distributional conflicts in French politics. Individual party leaders seem to be less willing to make compromises under these circumstances. In the 2002 presidential elections, there were nine candidates representing the Left.[16] The parties on the left no longer felt obliged to support a single left-wing candidate. In fact, many of the extremist parties on the left justified presenting their own candidates by saying that this was the only way to give the electorate a meaningful choice. Although extreme-left candidates have typically been inconsequential, they gathered so much support in the 2002 presidential elections that the Left lost its realistic chance to regain control of the presidency. Prior to the election, it was not clear whether the Left or Right would win the presidency. Thus, it was all the more devastating a blow to the Left that their candidate was unable to advance to the second round because so many Left voters turned to parties on the extreme left.

The reaction of mainstream parties to the rise of the extremist National Front (FN) also underscores the importance of policy differences to coalition formation. Parties on the extreme right in France have typically failed to enjoy electoral success or political longevity. For example, while the Poujadists managed to win 11.7% of the national vote in 1956, their support had diminished to 1.2% by 1958, and they did not compete in any other elections. Jean-Marie Le Pen's National Front represents an exception. Since its breakthrough in the early 1980s, it has managed to consistently win over 10% of the vote in legislative elections. Although the FN's electorate does come from both the traditional left and right, most FN voters place themselves on the right of the ideological spectrum. This situation has put pressure on the UDF and the RPR, since they have been losing voters to the moderate Left and the extreme Right. The RPR and the UDF have also been deeply aware that the electorate is unlikely to judge them favorably if their ongoing electoral divisions allow the National Front to win seats in the National

Assembly.[17] This situation explains why the leaders of the moderate Right have consistently made public statements denouncing local alliances with the extreme Right.

As time has passed, these developments have increasingly forced the leaders of the mainstream Right to overcome their remaining coordination problems. As I mentioned in the previous section, the leaderships of the two mainstream-Right parties have attempted to coordinate on a single candidate in the first round of legislative elections. Recently, this is less a reaction to the Left as it might have been in the early days of the republic than a reaction to the threat of the extreme-Right opposition gaining national power. For example, it was in response to Le Pen's strong showing in the 2002 presidential elections that the Right formed the most comprehensive and cohesive pre-electoral coalition to have emerged during the Fifth Republic. Partly as a result, the FN candidates were unable to win any seats in the 2002 legislative elections despite the party's strong showing in the presidential elections a few weeks earlier.

The rise of the extreme Right has even led to pre-electoral agreements between the Left and the Right. If the National Front appears to have a realistic chance of winning a legislative seat, then the Left and Right occasionally form a 'Republican Front,' in which the best-placed candidate from either camp is given a free run to compete against the FN candidate in the second round.[18] The increasingly similar position of the mainstream parties on the left and the right has led to a situation in which the moderate Right is arguably closer to the moderate Left in ideological terms than to the anti-system FN. In sum, there is strong evidence that the ideological position of opposition parties influences the ease with which electoral coalitions form.

5.1.4 Summary

The French analysis is replete with instances where pre-electoral strategies on the left and right have had a significant impact on who becomes president, which party wins a legislative majority, and who gets to implement policy. It is impossible to deny that electoral coalitions matter in important substantive ways to French voters. Although electoral coalition failure is often blamed on the personal animosities or plain stupidity of party leaders, the evidence presented here suggests that there are some underlying systematic factors that influence electoral coalition formation.

While the electoral systems employed in presidential and legislative elections create incentives for party leaders to coordinate pre-electoral strategies, it seems that difficulties overcoming distributional issues have meant that electoral coalitions are much rarer in presidential elections than in legislative ones. As I indicated in the pre-

vious chapter, party leaders pay close attention to the electoral viability of pre-electoral coalitions when making their decisions whether to coordinate their electoral strategies. If a potential electoral coalition is unlikely to attract significant votes, then distributional conflicts become a moot point. The early reluctance on the part of the Socialists to join forces with the Communists illustrates this point, since the Socialists feared that the coalition might end up losing votes, with disgruntled voters moving toward the Center and the moderate Right. When pre-electoral coalitions look like they are going to be electoral failures, they soon collapse. For example, Deferre's attempt to create a coalition between the Left and the Center in the early 1960s failed because it did not attract a sufficiently large number of voters.

As my theoretical model predicts, ideological differences within coalitions can influence the ease with which pre-electoral agreements are reached. For example, the history of the Left in France suggests that the growing ideological affinity between the Socialists and the Communists was important for reaching an agreement on the Common Program in the early 1970s. Note, though, that the history of the Right shows that ideological affinity between potential coalition partners is not sufficient to guarantee that an electorally beneficial coalition will form. Also, as predicted, electoral coalitions form more easily if opposition parties are ideologically extreme. This finding was illustrated by the fact that the French mainstream Right was more willing to overcome their divisions in the 1960s and 1970s, when they faced a powerful Communist Party, than in the 1980s and 1990s, when they faced a powerful Socialist Party.

The French analysis indicates that the timing of electoral coalition formation matters. For example, the failure of the Socialists and the Communists to form a pre-electoral coalition until late in the game in 1978 clearly benefited the Right. In contrast, the Right's early and very public announcement that they would form a coalition in the legislative elections of 2002 bore fruit with a large legislative majority. These examples provide some support for my decision to add a cost of delay into the two-stage bargaining model in the previous chapter.

Finally, when French party leaders choose unique candidates prior to the first round of legislative elections, the number of districts given to a particular party is largely in proportion to that party's overall level of national support. Thus, when the small Left Radical Party forms first-round coalitions with the larger Socialist Party, the Socialists get to put up candidates in the lion's share of the districts. Similar patterns have emerged, with first-round coalitions between the Socialists and the Greens in the elections of 1997 (Boy & Villalba 1999) and 2002 (Spoon 2004). The fact that the bargains reached between party leaders in France seem to reflect the relative electoral strength of parties provides some support for my assumption in the bargaining model that office benefits and coalition policy are determined by the proportional size of the players.

5.2 South Korea (Sixth Republic)

The history of pre-electoral coalitions in France suggests that the assumptions and implications of the theoretical model presented earlier are plausible. But are they generalizable? In this section, I briefly evaluate the extent to which the model can also help explain the history of electoral coalitions in South Korea. There has been enormous variation in electoral coalition formation in South Korea since the first democratic elections in 1987. At some points in time, pre-electoral agreements have been reached between feuding party leaders, despite striking personal animosities. Yet it has also been the case that ideologically similar, pro-democracy presidential candidates preferred to compete against each other rather than form a winning coalition against the official candidate of the former military dictatorship. As in the French case, conflict over the distribution of office benefits plays a central role in explaining the variation in coalition formation. Unlike France, though, electoral coalitions have been relatively common in presidential elections. I argue that the use of constitutional term limits in the South Korean case reduces the distributional conflict that plagues party leaders who are deciding whether to form a coalition in presidential elections.

5.2.1 Office

South Korea has not been a democracy in much of the postwar period. It was arguably under authoritarian rule, even in the 'democratic' period of Syngman Rhee between 1948–60 (Henderson 1988). After a brief flirtation with democracy following Rhee's downfall, military rule was imposed. It was not until 16 years later, in 1987, that the first direct presidential elections were held in South Korea. The intense coalition negotiations that have preceded every presidential election since then have centered on the distribution of office benefits.

Consider the transitional elections of 1987. As one might expect, the only important cleavage in this election was between the supporters of the authoritarian regime and those of the democratic opposition. The presidential election was to be held under simple plurality rule, and it was clear that a majority of the electorate preferred the democratic opposition to General Roh Tae Woo, the official candidate of the military regime. General Roh was the hand-picked successor of the military dictator, President Chun Doo Hwan. The wide gap between the pro-democracy policies that the opposition camp wanted to implement and the policies that the military incumbent preferred created strong incentives for the opposition to present a single candidate. However, the pro-democracy camp split its support between two leaders of the democracy movement, Kim Young Sam and Kim Dae Jung. In spite of the significance of the elections and the tremendous

vious chapter, party leaders pay close attention to the electoral viability of pre-electoral coalitions when making their decisions whether to coordinate their electoral strategies. If a potential electoral coalition is unlikely to attract significant votes, then distributional conflicts become a moot point. The early reluctance on the part of the Socialists to join forces with the Communists illustrates this point, since the Socialists feared that the coalition might end up losing votes, with disgruntled voters moving toward the Center and the moderate Right. When pre-electoral coalitions look like they are going to be electoral failures, they soon collapse. For example, Deferre's attempt to create a coalition between the Left and the Center in the early 1960s failed because it did not attract a sufficiently large number of voters.

As my theoretical model predicts, ideological differences within coalitions can influence the ease with which pre-electoral agreements are reached. For example, the history of the Left in France suggests that the growing ideological affinity between the Socialists and the Communists was important for reaching an agreement on the Common Program in the early 1970s. Note, though, that the history of the Right shows that ideological affinity between potential coalition partners is not sufficient to guarantee that an electorally beneficial coalition will form. Also, as predicted, electoral coalitions form more easily if opposition parties are ideologically extreme. This finding was illustrated by the fact that the French mainstream Right was more willing to overcome their divisions in the 1960s and 1970s, when they faced a powerful Communist Party, than in the 1980s and 1990s, when they faced a powerful Socialist Party.

The French analysis indicates that the timing of electoral coalition formation matters. For example, the failure of the Socialists and the Communists to form a pre-electoral coalition until late in the game in 1978 clearly benefited the Right. In contrast, the Right's early and very public announcement that they would form a coalition in the legislative elections of 2002 bore fruit with a large legislative majority. These examples provide some support for my decision to add a cost of delay into the two-stage bargaining model in the previous chapter.

Finally, when French party leaders choose unique candidates prior to the first round of legislative elections, the number of districts given to a particular party is largely in proportion to that party's overall level of national support. Thus, when the small Left Radical Party forms first-round coalitions with the larger Socialist Party, the Socialists get to put up candidates in the lion's share of the districts. Similar patterns have emerged, with first-round coalitions between the Socialists and the Greens in the elections of 1997 (Boy & Villalba 1999) and 2002 (Spoon 2004). The fact that the bargains reached between party leaders in France seem to reflect the relative electoral strength of parties provides some support for my assumption in the bargaining model that office benefits and coalition policy are determined by the proportional size of the players.

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pressure on the two pro-democracy candidates to form an electoral alliance, neither would yield. In the end, General Roh won the 1987 elections with 36.6% of the vote. Kim Young Sam came in second with 28.0%, and Kim Dae Jung came in third with 27.0%. Kim Jong Pil, a leader in the 1961 military coup and former prime minister during the military dictatorship, came in last with 8.1% of the vote. It is typically assumed that had the pro-democracy forces united behind a single candidate, then they would have won these transitional elections (Oh 1999, 109–10; Han 1997, 52–55; Nam 1989, 317; Dong 1988, 170, 185–86,; Kihl 1988, 15).

One explanation for why the pro-democracy candidates failed to form a pre-electoral coalition in these elections focuses on the uncertainty that surrounded the electoral outcome. Electoral uncertainty tends to be high in new democracies, where polls are often unreliable and voters, as well as candidates, do not have previous election results on which to base their expectations. Thus, one interpretation of the 1987 pre-election coordination failure is that Kim Dae Jung thought his prospects were so 'favorable' in a four-party race that he was willing to split from Kim Young Sam and form his own opposition party (Kim 2000*b*). According to one country expert, "It appears that both camps truly believed that their candidates would win the election even with both Kims running" (Kim 1997, 91).

However, others have argued that the opinion polls prior to the election clearly indicated that if both candidates were to remain in the presidential race, then the pro-democracy forces would likely lose (Kihl 1988*b*). Why would the two opposition leaders take this chance? Remember that both Kim Young Sam and Kim Dae Jung considered themselves to be the legitimate leader of a democratic South Korea. In terms of the theoretical model outlined in the previous chapter, it may be the case that the expected payoff from running alone was high enough, given that the election outcome was in doubt that neither candidate was willing to withdraw. Certainly, the cost of reaching an electoral agreement was high for the candidate who would be forced to withdraw from the competition. After all, stepping aside in this foundational election likely meant running the risk of relinquishing all political power in the future. The candidates may not have considered a potential electoral loss from running a separate campaign to be such a terrible thing, especially if they could increase their bargaining power in future elections by polling a significant percentage of the vote.[19] In many respects, this situation mirrors the competition between Jacques Chirac and Valéry Giscard d'Estaing for supremacy over the moderate Right in the 1980s in France. In both situations, party leaders were willing to suffer the loss associated with having the opposition implement policy in order to guarantee their survival as influential political actors.

The Korean political scene has witnessed a whirlwind of party mergers and splits since the transitional elections in 1987. To some extent, this situation has

been aided by the fact that there is an unusual absence of policy differentiation among the various parties (Kim 2000*b*; Jaung 2000; Oh 1999; Park 1990). The issue of democracy has been absent from electoral politics since the 1987 elections, and no divisive subject other than geographical affiliation has really emerged to take its place. With no substantive ideological or policy differences, political competition in South Korea has been characterized primarily by personal animosity and long-standing political enmity.

Despite this situation, personal animosities have regularly been put aside in the pursuit of votes and office. For example, Kim Young Sam decided in 1990 to merge his party with those of two former members of the military regime, President Roh and Kim Jong Pil. Kim Jong Pil became the party leader, and Kim Young Sam was rewarded with becoming the party's next presidential candidate. This coalition emerged despite the fact that Kim Young Sam had been imprisoned, placed under house arrest, and expelled from the National Assembly during the military regime's rule. Similarly, despite having nearly been executed by the military regime in 1971 (before being put under house arrest, imprisoned, and sent into exile), Kim Dae Jung later formed an electoral alliance with Kim Jong Pil for the 1996 legislative elections and 1997 presidential elections (Oberdorfer 2001). These examples represent just a few of the cases in which personal enemies put aside their differences to form electoral coalitions. The history of these coalitions in Korea represents as compelling a case as can be made against those who would explain pre-electoral coordination failures purely in terms of personal animosities between party leaders.

Unlike France, pre-electoral coalitions in presidential elections are common in South Korea. This fact raises the question as to how party leaders in Korea have been able to overcome the distributional issues that lie at the heart of presidential coalition formation, whereas their French counterparts have not. Part of the explanation for this empirical difference might lie in the absence of ideological divisions between Korean parties. While there is presumably some truth to this statement, it is important to remember that a lack of ideological conflict also characterized several instances of coordination failure within the French mainstream Right. Perhaps a more compelling explanatory factor is the fact that according to the Korean constitution, the president is permitted to serve only a single five-year term (Kihl 1988*a*).

Consider the 1990 coalition between President Roh, Kim Jong Pil, and Kim Young Sam. Although the presidency is by far the most important position in Korea, the legislature does have the ability to hold up legislation if it is controlled by the opposition (Morriss 1996).[20] It was because he did not enjoy a majority following the 1988 legislative elections that President Roh eventually suggested merging his party with those of Kim Young Sam and Kim Jong Pil. The new party

that emerged in 1990 controlled a majority of the seats in the National Assembly. The point here is that Kim Young Sam and Kim Jong Pil were probably more willing to enter into this sort of electoral arrangement because they knew that President Roh could not run again for office and would retire from politics at the end of his term. It is precisely because a president can stay in office for only a single term that the promise of stepping down in favor of one's coalition partner becomes somewhat credible. In this case, President Roh had promised to step down and support Kim Young Sam as the new party's official presidential candidate in the 1992 elections. It seems fairly clear that Kim Young Sam would have been less willing to merge his party with that of President Roh without the institutional feature of term limits.

In fact, pre-electoral agreements of this sort are quite common. Kim Jong Pil had formed his own party in 1992 but was able to command only about 10% of the vote. While this result was certainly not enough to win an election on his own, it was sufficiently large to be useful in an electoral coalition. Kim Jong Pil eventually formed an electoral alliance with another former enemy, Kim Dae Jung. Kim Dae Jung had finished second to Kim Young Sam in the 1992 presidential elections. His problem was that although he typically won almost all of the votes in his native Cholla region, he was unsuccessful elsewhere.[21] As a result, Kim Dae Jung was unlikely to ever win a national election on his own. The pre-electoral coalition bargain reached between these two men involved Kim Dae Jung becoming the presidential candidate for the 1997 elections and Kim Jong Pil becoming the prime minister, with the right to choose his own cabinet.[22]

President Kim Young Sam was unable to run for reelection in 1997, and his party was unable to field a unique candidate against the Kim Dae Jung-Kim Jong Pil electoral alliance. Instead, two candidates, Lee Hoi Chang and Rhee In-je, competed for the votes of the president's party. Lee Hoi Chang was able to co-opt a fifth candidate, Cho Soon, into an electoral alliance of his own. Cho agreed to merge his party with that of Lee Hoi Chang and withdraw his candidacy from the presidential race. In exchange, Cho became leader of the new party, a position that was 'guaranteed' for two years (Kim 2000*a*). The results of the 1997 presidential election were close: Kim Dae Jung received 39.7% of the votes, Lee Hoi Chang 38.2%, and Rhee In-je 18.9% (Kim 2000*b*, 61). Kim Dae Jung clearly benefited from the alliance with Kim Jong Pil. His support from Kim Jong Pil's Ch'ungch'ong region was 20% higher than in any previous election. Given the slim margin of victory, it seems likely that the support from Kim Jong Pil's region was instrumental in finally getting Kim Dae Jung elected (Kim 2000*b*).

The fact that a coalition partner can be promised a prime ministerial position and support as the official presidential candidate in future elections with some

credibility, thanks to the institutional feature of term limits, has clearly facilitated the formation of electoral coalitions during presidential elections in South Korea. Term limits are important because they make the presidential office more divisible across time. They are also influential because they place a constraint on the power of the president. By weakening the power of the office that party leaders are fighting over, term limits make it easier for them to compromise.

It is important to remember, though, that even if term limits make electoral coalition proposals more credible, they do not make them sacrosanct. For example, Kim Young Sam offered the role of prime minister and future presidential candidate to Kim Jong Pil in exchange for his support and that of his electorate in the 1992 elections. However, following his successful election with 42% of the vote, President Kim Young Sam changed his mind about his successor.[23] He announced in the middle of his term that he now supported a general policy of 'generational change.' This declaration enabled him to fill most of the leadership posts with his own supporters and consolidate his grip on his party and on the government (Kim 2000*b*). This experience made Kim Jong Pil very wary of future coalitions, and it was only after "two years of an intense courtship" that Kim Dae Jung was able to get him to agree to his 'power sharing' plan for the 1997 elections outlined above (Kim 2000*b*).

Even if term limits ease the coalition formation process in Korea, they can only go so far in helping party leaders overcome their conflicting preferences concerning the distribution of office benefits. Party leaders still have to agree on who is going to step down in favor of whom. It turns out that South Korean presidential candidates have employed highly imaginative mechanisms to make these types of decisions easier. For example, in the 2002 presidential elections, two presidential candidates used opinion polls to decide which of them would withdraw from the race in an attempt to avoid defeat by a third candidate. Poll results indicated that the opposition leader Lee Hoi Chang would win in a three-way race, but that either Roh Moo Hyun or Chung Mong Joon might beat Lee in a two-way race. The second- and third-placed candidates agreed to form an electoral coalition. The question of who would withdraw from the race was decided by polling a sample of the electorate after a televised debate between Roh and Chung. According to the few thousand people voting in the private poll, Chung came in second, and he promptly withdrew from the presidential campaign. Chung began acting as Roh's campaign manager, and it was widely assumed that Roh had promised him significant spoils if they won the election.[24] It is interesting to note that Chung and Roh used the electorate to take the decision about who was going to run for the presidency out of their hands in a similar way to how the French parties use the electoral vote in the first round of legislative elections to decide who is going to withdraw prior to the second round.

5.2.2 Summary

This brief analysis of South Korea provides further evidence of the important role played by office-seeking preferences in the formation of electoral coalitions. Other than the foundational election of 1987, none of the Korean presidential elections have had a significant policy element to them. Thus, policy did not hinder coalitions from forming. Nor did extreme ideological positions on the part of one party encourage opposing coalitions to form, as occurred in France. Distributional conflict was the only significant issue in the coalition formation process. In 1987, Kim Young Sam and Kim Dae Jung both preferred to fight each other instead of guaranteeing a victory for the pro-democracy forces against the incumbent military dictator. Quite possibly, this preference was because neither wanted to jeopardize his future role in a democratic South Korea. Since that election, various electoral coalitions have formed between former adversaries. One factor that has facilitated electoral coalition formation in presidential elections is the use of term limits that, in practice, enable the benefits of the presidential office to be divided across time.

5.3 Conclusion

The theory presented in the previous chapter suggests that the distribution of office benefits, the ideological location of potential coalition partners, and the ideological location of opposition parties play an important role in the formation of electoral coalitions. It is easier to reach an agreement to form a pre-electoral coalition if the parties that are bargaining have similar policy preferences. Also, a large enough 'pie' of expected office benefits is crucial. This requirement is because each party leader will compare the expected share of office benefits and the utility of the coalition policy if part of an electoral coalition to what he or she could get by competing independently. Though party leaders will trade off the two types of benefits, the bottom line is that they agree to join an electoral coalition only if they expect doing so to make them better off. They will be more willing to sacrifice some office benefits if necessary and join an electoral coalition when they expect that by doing so they will be able to prevent an ideologically 'extreme' opposition group from coming to power. By providing incentives to form electoral coalitions, electoral institutions that favor larger parties will also play an important role here. These hypotheses were supported in this chapter with evidence from France and South Korea.

The French analysis illustrated that parties had to be sufficiently ideologically compatible for coalitions to form. For instance, the Socialists and the Communists were willing to consider forming electoral coalitions only after their ideological

positions drew sufficiently close to each other in the 1970s. There was also compelling evidence that coalition formation was facilitated if the policy proposed by the likely opposition was extreme. Right-wing parties and voters in France were able to coordinate much more effectively when the Communist Party was considered the dominant party on the left. Likewise, moderate parties on the left and the right occasionally coordinate their pre-electoral strategies if doing so will help defeat a candidate from the extreme right.

In addition to policy and electoral incentives, the history of electoral coalitions in both France and South Korea clearly show that the divisibility of office benefits matters. The bargaining model suggests that it is easier to form electoral coalitions when the benefits of office can be divided in a manner that makes members of both parties better off than they would have been if competing independently. Evidence in support of this idea comes from the fact that electoral agreements have been much more common in legislative elections in France than in presidential ones. One explanation for this variation across elections has to do with the fact that there are nearly 600 offices and government portfolios to share out in legislative elections compared to a single office in presidential elections. It is simply easier to divide office benefits in legislative elections to the satisfaction of both parties in a coalition.

While forming pre-electoral coalitions is easier in legislative elections, the Korean case illustrates that presidential electoral coalitions can form in certain circumstances. In particular, the use of term limits in South Korea makes electoral coalition formation easier by providing for the temporal divisibility of the presidential office. This example suggests that institutional features that can reduce distributional disputes between potential coalition partners will make electoral coalitions more likely. Evidence from both South Korea and France indicate that party leaders try to avoid conflict over the distribution of office by allowing voters to choose the coalition candidate when they can. The institutional feature of the French two-round electoral system helps in this regard. In general, electoral rules that allow voters to vote for more than one party should be especially conducive to the formation of pre-electoral coalitions. Finally, the evidence from France and South Korea suggests that party leaders' personal animosity and myopia, which receive so much emphasis in the description of campaigns and politics in particular countries, play no systematic role in pre-electoral coalition formation. This argument is particularly striking in the South Korean analysis. Indeed, the old adage that 'politics makes strange bedfellows' is perhaps the more appropriate observation.

CHAPTER SIX

Empirical Implications

Testing the Theoretical Model

As I mentioned in chapter one, single parties are unable to command a majority of support in the legislatures of most democracies. Thus, political parties who wish to exercise executive power are typically forced to enter some form of coalition. They can either form a pre-electoral coalition prior to the election or wait to form a government coalition afterwards. The analysis conducted in chapter three took as its starting point the implicit claim in the coalition literature that pre-electoral coalitions are a simple function of electoral rules. Although the results presented in that chapter showed that the incentives to form electoral coalitions are shaped by the specific electoral rules employed in each country, they also indicated that the size of the party system mattered, as well. Specifically, the results showed that electoral coalitions are more likely to form and be successful only when a country employs disproportional electoral institutions *and* there are a large number of parties. The size of the party system matters because there are simply fewer opportunities or incentives to form electoral coalitions in countries where the number of parties is small. This is the case whether the electoral system is highly disproportional or not.

The problem with this initial analysis was that it took account only of the electoral incentives to form a pre-electoral coalition. It ignored the obvious costs that parties incur when they accept pre-electoral agreements. For example, parties that agree to form an electoral coalition have to make compromises on a coalition policy and a division of office benefits. Party leaders ultimately have to weigh the benefits that accrue from forming an electoral coalition against the associated costs. The costs may be so great that party leaders may well decide that they are unwilling to sign a pre-electoral agreement, even if such a coalition could win them more votes or seats. In chapter four, I presented a bargaining model that described the decision calculus facing two party leaders who are deciding whether to form an electoral coalition. Solving the model for sub-game perfect Nash equilibria revealed equilibria in which

party leaders either agreed to form an electoral coalition in the first round or decided to run independent electoral campaigns. The comparative statics generated by the model indicated that the probability of electoral coalition formation increases when:

1. the ideological distance between the potential coalition partners (λ_{AB}) decreases.
2. the probability that the coalition wins (P_u^1, P_u^2) increases.
3. the probability that the party wins after running alone (P_{i_d}) decreases.
4. the ideological distance between the party's policy and that of the opposition (λ_{i_opp}) increases as long as the coalition is electorally beneficial ($P_u^t > P_{i_d}$).

In chapter five, I evaluated these implications using detailed analyses of electoral coalition history in France and South Korea. The evidence that I presented indicated that not only were the assumptions and implications of the bargaining game plausible, but that they were also informative for explaining the particular patterns of electoral coalition formation observed in these two countries. My theoretical model provided an explanation as to why electoral coalitions were more common in legislative elections as opposed to presidential elections in France, why they were more common in the second round of French legislative elections than in the first, and why they were more common at some points in time than at others. The model also helped to explain why electoral coalitions were much more common in presidential elections in South Korea compared to presidential elections in France, and why South Korean presidential candidates were willing to form electoral alliances with personal rivals and enemies.

Of course, these are but two countries, and the model that I outlined in chapter four purports to provide a general logic of pre-electoral coalition formation that applies in multiple settings. As a result, I now provide a more systematic test of the implications generated by the bargaining model using data on electoral coalitions from 20 advanced industrialized parliamentary democracies from 1946 to 1998.

6.1 Hypotheses

As I show above, the bargaining model provides clear, testable implications. The problem is that some of the variables in the model are difficult to accurately measure with real-world data. For example, how would one measure the probability of a coalition winning (P_u^t) when no coalition actually forms, or the probability of a party winning on its own (P_{i_d}) when a coalition does form? While it is theoretically possible to calculate these probabilities through the use of survey data asking

individuals how they would vote when faced with a variety of different coalition environments, these data do not exist for the elections in my data set.[1] Because of these difficulties, it is necessary to reformulate the model's implications into hypotheses that can actually be tested with real-world data.

The model's first implication is straightforward and can be tested directly. As is the case with government coalitions, pre-electoral coalitions should form more easily between parties with similar ideological positions (Budge & Laver 1992). This is the case because the utility loss associated with having policy set at the coalition's ideal point rather than one's own ideal point is minimized to the extent that the coalition members are ideologically similar. Moreover, a party's electorate, along with its rank-and-file members, should be more willing to support the pre-electoral coalition if there is no need to make significant policy concessions. Thus, the first hypothesis is:

Hypothesis 1: Pre-electoral coalitions are less likely to form when the ideological distance between potential coalition members increases.

The second implication from the model is that electoral coalitions are more likely the greater the probability that the electoral coalition is going to win. The probability that the coalition is going to be successful is clearly a function of the seat share that the coalition members eventually obtain: the larger the coalition, the greater its chance of electoral success. However, it is important to note that if the coalition becomes sufficiently large, then at least one of the coalition members may begin to think that it has a realistic chance of entering government by running independently. According to the model's third implication, parties will be less likely to form a coalition if this occurs. This line of reasoning suggests that an increase in the potential electoral coalition size should make coalition formation *more* likely when the coalition is small, but should make coalition formation *less* likely when the coalition size is large. Thus, a combination of the model's second and third implications generates the following hypothesis:

Hypothesis 2: The probability that an electoral coalition forms is a quadratic function of the size of the potential pre-electoral coalition. It should be increasing in the first term (size) and decreasing in the second term (size^2).

This last hypothesis suggests that electoral coalitions will be less likely to form if the coalition becomes too large, because at some point at least one of the coalition parties will start to believe that it can enter government by running independently. It naturally follows that the point at which the electoral coalition becomes 'too large' will depend on the relative size of the coalition parties. For example, imagine two potential two-party coalitions, and that each expects to win 40% of the seats. In the first coalition, each party expects to win the same percentage of seats (20%). In the second coalition, one party expects to win 30% of the seats, while the other expects to win only 10%. It seems obvious that the larger party in this second coalition is more likely to want to compete independently than are either of the *smaller* parties in the first potential coalition. This is the case even though the expected size of the two coalitions is the same. In other words, potential coalitions between parties that are asymmetric in size should be less likely to form when the overall coalition size becomes sufficiently large. Thus, the third hypothesis is:

Hypothesis 3: If the expected coalition size is sufficiently large, then pre-electoral coalitions are less likely to form if there is an asymmetric distribution of electoral strength among the potential coalition parties.

The fourth implication of the model suggests that when parties are faced with an opposition party or coalition that is ideologically extreme relative to their own ideal point, they will be more likely to form an electoral coalition, so long as the probability of winning is larger as a coalition than running separately. This is because not entering government and being in the opposition means receiving no utility from office benefits and suffering a utility loss from having policy implemented by the government. This loss in utility might be quite significant if the government is ideologically extreme relative to one's own ideal point. Parties will presumably want to do all that they can to keep such an 'extreme' government from coming to power. Parties will be likely to form a pre-electoral coalition in these circumstances if the probability of entering government is larger as a coalition than from running independently. In other words, parties will be more likely to form a pre-electoral coalition if this is the best way of keeping an 'extreme' government from coming to power. As I have argued in chapter three, there is strong empirical evidence to suggest that disproportional electoral institutions provide an electoral bonus to large parties or coalitions through their mechanical effect on the translation of votes into seats (Clark & Golder 2006). Thus, the probability of entering government as an electoral coalition compared to running independently should be larger the more disproportional the electoral system. While it is not possible to know the precise identity of the potential government prior to the election, parties should expect to suffer a greater utility loss from government policy when the party system is ideologically polarized. This line of reasoning generates two related hypotheses:

Hypothesis 4: Party system polarization increases the likelihood of pre-electoral coalitions when the electoral system is sufficiently disproportional.

Hypothesis 5: An increase in the disproportionality of the electoral system will

increase the probability of forming a pre-electoral coalition. This positive effect should be stronger when the party system is polarized.

Although coalition analysts have suggested for years that government coalitions are more likely to form between parties with similar policy preferences, four of the five hypotheses presented here have not appeared in the government coalition literature. To some extent, this fact should not come as a surprise. After all, the disproportionality of the electoral rules should not affect the government coalition formation process. However, one would think that party leaders who are deciding whether to form a coalition and contemplating possibly being in opposition should take account of the ideological position of other potential governments, regardless of whether this coalition bargaining process is occurring prior to the election or afterward. Nevertheless, it is rare for the government coalition literature to address the ideological positions of other potential governments.

6.2 Empirics

6.2.1 Data and Model

The data set used in the following analysis comprises electoral coalitions in 293 legislative elections in 20 advanced industrialized parliamentary democracies between 1946 and 1998. The countries included are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, and the United Kingdom. I do not include Israel, Malta, or Greece as I did in chapter three, because data were not available for the ideological variables. The slightly shorter time frame (1946–98 rather than 1946–2002) compared to that in chapter three is also the result of limited ideological data. The data are organized in dyadic format, both to match the formal model and to reflect the fact that the majority of pre-electoral coalitions in my sample (68%) are between two parties.[2] Therefore, each observation is a potential two-party coalition. Using a dyadic format yields 4,460 potential two-party electoral coalitions.

An example might help illustrate the data structure. In the 1983 Australian election, there were three parties, and thus three dyads: Labor Party-National Party, National Party-Liberal Party, and Liberal Party-Labor Party. If the two parties in a dyad formed a pre-electoral coalition (PEC), then the dependent variable is coded as one; it is zero otherwise. If a coalition forms among more than two parties, each of the relevant dyads can be coded accordingly as part of the coalition. For instance, if a pre-electoral coalition forms among three parties on the French left, then the dyads Communist-Socialist, Communist-Greens, and Socialist-Greens would each be coded as one.

I follow Budge et al. (2001) and include "all the significant parties which are represented in the national assembly" in the data set, where the significance of a party is defined in terms of government coalition or blackmail potential.[3] In effect, no parties with less than 1% of the vote are included. Of the 4,460 potential two-party electoral coalitions in the data set that could have formed, only 245 actually formed; this number is slightly more than 5%. As is often the case with dyadic data, the phenomenon of interest occurs only rarely (King & Zeng 2001). The more substantively interesting figure to note, though, is that pre-electoral coalitions competed in 37% of all the elections in the dyadic data set.

Given the dichotomous nature of the dependent variable, I use a probit model to test my hypotheses. In this model, the latent variable PEC^* measures the underlying propensity of party leaders in a dyad to form a pre-electoral coalition. The propensity to form a pre-electoral coalition, PEC^*, is modeled as a linear function of several independent variables:

$$\begin{aligned} PEC^* = {} & \beta_0 + \beta_1 \text{Ideological Incompatibility} + \beta_2 \text{Polarization} \\ & + \beta_3 \text{Effective Threshold} + \beta_4 \text{Polarization} \times \text{Effective Threshold} \\ & + \beta_5 \text{Coalition Size} + \beta_6 \text{Coalition Size}^2 + \beta_7 \text{Asymmetry} \\ & + \beta_8 \text{Asymmetry} \times \text{Coalition Size} + \varepsilon \end{aligned}$$

where PEC^* is a latent variable that is assumed to be less than zero when we do not observe a pre-electoral coalition and greater than zero when we do.

Ideological Incompatibility measures the absolute ideological distance between the parties in the dyad and is a proxy for the lack of ideological compatibility in the coalition. Data on the ideological position of each party are taken from the Manifesto Research Group, which evaluates each party on a one-dimensional scale that ranges from −100 (extreme Left) to +100 (extreme Right) (Budge et al. 2001). The most ideologically incompatible electoral coalition to form occurred in the Australian elections of 1954 between the Liberal Party and the National Party. Out of a possible 200-unit difference, they were 99.1 units apart.

Polarization is a measure of the ideological dispersion in the party system and is calculated as the absolute ideological distance between the largest left- and right-wing parties in the party system. The most polarized party system in which a pre-electoral coalition formed was in Sweden in 1985 (80.9 units), and the least polarized party system was in Belgium in 1978 (0.79 unit). The data are again taken from the Manifesto Research Group. This particular measure of party system polarization is most appropriate because of the fact that government coalitions are almost always going to contain either the main party on the left or the

main party on the right. Thus, parties worried about an 'extreme' government (relative to their own ideological positions) coming to power will be concerned primarily with the ideological positions taken by these parties.

As in chapter three, *Effective Threshold* measures the effective electoral threshold (Lijphart 1994). The effective electoral threshold ranges from a low of 0.7 in the Netherlands since 1956 to a high of 35 in countries with single-member districts such as Canada and the United Kingdom. This variable acts as a proxy for the disproportionality of the electoral system: the higher the effective threshold, the larger the disproportionality. Qualitatively similar results to those presented here are found if the log of average district magnitude is used instead of the effective threshold. The interaction term *Polarization* × *Effective Threshold* is included to test the conditional nature of Hypotheses 4 and 5.

Coalition Size measures the percentage of the total seats won by the two parties in the dyad in the *previous* election. This variable is a proxy for the expected success of the potential coalition in the current election. The largest pre-electoral coalition to form occurred in the Austrian elections of 1959 between the People's Party and the Socialist Party. Between them, the coalition members controlled 95% of the legislative seats. In order to test the quadratic nature of Hypothesis 2, it is necessary to also include *Coalition Size*^{2}.

Asymmetry measures the asymmetric strength of the two parties in the potential coalition dyad and ranges from 0 to 1, with larger numbers indicating a higher level of asymmetry. It is calculated as the ratio of the seat shares of the two parties in the dyad (Party 1 and Party 2):

$$\text{Asymmetry} = \begin{cases} \dfrac{\text{Seatlag}_1}{\text{Seatlag}_1 + \text{Seatlag}_2} & \text{if} \quad \dfrac{\text{Seatlag}_1}{\text{Seatlag}_1 + \text{Seatlag}_2} \geq 0.5 \\[2ex] 1 - \dfrac{\text{Seatlag}_1}{\text{Seatlag}_1 + \text{Seatlag}_2} & \text{if} \quad \dfrac{\text{Seatlag}_1}{\text{Seatlag}_1 + \text{Seatlag}_2} < 0.5 \end{cases}$$

where $Seatlag_i$ is the percentage of seats won by party i in the previous election. To make interpretation easier, this variable is then normalized to range from 0 to 1 by subtracting 0.5 and multiplying by two. The interaction term *Asymmetry* × *Coalition Size* is included to test the conditional nature of Hypothesis 3.

The predictions from the hypotheses are shown in table 6.1. The coefficient on *Ideological Incompatibility* (β_1) should be negative, since the likelihood of electoral coalition formation is expected to decline as the potential coalition partners become more ideologically incompatible. The marginal effect of party system

Table 6.1

Predicted Effect of Row Variables on PEC Formation

Variable	Prediction
Ideological Incompatibility (β_1)	Negative
Effective Threshold (β_2)	Positive
Polarization × *Effective Threshold* (β_3)	Positive
Coalition Size (β_5)	Positive
Coalition Size^2 (β_6)	Negative
Asymmetry × *Coalition Size* (β_8)	Negative
$\beta_2 + \beta_4$ *Polarization*	Always positive
$\beta_2 + \beta_4$ *Effective Threshold*	Positive when *Effective Threshold* is high
$\beta_7 + \beta_8$ *Coalition Size*	Negative when *Coalition Size* is high

polarization is $\beta_2 + \beta_4$ *Effective Threshold*. This marginal effect is expected to be positive when the electoral system is sufficiently disproportional, i.e., when *Effective Threshold* is high. Thus, β_4 must be positive. The marginal effect of electoral system disproportionality is $\beta_3 + \beta_4$ *Polarization*. This marginal effect should be positive irrespective of the level of *Polarization*. It follows then that β_3 should be positive. The coefficient on *Coalition Size* (β_5) is expected to be positive, whereas the coefficient on *Coalition Size*^{2} (β_6) is expected to be negative. This is because the probability of pre-electoral coalition formation should initially increase with coalition size and then decrease. This should be the case irrespective of the level of *Asymmetry*. The marginal effect of *Asymmetry* is $\beta_7 + \beta_8$ *Coalition Size*. This marginal effect should be negative, since *Asymmetry* is expected to reduce the likelihood of pre-electoral coalition formation when the potential coalition size is sufficiently large. Thus, β_8 should be negative.

6.2.2 Results and Interpretation

The results from two models are provided in table 6.2. The first column presents results from a random effects probit model, where observations are clustered by election in order to take account of any unobserved factors specific to each election that might influence pre-electoral coalition formation.[4] The second column reports results from a probit model with robust standard errors. The results across the two models are very similar. However, a likelihood ratio test indicates that the random-effects probit model is superior.[5] As a result, my inferences are based on this model. Note, however, that the standard probit model with robust standard errors shows qualitatively similar results.

Table 6.2

Determinants of the Propensity to Form Pre-Electoral Coalitions

Dependent Variable: Did a Pre-Electoral Coalition Form? 1 Yes, 0 No		
Regressor	PROBIT1 (random effects)	PROBIT2
Ideological Incompatibility	-0.007***	-0.006***
	(0.003)	(0.002)
Polarization	-0.003	-0.002
	(0.005)	(0.002)
Effective Threshold	0.019*	0.02***
	(0.01)	(0.005)
Polarization × Effective Threshold	0.0005*	0.0003**
	(0.0003)	(0.0001)
Coalition Size	0.053***	0.044***
	(0.011)	(0.008)
Coalition Size^2	-0.0006***	-0.0005***
	(0.0001)	(0.0001)
Asymmetry	-0.066	-0.041
	(0.297)	(0.218)
Asymmetry × Coalition Size	-0.030***	-0.025***
	(0.009)	(0.006)
Constant	-2.40***	-2.08***
	(0.31)	(0.18)
Observations	3495	3495
Log Likelihood	-625.8	-681.3

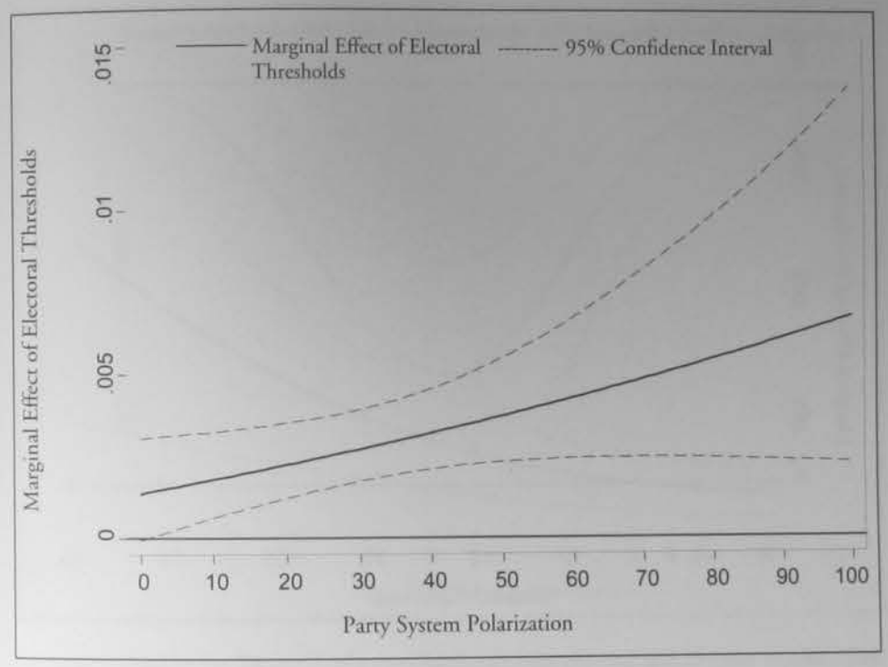
Notes: Standard errors are given in parentheses (robust for PROBIT2). Random effects are clustered on each election. Data: 4,460 dyads, 20 advanced industrialized countries, 1946–98.
*$p < 0.10$; **$p < 0.05$; ***$p < 0.01$ (two-tailed).

The results presented in table 6.2 indicate that all of the coefficients have the predicted signs and are statistically significant where expected. However, the interpretation of these coefficients is complicated by the use of multiple interaction terms and the fact that the coefficients relate to the latent propensity to form pre-electoral coalitions rather than the actual quantity of interest—the probability of forming a pre-electoral coalition. Much more revealing and substantively meaningful information can be obtained if we explicitly examine the marginal effect of each variable on the probability of pre-electoral coalition formation.

A good way to examine the marginal effects of variables in interaction models is graphically (Brambor, Clark, & Golder 2006). Hypothesis 5 states that an increase in the disproportionality of the electoral system will increase the probability of pre-electoral coalition formation and that this positive effect should be stronger when the party system is more polarized. In figure 6.1, I plot the marginal effect of a one-unit increase (from its mean) in the effective threshold on the probability that an electoral coalition forms across the observed range of party system polarization when all other variables are held at their means. The solid black line indicates how this marginal effect changes with party system polarization. The 95% confidence intervals around this line allow us to determine the conditions under which electoral thresholds have a statistically significant effect on the likelihood of pre-electoral coalition formation.[6] The marginal effect is statistically significant whenever both the upper and lower bounds of the confidence interval are above (or below) the zero line. Figure 6.1 clearly indicates that more disproportional electoral systems increase the probability of electoral coalition formation once the level of party system polarization is above zero. In other words, electoral system disproportionality nearly always makes pre-electoral coalitions more likely. This finding is exactly as predicted. Figure 6.1 also indicates that this positive effect increases with party system polarization. Again, this result is exactly as predicted. Overall, Hypothesis 5 is strongly confirmed by the evidence.

Figure 6.1

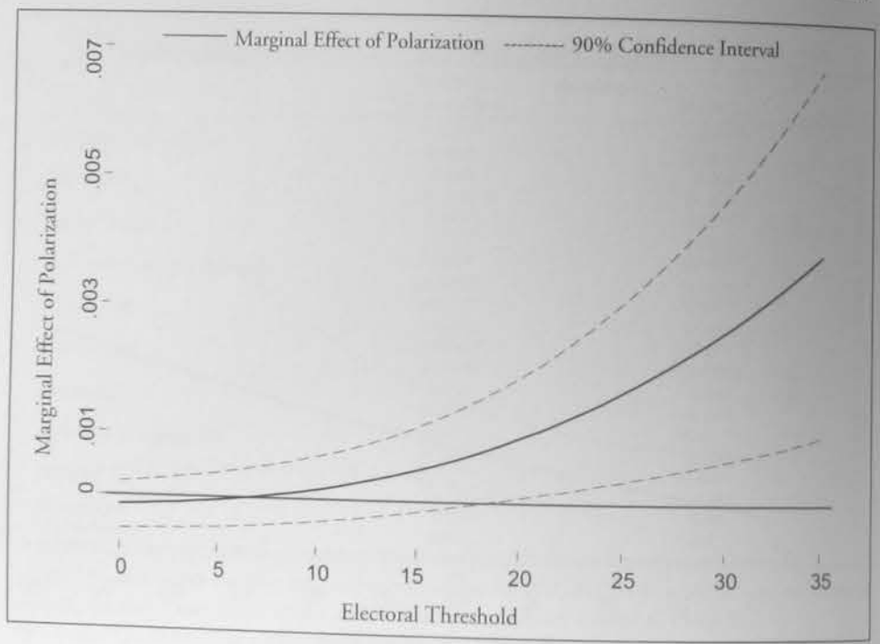
Marginal Effect of a One-Unit Increase in *Effective Threshold* (from Its Mean)



Hypothesis 4 states that party system polarization should increase the likelihood of pre-electoral coalitions only when the electoral system is sufficiently disproportional. In figure 6.2, I plot the marginal effect of a one-unit increase in party system polarization across the observed range of electoral system disproportionality when all other variables are held at their means. Again, the solid black line indicates how this marginal effect changes with the effective threshold when all other variables are set at their means. The dashed lines here represent 90% confidence intervals. Figure 6.2 indicates that party system polarization makes pre-electoral coalitions more likely only when the effective threshold is greater than 17. To get a sense of the substantive significance of this result, it should be noted that

Figure 6.2

Marginal Effect of a One-Unit Increase in Party System *Polarization* (from Its Mean)



10% of the sample has an effective threshold greater than 17.

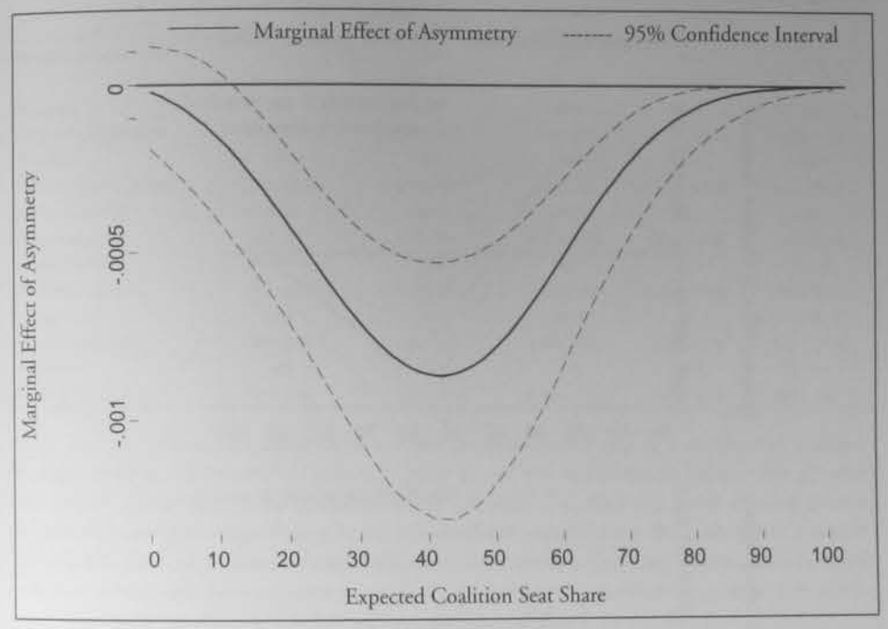
Hypothesis 3 states that an increase in the asymmetric distribution of electoral strength among coalition partners should reduce the likelihood of electoral coalition formation when the potential coalition size is sufficiently large. I plot the marginal effect of a 0.01-unit increase in electoral coalition asymmetry across the possible range of coalition size in figure 6.3. Again, all other variables are held at their means. It is easy to see that *Asymmetry* makes electoral coalition formation less likely only when the potential coalition size is greater than 11% of the legislative seats. This finding is exactly as predicted and is substantively significant, since 81% of the sample observations involve potential coalitions that expect to win more than 11% of the seats. Thus, figure 6.3 provides strong support for Hypothesis 3.

Hypothesis 2 states that pre-electoral coalition formation should be a quadratic function of expected coalition size—the likelihood that a pre-electoral coalition forms should initially rise with expected coalition size and then fall. In figure 6.4, I plot the marginal effect of a one-unit increase in expected coalition size at all possible values of coalition size, and at varying levels of *Asymmetry:* when *Asymmetry* is one standard deviation below its mean (figure 6.4a), when *Asymmetry* is at its mean (figure 6.4b), and when *Asymmetry* is one standard deviation above its mean (figure 6.4c).

Consider figure 6.4a first. If the expected size of the coalition is less than 34% of the seats, then an increase in coalition size is expected to make pre-electoral

Figure 6.3

Marginal Effect of a 0.01-Unit Increase in *Asymmetry* (from Its Mean)



coalition formation more likely. Again, to provide some substantive meaning to this result, it should be noted that nearly 59% of the sample falls into this category. However, if the potential coalition is expected to win more than 43% of the seats, then increasing the coalition size any more is expected to make electoral coalitions less likely. Roughly 29% of the potential coalition dyads expect to win more seats than this percentage. Thus, figure 6.4a provides strong evidence that an increase in coalition size will make electoral coalitions more likely when the expected size of the coalition is small, but less likely when the expected size is large.

While figures 6.4b and 6.4c provide corroborating evidence for this hypothesis, they also allow the reader to see how increasing the asymmetry between coalition parties modifies the effect of an increase in coalition size. The point to note is that as we increase *Asymmetry* (move from 6.4a to 6.4b to 6.4c), the coalition size at which making the coalition any larger would reduce the probability of electoral coalition formation falls. For example, increasing coalition size makes pre-electoral coalitions less likely when the coalition is expected to win more than 43% of the seats if *Asymmetry* is one standard deviation below its mean. However, an increase in coalition size is expected to make electoral coalitions less likely when the coalition is expected to win just 29% of the seats if *Asymmetry* is one standard deviation above its mean. Overall, the evidence presented in figure 6.4 provides strong support for both Hypotheses 2 and 3.

Figure 6.4

Marginal Effect of a One-Unit Increase in Expected Coalition Seatshare

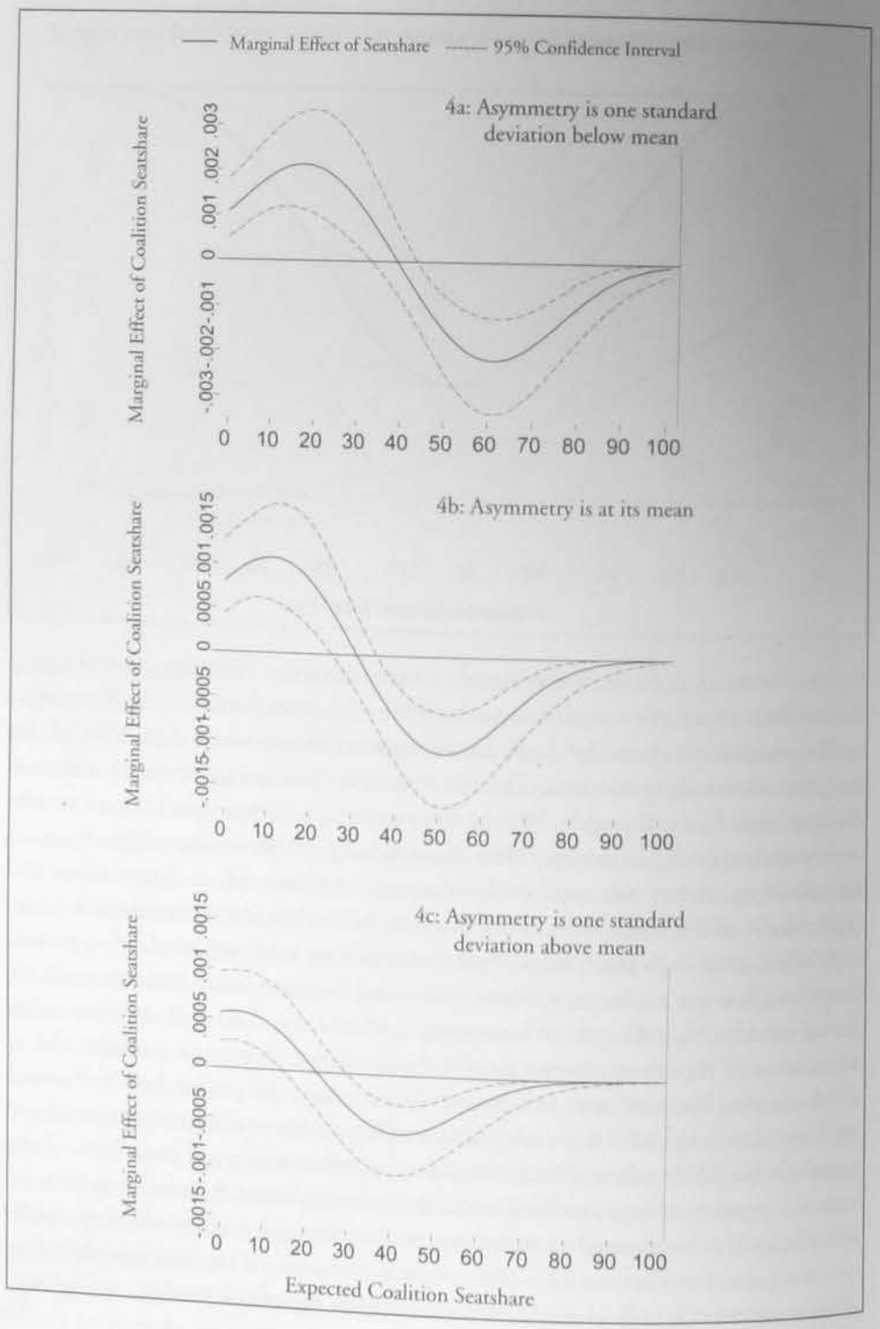


Table 6.3

Substantive Effect of Explanatory Variables on PEC Formation

Variable	Predicted Probability Mean	Predicted Probability Plus 1 Std. Dev.	Difference in Probability	Percent Change in Probability	Numerical Significance
Ideological Incompatibility	.034	.024	-.010	-29.1	-44.6
	[.021, .050]	[.013, .039]	[-.017, -.004]	[-45.1, -11.3]	[-75.8, -17.8]
Polarization	.018	.016	-.002	-11.2	-8.9
(Effective Threshold at min)	[.009, .031]	[.007, .031]	[-.010, .007]	[-47.1, 38.0]	[-44.6, 31.2]
Polarization	.180	.267	.087	150.8	+388.0
(Effective Threshold at max)	[.109, .267]	[.165, .384]	[.009, .170]	[104.6, 209.9]	[40.1, 758.2]
Effective Threshold	.032	.048	.016	154.5	+71.5
(Polarization at min)	[.015, .057]	[.023, .086]	[-.001, .039]	[98.4, 233.6]	[-4.5, 173.9]
Effective Threshold	.045	.148	.103	387.3	+459.4
(Polarization at max)	[.011, .110]	[.058, .281]	[.037, .198]	[180.9, 780.9]	[165.0, 883.1]
Asymmetry	.009	.008	-.0004	2.7	-1.8
(Coalition Size at min)	[.003, .019]	[.003, .019]	[-.005, .004]	[-42.2, 52.8]	[-22.3, 17.8]
Asymmetry	.833	.573	-.259	-33.4	-1155.1
(Coalition Size at max)	[.433, .994]	[.167, .921]	[-.425, -.070]	[-64.6, -7.1]	[-1895.5, -312.2]

Notes: The first and second columns present the predicted probability of a pre-electoral coalition forming when the row variable is either at its mean or one standard deviation higher, while all other variables are held at their means (unless otherwise specified). The third and fourth columns present the difference and percentage change in the two predicted probabilities respectively. Given a sample size of 4,460, the final column indicates how many more (or fewer) electoral coalitions are expected to form if the row variable was one standard deviation above its mean. All estimates have 95% confidence intervals in parentheses. Confidence intervals were calculated via simulation.

Thus far, I have shown that each of the explanatory variables affects the probability of electoral coalition formation in the predicted manner. All of the hypotheses were borne out by the results. However, it is natural to ask whether these effects are substantively significant.[7] How much more likely is a pre-electoral coalition to form if I increase one of the variables by a standard deviation? How many more (or fewer) pre-electoral coalitions would be observed in a sample of this size if I increased one of the variables by a standard deviation? This information is presented in table 6.3.

The first column in table 6.3 indicates the predicted probability that a pre-electoral coalition forms when the row variable is at its mean and all of the other variables are held at their means (unless otherwise specified). Thus, the predicted probability that a coalition forms when all the variables are at their means is .034, with a 95% confidence interval [.021, .050]. Similarly, the predicted probability when *Effective Threshold* is at its minimum observed value but all of the other variables are at their means is .018 [.009, .031].[8]

The second column indicates the predicted probability of pre-electoral coalition formation when the row variable increases by one standard deviation above its mean, while all other variables are held at their means (again, unless otherwise

specified). For instance, the predicted probability of electoral coalition formation is .024 [.013, .039] when *Ideological Incompatibility* is one standard deviation above its mean and all of the other variables are at their means.

The third column indicates the change in predicted probability between the first and second column. In other words, the third column captures the effect of a one-standard-deviation increase in the named variable on the predicted probability of electoral coalition formation. Thus, an increase of one standard deviation in the effective electoral threshold above its mean increases by .13 [.037, .198] the probability that an electoral coalition forms when *Polarization* is at its maximum observed value and the other variables are at their means.

The fourth and fifth columns provide the most substantively interesting information. The fourth column indicates the percentage change in predicted probability that arises from a one-standard-deviation increase in the named variable. This number is often referred to as the 'relative risk.' Thus, a one-standard-deviation increase in *Ideological Incompatibility* above its mean *reduces* by 29.1% [11.3, 45.1] the probability that a pre-electoral coalition will form when all the other variables are set at their means. It should be noted that although the predicted probabilities associated with the different scenarios presented in table 6.3 appear quite small, it is clearly the case that changes in each explanatory variable can be of significant substantive importance. As King and Zeng (2001, 711) note, "relative risks are typically considered important in rare event studies if they are at least 10–20%" when we increase an explanatory variable from one standard deviation below its mean to one standard deviation above its mean. Note that here I am increasing each variable by only one standard deviation above its mean.

Finally, the fifth column indicates how many more (or fewer) electoral coalitions there would be in a sample of this size (4,460) if the named variable increased by one standard deviation above its mean. This number is calculated as the difference in predicted probability multiplied by the sample size. Thus, a one-standard-deviation increase in *Ideological Incompatibility* above its mean would lead to 45 [17.8, 75.8] fewer electoral coalitions when all of the other variables are held at their means. If the effective threshold were increased by a standard deviation when party system polarization is at its maximum observed value, then we would expect to see an extra 459 [165.0, 883.1] electoral coalitions. Given that there were only 245 pre-electoral coalitions in the data set, the numbers in this column represent quite substantial changes.

Taken together, the results presented in table 6.3 indicate that the explanatory variables not only have a statistically significant effect on pre-electoral coalition formation, but that they have a substantively meaningful effect as well. Even a small change in the effective electoral threshold (all else equal) can have a significant effect on the likelihood of pre-electoral coalition formation. If all of the countries in the sample were to move from a very low threshold of 2% (Denmark in the 1970s) to a slightly higher threshold of 8.9% (Norway in the 1970s) while keeping all other variables at their means, then the percentage increase in the predicted probability of electoral coalition formation would be 175%, and we would expect to see an additional 64 pre-electoral coalitions. More dramatic changes to the electoral threshold would have even larger effects on pre-electoral coalition formation, particularly in countries with smaller or medium-sized parties.

6.3 Conclusion

Given that it is often infeasible for a single party to govern alone in parliamentary democracies, party leaders are faced with a strategic choice. They can either form an electoral coalition prior to the election or participate in government coalition bargaining afterwards. The fact that one regularly observes electoral coalitions across a broad range of countries suggests that they must offer some form of political advantage—at least some of the time. Since electoral coalitions do not always emerge, it must equally be true that there are costs associated with party leaders coordinating their pre-electoral strategies. As a result, I presented a simple bargaining model in chapter four, in which the decision of party leaders to form a pre-electoral coalition depended on the associated costs and benefits. These costs and benefits were modeled in terms of preferences over policy and the division of office benefits. The hypotheses generated by this model were subjected to several tests in this chapter using a data set containing information on potential coalition dyads in 20 industrialized parliamentary democracies from 1946 to 1998. The results indicate that pre-electoral coalitions are more likely to form when the expected coalition size is large, but not too large, and when the potential coalition partners are similar in size. They are also more likely to form if the party system is polarized and the electoral institutions are disproportional.

Chapter one opened with an empirical question: Why did pre-electoral coalitions form in the 2002 French legislative elections but not in the 2002 Dutch elections? The results from the statistical model presented here clearly throw light on this specific question. While France typically had the highest predicted probabilities of coalition formation in the sample, the Netherlands consistently had the lowest. The results presented in table 6.2 indicate that the proportionality of a country's electoral system plays a major role in the likelihood of electoral coalition formation. While the average district magnitude in France is one, the average district magnitude in the Netherlands is the largest in the sample (150). This situation suggests that it should not be surprising to see that pre-electoral coalitions are more likely to form in France compared to the Netherlands. Moreover, the fact that party system polarization is relatively low in the Netherlands compared to France provides a further explanation for the observed variation in coalition formation in these countries.

Appendix: The Disproportionality Hypothesis Revisited

In my initial analysis of electoral coalitions in chapter three, I found evidence in support of what I called the Disproportionality Hypothesis. Specifically, I showed that parties are more likely to be in pre-electoral coalitions, and that these coalitions are more likely to be successful, in countries that have both a disproportional electoral system and a large number of parties. At the time, I indicated that the Disproportionality Hypothesis should also apply to the actual probability of electoral coalition formation—electoral coalition formation should be more likely in countries that have disproportional electoral rules and a large party system. I can now test this hypothesis using the dyadic data set presented in this chapter.

When examining the probability of electoral coalition formation, one might think to treat each election as a single observation and distinguish between elections in which pre-electoral coalitions form and those in which they do not. The problem with this response is that such an approach treats all elections with at least one pre-electoral coalition as the same, regardless of the number of electoral coalitions that form, the electoral significance of these coalitions, and the number of parties involved in these coalitions. This approach is clearly problematic. The dyadic data set described in this chapter avoids these problems and has the advantage of being able to take account of the number of electoral coalition opportunities in a given election.

To test the Disproportionality Hypothesis as it relates to the actual likelihood of electoral coalition formation, I use the same explanatory variables as in chapter three, but I now employ a random-effects probit model, where observations are clustered by election:

$$PEC^{*} = \beta_0 + \beta_1 \text{Effective Threshold} + \beta_2 \text{Electoral Parties} + \beta_3 \text{Effective Threshold} \times \text{Electoral Parties} + \varepsilon \tag{6.1}$$

As before, PEC^{*} is a latent variable that is assumed to be less than zero when no pre-electoral coalition forms and greater than zero when one does; *Electoral Parties* measures the effective number of electoral parties in each election; and *Effective Threshold* measures the effective electoral threshold. If the Disproportionality Hypothesis is correct, then the coefficient on the interaction term (β_3) should be positive. More importantly, the marginal effect of electoral thresholds should significantly increase the probability of electoral coalition formation once the party system becomes sufficiently large.

The results from my analysis are presented in table 6.4. As predicted, the coefficient on the interaction term is both positive and significant. But does electoral system disproportionality significantly increase the probability of electoral coalition formation when the party system is sufficiently large? To see whether this is the case, I plot the marginal effect of a one-unit increase in the effective threshold

Table 6.4
Disproportionality Hypothesis Revisited

Dependent Variable: Did a Pre -Electoral Coalition Form? 1 Yes, 0 No	
Regressor	PROBIT3 (random effects)
Electoral Parties	-0.133***
	(0.047)
Effective Threshold	-0.009
	(0.013)
Effective Threshold × Electoral Parties	0.009***
	(0.003)
Constant	-1.63***
	(0.24)
Observations	4395
Log Likelihood	-816.47

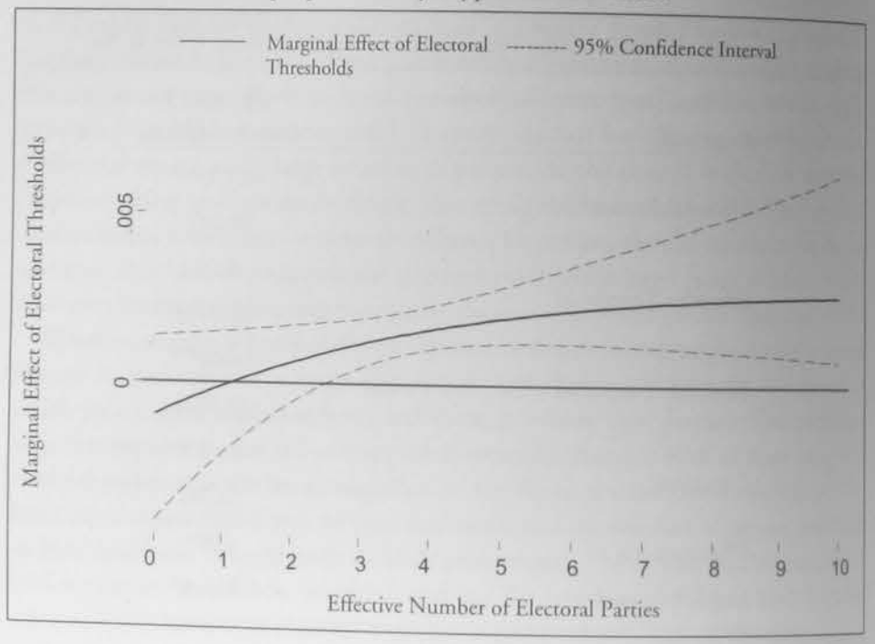
Notes: Standard errors are given in parentheses. Random effects are clustered on each election. Data come from 4,460 dyads in 20 advanced industrialized countries from 1946 to 1998.
*$p < 0.10$; **$p < 0.05$; ***$p < 0.01$ (two-tailed).

across the observed range of party system size in figure 6.5.

As predicted, effective thresholds increase the probability of electoral coalition formation only once the party system is sufficiently large. Specifically, the party system must have more than 2.5 effective electoral parties before an increase in the effective threshold encourages party leaders to form pre-electoral coalitions. Since roughly 90% of the sample has a larger party system than this requirement, this finding indicates that electoral system disproportionality nearly always increases the probability of electoral pacts. As figure 6.5 illustrates, this effect is much stronger when the party system is large.

It is clear that effective thresholds affect the probability of electoral coalition formation in the expected manner. But is the effect substantively meaningful? If I increase the effective threshold from its mean to one standard deviation higher when holding the effective number of electoral parties at its mean, then electoral coalitions are 203.3% [160.8, 253.9] more likely to form. Again, 95% confidence intervals are shown in brackets. In a sample the size of the one analyzed here, an increase in the effective threshold by one standard deviation above its mean would be expected to produce an additional 108.1 [64.4, 164.3] pre-electoral coalitions.

Figure 6.5
Disproportionality Hypothesis Revisited



Remember that this is quite a significant number, given that there were only 245 observed coalitions in the data set.

In sum, the analysis conducted here confirms the Disproportionality Hypothesis and produces results remarkably similar to those presented in chapter three. Taken together, the evidence presented here and in chapter three indicates that electoral coalitions are more likely to form and be successful in countries with disproportional electoral rules and a large number of parties.

At this point, the reader might wonder why I did not simply combine the analyses conducted in chapters three and six in a single model. Why, for example, do I not just include *Electoral Parties* and its interaction with *Effective Threshold* in the model (6.1) specified in this chapter? The primary reason is that the Disproportionality Hypothesis was not explicitly generated by the bargaining model outlined in chapter four. Since my goal in this chapter was to specifically test the generalizability of the bargaining model, I did not include the additional variables necessary to test the Disproportionality Hypothesis as well. Moreover, it is arguable that the effective number of parties or party system size is already being taken into account in model (6.1) by the *Coalition Size* variable. While these reasons may not convince all readers that the strategy I followed was correct, I should note that the inclusion of the additional variables would not substantively change any of the inferences drawn from the results in table 6.2.

CHAPTER SEVEN

Pre-Electoral Agreements and Government Coalitions

Thus far, I have developed and tested a theory of pre-electoral coalition formation. I found that factors such as the disproportionality of the electoral system, the ideological compatibility and relative size of potential coalition partners, and the ideological polarization of the party system affect the probability that parties will form pre-electoral coalitions. By focusing solely on electoral coalitions, I have, to some extent, ignored the larger context in which party elites choose pre-electoral strategies. While this is a useful place to start, given our lack of theoretical and empirical knowledge about electoral coalitions, it is important to remember that pre-electoral coalition formation is part of a larger dynamic process, in which party leaders are ultimately interested in government coalition formation. In other words, party elites make choices about their electoral strategies based on how they think that these choices will affect post-electoral outcomes. Indeed, the theory presented in chapter four explicitly recognizes this idea by assuming that party leaders who are deciding whether to coordinate their electoral strategies will consider the impact that forming a pre-electoral coalition would have on their party's chance of entering government following the election. I now begin to investigate in more detail the relationship between pre-electoral agreements and government coalitions.

Although the literature on government coalitions is voluminous and well developed, there are almost no analyses that ever allow for the possibility of pre-electoral

coalitions in a systematic manner. In effect, scholars of coalition politics know very little about the relationship between pre-electoral agreements and government coalitions. In this chapter, I begin to remedy this lack of knowledge by addressing four main questions. Are government coalitions based on pre-electoral agreements more likely to form? Do government coalitions based on electoral pacts take less time to form? Are government coalitions based on electoral alliances more ideologically compatible? And are government coalitions based on electoral coalitions more stable and less prone to collapse? The answers to these questions are theoretically, substantively, and normatively important.

The answers are theoretically important, because I have argued that one reason why party elites choose to form pre-electoral coalitions is that these coalitions increase the probability that they get to enter government. In chapter three, I indicated that pre-electoral coalitions will be electorally advantageous in many circumstances, because they can enable parties to overcome electoral thresholds or take advantage of the electoral bonus provided to large parties by disproportional electoral rules (Clark & Golder 2006; Cox 1997; Duverger 1963 [1954]). I also suggested that electoral coalitions can be advantageous in situations where voters are risk averse in regard to the policy positions of potential future governments (Ashworth & Bueno de Mesquita 2006; Snyder & Ting 2002). Ultimately, though, party leaders will typically only be interested in increasing the percentage of seats or votes that they receive to the extent that doing so will help them enter government. As of yet, I have presented no evidence that pre-electoral coalitions actually do increase the probability that parties get to enter government. Clearly, if electoral coalitions do not help parties enter government, then the theory presented in this book might rightfully be called into question.

The answers to the questions posed in this chapter are substantively important as well. Consider the question about how long it takes to form a government coalition. As Martin and Vanberg (2003, 323–24) note:

> delay [in forming government coalitions] has important implications for governance. The caretaker governments that administer the affairs of state while negotiations proceed generally have no authority to take major policy initiatives. In addition, delay in government formation creates uncertainty. The identity of government parties, the allocation of portfolios to particular politicians and the content of policy compromises among coalition partners have yet to be determined. Consequently, the future direction of government policy is uncertain, which may have important implications for domestic and international economic and political actors.

Indeed, there is growing empirical evidence that uncertainty about the identity of

government coalitions can have serious consequences on the economy (Bernhard & Leblang 2006). For example, uncertainty over government coalition formation has been found to affect exchange rate markets (Bernhard & Leblang 2002), the likelihood of speculative attacks (Leblang 2002), stock market volatility (Leblang & Mukherjee forthcoming), and the types of assets in which market actors choose to invest (Bernhard & Leblang 2006, chapters 3–4). Given this recent evidence, pre-electoral coalitions could conceivably have a significant substantive effect on the economy, and on governance in general, if they are found to reduce the length of time that it takes a government to form.

Finally, the answers to these questions are also normatively important. As I noted in the introduction, it is reasonable to think that pre-electoral coalitions have significant normative implications for the representative nature of government (Powell 2000), because electoral coalitions increase the identifiability of government alternatives, thereby allowing voters to explicitly register their support for a particular government coalition. Arguably, pre-electoral coalitions also increase the transparency of the government formation process and provide government coalitions with greater legitimacy and stronger mandates. It is worthwhile to investigate whether this added legitimacy and stronger mandate actually translate into more directly observable political outcomes, such as more stable and longer-lived governments. It is also worthwhile to examine whether pre-electoral coalitions have other normative benefits that can be directly observed. For example, are government coalitions that are based on pre-electoral agreements more ideologically compatible? After all, it seems reasonable to consider ideological compatibility as a good quality for government coalitions to have, because it indicates a greater ideological congruence between the electorate of the government and the policy position of the government coalition.

To foreshadow some of the analyses to come, I find that pre-electoral coalitions do increase the probability that parties in these coalitions will enter government. In fact, a government coalition based on pre-electoral agreements is (on average) a staggering 123 times more likely to form than an identical coalition that is not based on a pre-electoral pact. I also find that government coalitions that are based on electoral coalitions are more ideologically compatible than other types of government coalitions. In fact, government coalitions based on pre-electoral coalitions are almost twice as likely to contain parties that are adjacent in the ideological space as governments that are not based on pre-electoral arrangements. In addition, I find that governments that are based on pre-electoral coalitions take much less time to form than other types of government coalitions, so long as the government coalition is sufficiently large. Although pre-electoral coalitions shorten the length of time that it takes to form a government coalition after an election, I find that PECs do not make those government coalitions any more stable or enduring than other types of government coalitions.

7.1 Identity of Government Coalitions

After the voters have gone to the polls and the ballots have been counted, does being part of an electoral coalition make parties more likely to get into government? We know that coordinating an electoral coalition prior to an election can increase the share of votes and seats won by the member parties. But do the benefits of joining a pre-electoral coalition end after the allocation of legislative seats, or do they continue to influence the government coalition formation process?

Elections rarely determine who gets into government in any final sense. While some parties will be seen as winners and others as losers at election time, the precise identity of the government is normally determined only later in negotiations between different political parties (Laver & Shepsle 1996; Cheibub, Przeworski, & Saiegh 2004; Gallagher, Laver, & Mair 2001, 57–66). Once the votes have been tallied and legislative seats have been distributed, there are many government coalitions that could potentially form. In fact, the precise number of potential coalitions in any bargaining situation after an election is $2^p - 1$, where p is the number of legislative parties. The analysis in this section builds on the political science literature examining those factors that influence which of these potential coalitions becomes the government coalition (Martin & Stevenson 2001; Warwick 1996; Franklin & Mackie 1984; Browne 1970).

While it has been hypothesized that various factors (such as whether the potential coalition includes a strong party, whether it is minimal winning or not, and whether it is composed of ideologically compatible parties) affect the identity of the government coalition that ultimately forms, the principal hypothesis of interest here is the following:

Government Coalition Hypothesis: Potential government coalitions that are also electoral coalitions are more likely to be chosen as the government than potential government coalitions that are not based on pre-electoral agreements.

7.1.1 Data and Model

Although there are numerous potential government coalitions that could form after an election, only one is actually 'chosen' to do so. Given this choice situation, it is necessary to model the government formation process "as an unordered discrete choice problem where each formation opportunity (*not* each potential coalition) represents one case and where the set of discrete alternatives is the set of all potential combinations of parties that might form a government" in that formation opportunity (Martin & Stevenson 2001, 38). In the analysis that follows, I employ a conditional logit model to address this unordered discrete choice problem (McFadden 1973; McFadden 1974).[1] While conditional logit models are perhaps more common in the political science literature addressing questions of voter choice (Alvarez & Nagler 1995; Alvarez & Nagler 1998; Alvarez & Nagler 2000), they have recently begun to be used more widely to examine government formation (Bäck 2003; Druckman, Martin, & Thies 2004; Warwick 2005).

According to the conditional logit model, the probability that individual i chooses outcome m when the dependent variable y has J unordered, discrete outcomes (potential government coalitions) is:

$$P(y_i = m \mid x_i) = \frac{e^{x_{im}\beta}}{\sum_{j=1}^{J} e^{x_{ij}\beta}} \quad \text{for } m = 1 \text{ to } J \tag{7.1}$$

where β represents a vector of coefficients and x_{im} represents a row vector of independent variables associated with outcome m for the ith individual (Long 1997). The model is called 'conditional' because it is specified conditional on the attributes of each outcome (or coalition) as perceived by individual i. Thus, the coefficients for the independent variables are the same for each outcome (β is not indexed by outcome m), but the values taken by the independent variables for each individual do differ by outcome (x is indexed by both i and m).

In testing my Government Coalition Hypothesis, I build explicitly on the work of Martin & Stevenson (2001). They provide perhaps the most comprehensive overview of the government formation literature as it stands at present, and they test a large number of hypotheses with a variety of model specifications. I employ the model that they conclude is the best predictor of government formation as a baseline against which to compare the results obtained when I take account of whether potential government coalitions are based on pre-electoral agreements. This baseline specification incorporates multiple attributes of potential government coalitions that have been hypothesized over the years to affect government formation. For example, is the potential coalition a minority coalition, a surplus coalition, or a minimal winning (connected) coalition (Riker 1962; Laver & Shepsle 1996; Axelrod 1970)? How many parties are members of the coalition, and does it contain the largest legislative party, the median ideological party, the previous prime minister, or the formateur (Leiserson 1968; van Deemen 1989; Laver & Schofield 1998; Austen-Smith & Banks 1988)? Is it the incumbent coalition (Strøm, Budge, & Laver 1994)? How large are the ideological divisions in the coalition and in the opposition (De Swaan 1973; Warwick 1994; Laver & Schofield 1998)? Is there an anti-system party present in the coalition (Budge & Keman 1990)? Is there a 'Very Strong Party' or a 'Merely Strong

Party' in the coalition (Laver & Shepsle 1996)? And does it matter if the potential government coalition is faced with an investiture vote (Strøm 1990)?

Martin & Stevenson do, in fact, include a variable indicating whether the potential government coalition is based on a pre-electoral agreement. One problem is that their variable is not particularly comprehensive. For example, they find that 19% of elections in their sample have pre-electoral pacts, whereas my own data reveal that 42% of the same elections have electoral coalitions. The correlation between my measure of electoral coalitions and Martin & Stevenson's is less than 0.6. Although I find more than twice the number of electoral coalitions as Martin & Stevenson do in their sample of formation opportunities, my own total actually remains a somewhat conservative estimate. This finding is because some pre-electoral coalitions of two or more parties are included as a single party in the Martin & Stevenson data set owing to the fact that their data on political parties do not list all of the parties separately. For instance, none of the Israeli pre-electoral coalitions is coded as such, since the coalitions themselves are included as though they were single parties.

Using their somewhat limited measure of pre-electoral pacts, Martin & Stevenson conclude that electoral coalitions do increase the probability that member parties will enter government. The question is whether this conclusion will remain valid once the pre-electoral coalition variable is measured more accurately. One reason why this conclusion might be open to question is that Martin & Stevenson's data are based entirely on country studies in Laver & Budge (1992). The electoral pacts listed in these country studies were likely mentioned precisely because many of them had gone on to form government coalitions after the election. This situation obviously has the unfortunate consequence that less successful electoral alliances are systematically omitted from Martin & Stevenson's sample, thereby potentially biasing their results in favor of finding that government coalitions based on pre-electoral pacts are more likely to form. Another problem with Martin & Stevenson's analysis as it relates to pre-electoral pacts is that it examines all government formation opportunities irrespective of whether these formation opportunities occur after an election or in an inter-election period. This is a problem because pre-electoral coalitions should only influence the identity of the government if the government coalition is formed after an election.[2] I do not expect pre-electoral coalitions to play a role in the formation of replacement governments, i.e., those governments that take office following the collapse of the previous government but without a new election being called. In effect, Martin & Stevenson's decision to include all formation opportunities probably results in their underestimating the real effect of pre-electoral coalitions. Thus, there are reasons to believe that Martin & Stevenson overestimate or underestimate the impact of electoral coalition membership on parties entering government. The analysis that follows resolves these problems.

Except where otherwise indicated, I use the Martin & Stevenson (2001) data for the upcoming analysis. The data cover the following countries and years: Austria (1949–86), Belgium (1946–87), Denmark (1945–88), Germany (1961–87), Iceland (1946–87), Ireland (1965–89), Italy (1953–87), Luxembourg (1945–89), the Netherlands (1977–86), Norway (1961–89), and Sweden (1948–88). As with Martin & Stevenson's analysis, I focus only on those formation opportunities in which no single party controls a majority of the legislative seats. This leaves a total of 170 formation opportunities and 24,932 potential government coalitions.

Before presenting the results from my analysis, I should note that the conditional logit model assumes the independence of irrelevant alternatives (IIA) (Alvarez & Nagler 1998). This assumption requires that the relative probability of choosing one alternative (potential government coalition) over another does not depend on any of the other alternatives in the choice set. To evaluate the assumption of IIA, I conducted a test similar to that employed by Martin & Stevenson.[3] The results clearly indicated that I was unable to reject the null hypothesis that IIA holds. As a result, the conditional logit model can be employed to investigate government coalition formation.

7.1.2 Results and Interpretation

The results from four slightly different models are shown in table 7.1. The first model acts as a baseline and corresponds to the model that Martin & Stevenson (2001, 45) find best predicts government formation (Model 10 in their paper). I was able to replicate their results exactly. Arguably, there is reason to believe that this model is misspecified. Although *Single Party* is interacted with both *Very Strong Party* and *Merely Strong Party*, it does not appear as a separate term in their model. This is a problem because it is well established that all constitutive terms should be included in interaction models except in extremely rare circumstances (Friedrich 1982; Braumoeller 2004; Brambor, Clark, & Golder 2006). If the coefficient on an omitted constitutive term is not precisely zero, then all of the parameters of interest will be estimated with bias.[4] Because of this potential for bias in Martin & Stevenson's model, I present results from a model in which *Single Party* is included as a constitutive term (Model 2). As I stated before, Martin & Stevenson analyze all formation opportunities including those that occur in the inter-election period when a government falls but no new election is called. Because of my specific interest in the impact of pre-electoral coalitions on government formation, Model 3 presents results when I focus solely on formation opportunities that occur following an election. Finally, Model 4 presents results when I replace Martin & Stevenson's *Pre-Electoral Coalition* (*M-S*) meas-

Table 7.1

Identity of Government Coalitions

Dependent Variable: Did the Potential Government Coalition Form the Government? 1 Yes, 0 No

Independent Variables	All Formation Opportunities		Post-Election Formation Opportunities	
	Model 1 M-S Replication	Model 2 Add Single Party	Model 3 Post-Election Only	Model 4 PEC (Golder)
Pre-Electoral Coalition (M-S)	3.51***	3.40***	6.54***	
	(0.78)	(0.77)	(1.99)	
Pre-Electoral Coalition (G)				4.81***
				(0.73)
Minority Coalition	0.05	-0.20	-0.42	-0.85
	(0.57)	(0.60)	(0.89)	(0.91)
Minimal Winning Coalition	0.92***	1.32***	2.12***	2.05***
	(0.32)	(0.34)	(0.56)	(0.57)
Number of Parties	-0.26	-0.10	-0.07	-0.10
	(0.17)	(0.17)	(0.26)	(0.26)
Largest Party	0.99***	0.95***	0.96**	1.03***
	(0.30)	(0.30)	(0.38)	(0.39)
Median Party	0.10	0.18	0.46	0.51
	(0.24)	(0.24)	(0.36)	(0.35)
Ideological Divisions	-4.72***	-3.50***	-4.86***	-4.90***
	(1.14)	(1.19)	(1.75)	(1.77)
Ideological Divisions in Majority Opposition	1.04	1.86	2.36	3.12**
	(1.12)	(1.19)	(1.52)	(1.56)
Previous Prime Minister	0.00	0.05	-0.02	0.10
	(0.27)	(0.28)	(0.37)	(0.36)
Incumbent Coalition	1.69***	1.55***	1.81***	1.52***
	(0.24)	(0.24)	(0.35)	(0.37)
Minority Coalition with Investiture	-1.12***	-1.00***	-0.13	-0.12
	(0.38)	(0.38)	(0.55)	(0.55)
Anti-System Presence	-17.05***	-17.43***	-12.15**	-12.31***
	(3.72)	(3.73)	(4.92)	(5.00)
Single Party		1.47***	1.51**	1.80***
		(0.43)	(0.62)	(0.79)
Very Strong Party	1.12**	1.43***	1.78**	1.76**
	(0.48)	(0.51)	(0.79)	(0.62)
Very Strong Party × Single Party	0.93**	0.17	0.20	0.23
	(0.39)	(0.45)	(0.63)	(0.63)
Merely Strong Party	0.34	0.60*	-0.23	-0.30
	(0.33)	(0.35)	(0.50)	(0.48)
Merely Strong Party × Single Party	-1.91*	-2.59**	-2.03	-2.25*
	(1.09)	(1.11)	(1.28)	(1.26)
Log Likelihood	-410	-404	-184	-177
Formation Opportunities	170	170	96	96
Potential Coalitions	24932	24932	11912	11912
Correct Predictions [a]	42.4%	42.9%	47.9%	49%
Average p-value for rejecting IIA [b]	0.75	0.69	0.89	0.74

Notes: 'Model 1' replicates Model 10 from Martin & Stevenson (2001, 45). 'Model 2' adds Single Party as a constitutive term. 'Model 3' drops inter-election formation opportunities and only examines post-election formation opportunities. 'Model 4' uses my measure of pre-electoral coalitions rather than Martin & Stevenson's measure.

[a] indicates the percentage of the time that the coalition with the highest predicted probability actually formed.

[b] A p-value < 0.05 indicates that we can reject IIA.

$^{*}p < 0.10$; $^{**}p < 0.05$; $^{***}p < 0.01$ (two-tailed). Standard errors are in parentheses.

ure with my own, more comprehensive one, *Pre-Electoral Coalition* (*G*). Thus, the four models allow the reader to see how the results change as I first estimate a fully specified version of Martin & Stevenson's model, then focus solely on post-election formation opportunities, and then use my new measure of pre-electoral coalitions. I show these four models to avoid confounding the effect of my new

measure of pre-electoral coalitions with the effect of the other adjustments made to Martin & Stevenson's original model.

Before explicitly addressing the effect of pre-electoral arrangements on government formation, it is worth briefly considering how my adjustments to Martin & Stevenson's model affect some of their results more generally. Model 1 indicates that single parties that are very strong are more likely to enter government because the coefficient on the interaction term *Very Strong Party* × *Single Party* is both positive and significant.[5] A Party S is defined as a 'strong party' if it participates in any cabinet preferred by a legislative majority to the cabinet in which Party S holds all of the ministerial portfolios. If there is no alternative cabinet preferred by a majority to the one in which S has all of the portfolios, then S would be considered to be a '*very* strong party' (Laver & Shepsle 1996, 69–71). If a cabinet that includes S in a coalition is preferred by a majority to one in which S makes up the government on its own, then S is a '*merely* strong party.' The results from Model 1 would seem to support the central claim made by Laver & Shepsle in their much-cited model of portfolio allocation that single parties that happen to be very strong parties are likely to be in government. However, it is important to remember that Model 1 omits the constitutive term *Single Party*. As a result, all of the coefficients are potentially biased. It turns out that the inferences that one can draw change quite dramatically once *Single Party* is included as a separate variable.

Consider the following results from Model 2. The coefficient on *Very Strong Party* × *Single Party* shrinks by about 80% and stops being significant.[6] In contrast, the coefficient on the constitutive term *Single Party* is both positive and highly significant. The coefficient on *Merely Strong Party* × *Single Party* remains negative and significant. Together, these three coefficients indicate that being a very strong party or a merely strong party does *not* make it any more likely that a single party will enter government. This conclusion runs directly counter to the received wisdom that single parties have a better chance of forming a government when they are very strong or merely strong (Laver & Shepsle 1996).

In Model 3, I drop all government formation opportunities that do not take place after an election. Doing so reduces the number of formation opportunities from 170 to 96 and the number of potential government coalitions from 24,932 to 11,912. While the focus on post-election formation opportunities appears to leave many of the results unaffected, there are some interesting changes. For example, investiture votes no longer seem to make it harder for minority coalitions to enter government after an election—the coefficient on *Minority Coalition with Investiture* drops in magnitude by nearly 90% and is no longer statistically significant. This result suggests that Strøm's (1984, 1990) widely cited claim that investiture votes make minority governments less likely should be qualified. The evidence presented here indicates that investiture votes pose a hurdle only for

minority governments that form in the inter-election period and not those that form after an election. Why this would be the case, however, is unclear. While there are no additional changes in significance among the other variables in Model 3, the size of the coefficients on *Minimal Winning Coalition* and *Pre-Electoral Pact* change quite markedly. These changes indicate that potential coalitions that are minimal winning or based on pre-electoral arrangements are significantly more likely to enter government after an election than they are in the inter-election period.[7] Note that this finding provides support for my earlier claim that Martin & Stevenson underestimate the effect of pre-electoral coalitions by including all government formation opportunities. What these results indicate is that the existing literature on government coalitions may be missing important features of the government formation process by treating post-election and inter-election formation opportunities as identical.

In Model 4, I finally replace Martin & Stevenson's *Pre-Electoral Coalition* measure with my own, more comprehensive one. The results in Model 4 confirm Martin & Stevenson's claim that potential coalitions based on pre-electoral agreements are significantly more likely to enter government than potential coalitions without electoral pacts. More precisely, potential coalitions are 123 [29, 514] times more likely to become the government if they are based on a pre-electoral arrangement than if they are not.[8] Again, 95% confidence intervals are shown in brackets. Clearly, pre-electoral coalitions do help political parties enter government, as I argued in the introduction and in chapter four.

How do my results compare with those of Martin & Stevenson, though? The first thing to note is that my measure of pre-electoral coalitions produces a much more precise estimate of the effect of electoral pacts on government formation than Martin & Stevenson's measure—the standard error associated with the coefficient on *Pre-Electoral Coalition* in Model 4 is about one-third the size of that in Model 3. This finding provides some evidence to suggest that I have measured pre-electoral coalitions more accurately than Martin & Stevenson.

Recall also that there are reasons to think that Martin & Stevenson may have either overestimated or underestimated the impact of a pre-electoral agreement on the government formation process in their original analysis. The results from Model 1, where all formation opportunities are included, indicate that potential coalitions are only 33 [7, 155] times more likely to become the government if they are based on an electoral coalition than if they are not. Thus, Martin & Stevenson's reported results underestimate the positive effect of pre-electoral coalitions by 369%. This finding should not come as a surprise, given that I have already stated that pre-electoral coalitions should only be able to influence government formation after elections. By including inter-election formation opportunities, Martin & Stevenson significantly underestimate the impact of pre-electoral coalitions. What would have happened if Martin & Stevenson had focused solely on post-election formation opportunities, as I do? Although I do not show the results from such a model in table 7.1, they would indicate that potential coalitions are 695 [14, 34,061] times more likely to become the government if they are based on an electoral pact than if they are not. Thus, Martin & Stevenson would now have overestimated the impact of pre-electoral coalitions by 566%. Again, this finding should not come as a surprise, since I have already stated that Martin & Stevenson's data on pre-electoral coalitions is likely to be systematically biased in favor of including only those electoral coalitions that actually entered government owing to the source that they employed (Laver & Budge 1992). In sum, there is evidence that Martin & Stevenson both underestimated and overestimated the effect of pre-electoral agreements on the government formation process.

How well do these models predict the identity of the government that actually emerged in each formation opportunity? To address this issue, I calculated the predicted probability that each potential coalition in a formation opportunity became the government and found the one with the highest predicted probability. In Model 1, the government alternative with the highest predicted probability formed the government in 72 of the 170 formation opportunities. Thus, Model 1 predicts the correct government 42.4% of the time. As Martin & Stevenson (2001, 47) themselves note, this rate "is a real improvement over the usual predictive success of empirical models of government formation." The predictive accuracy of the model increased when I focused solely on post-election formation opportunities. The potential government with the highest predicted probability now formed the government 47.9% of the time (46 out of 96 formation opportunities). This last result indicates that scholars of government coalitions are much better at predicting the identity of government coalitions that form after elections than those that form in inter-election periods. Finally, the predictive accuracy of the model increases even further if I use my more comprehensive measure of pre-electoral pacts. Model 4 now correctly predicts the identity of 47 out of 96 governments (49%). Thus, my preferred model improves by 16% the already high predictive accuracy of Martin & Stevenson's model.

Another way to think about the predictive accuracy of the models in table 7.1 is simply to compare the average predicted probability of those potential coalitions that form the government with those alternatives that do not do so. If the former is higher, then we have some indication that the model performs better than simple chance alone. In Model 4, the average predicted probability for those government alternatives that did form was .38, whereas the average predicted probability for the government alternatives that were not chosen was only .005. Clearly, Model 4 does significantly better than one would expect by chance alone.

To conclude, the results in table 7.1 clearly show that the benefits of forming a

pre-electoral coalition do not end on election day. Even after the votes have been counted and the legislative seats have been allocated, being part of an electoral coalition increases the probability that member parties will enter government. Thus, parties have good reasons to join a pre-electoral coalition, even ignoring the mechanical and strategic effect of electoral rules benefiting large parties. Note that the analysis conducted here may help to resolve an issue raised in chapter three. For example, the results in table 7.1 help to explain why parties might form pre-electoral coalitions even in countries such as the Netherlands and Israël that have fairly proportional electoral rules—pre-electoral coalitions help member parties enter government.

7.2 Duration of Government Formation

Once legislative seats have been allocated after an election, the process of bargaining over the next government cabinet begins. The analysis conducted in the previous section indicates that pre-electoral coalitions increase the probability that member parties will enter government. But do they also have an effect on how long it takes for a government to form? The duration of negotiations preceding the formation of a new cabinet is a relatively understudied area of coalition politics. With the exception of studies by Martin & Vanberg (2003) and Diermeier & van Roozendaal (1998), very little is known about the factors that affect the length of time that it takes a government to form. To date, no previous study has examined the effect of electoral pacts on the duration of government formation. This dearth of studies is somewhat surprising, given the growing evidence that ongoing uncertainty over a government's identity has been found to affect various domestic and international economic indicators, such as exchange rate markets (Bernhard & Leblang 2002), stock market volatility (Leblang & Mukherjee 2005), and investment decisions (Bernhard & Leblang 2006).

As table 7.2 indicates, there is considerable cross-national variation in the length of time that it takes to form a government following an election. If one party obtains a majority of the seats, then it is normally understood that this party will form a cabinet on its own, and the only question is who will get which portfolio. This situation explains why it takes only about a week (7.8 days), on average, for a cabinet to form in the United Kingdom. In countries where many parties gain legislative representation, it can take much longer to form a cabinet because it is not always obvious which combination of parties will be able to form the government, how these parties will allocate portfolios amongst themselves, and what the coalition policy will be.[9] For example, the average length of the government formation process in the Netherlands is about three months (85.7 days). In

Table 7.2

Descriptive Data on Duration of Government Formation Process

Country	Min	Max	Mean	*N*
Austria	23	129	52.1	15
Belgium	2	148	59.7	17
Denmark	0	35	9.5	21
Finland	25	80	54.7	14
France (5th Republic)	1	11	3.5	11
Germany	23	73	36.4	14
Iceland	1	76	30.6	16
Ireland	7	48	18.7	16
Italy	11	126	47.3	14
Luxembourg	19	52	32	9
Netherlands	31	208	85.7	16
Norway	0	16	2.5	13
Portugal	1	45	24	7
Spain	2	58	28.6	7
Sweden	0	25	5.7	17
United Kingdom	1	18	7.8	14
ALL	0	208	31.8	221
*Type of Government**				
No Pre-Electoral Coalition	0	208	47.1	93
Pre-Electoral Coalition	0	129	29.2	46
All Government Coalitions	0	208	41.2	139

Notes: Data come from the Parliamentary Democracy Data Archive (Müller & Strøm 2000a, Strøm, Müller & Bergman 2003) and cover governments that form after an election between 1946 and 1998. Bargaining duration measures the number of days between the election and the day on which the new government is officially inaugurated.

* indicates that data are based only on coalition governments, i.e., single-party governments are omitted.

fact, the longest delay in government formation in this sample of countries occurred in the Netherlands, at almost seven months (208 days) (Timmermans & Andeweg 2000, 370). It is not uncommon for a formateur to fail to form a coalition on the first or even the second attempt in some countries without single-party majorities. For example, it took seven different government coalition proposals over 106 days for a government to finally form after the 1979 Belgian legislative elections (De Winter, Timmermans, & Dumont 2000, 315). Overall, the mean length of time that it takes to form a government after an election is about a month (31.8 days).[10]

There is good reason to think that parties that have already reached a pre-electoral agreement should be able to form governments more quickly than parties that start the bargaining process after an election. Indeed, several of the country experts who contributed to the Müller & Strøm (2000*a*) volume on coalition governments in Western Europe mention electoral coalitions (or the lack thereof)

when discussing the duration of government formation in their country of interest. For example, Nousiainen (2000, 272) states that coalition building in Finland is a "complicated and time-consuming process," owing in part to the fact that there are no party alliances. As table 7.2 illustrates, this observation is reflected in the fact that Finnish governments take about 54.7 days, on average, to form. Thiébault (2000, 506) makes a similar point when he points out that government formation in France tends to be rapid precisely because the parties are so often "linked by an electoral alliance." This situation helps to explain why it takes only about 3.5 days on average for a French government to take office after an election. Likewise Saalfeld (2000, 47) claims in his discussion of German governments that the "phase of orientation and intra-party talks about important policy issues and possible coalition partners . . . can be very short or skipped if there has been a pre-election pact." Thus, there is already considerable anecdotal evidence suggesting that governments based on electoral coalitions should take less time to form than other governments.

Slightly more systematic evidence is shown in the bottom of table 7.2, where I compare the average length of time that it takes a coalition government to form after an election when it is based on a pre-electoral agreement and when it is not. This section of table 7.2 only includes data on coalition governments and, therefore, omits the single-party cabinets found in the United Kingdom and Spain. The data indicate that it takes a government 47.1 days on average to form if it is not based on a pre-electoral coalition, and only 29.2 days if it is. This difference in average bargaining time is statistically significant at the 99% level. This preliminary look at the effect of pre-electoral coalitions on the length of time it takes to form a government suggests that electoral pacts do speed up the process of government formation.

Note, though, that one would expect pre-electoral agreements to have an effect on bargaining delays only if there are a sufficient number of parties bargaining over government formation. For example, if the number of parties in the government is zero (a non-partisan government) or one (a single-party government), then it is impossible for such a government to be based on a pre-electoral pact. Thus, logically it must be the case that the number of parties in the government is two or more for pre-electoral coalitions to have an effect. Note, also, that it probably takes longer to form a government when there are many parties bargaining over government formation (Martin & Vanberg 2003). This longer period is because an increase in the number of parties in a potential government is likely to induce delay by exponentially expanding the number of possible portfolio allocations. It is also because an increase in the size of the potential government is likely to reduce the range of policies acceptable to all of the potential members and create a need for a more detailed coalition agreement; this result, in turn, is likely to cause a further delay in government formation (Tsebelis 2002). It follows that pre-electoral coalitions should have an even stronger reductive effect on the length of time that it takes to form a government if that government contains many parties. Thus, the principal hypothesis to be tested in this section is the following:

Pre-Electoral Coalition Hypothesis: Pre-electoral agreements will reduce the length of time that it takes to form a government so long as there are at least two parties in the government. The size of this reductive effect will increase with the number of parties in the government.

A detailed examination of how pre-electoral agreements affect the delay in government formation should probably control for other factors, such as whether the incumbent government wins the election, the ideological compatibility of the potential government, and the existence of investiture requirements, that might plausibly be thought to affect the length of time that it takes to form a government. For example, it should be the case that governments that were in power prior to an election should form more quickly than governments that include non-incumbent parties. This prediction is because these 'incumbent' governments have presumably already resolved some of their policy differences while in power and may well have already begun negotiations on an allocation of portfolios and coalition policy prior to the election. Governments that are ideologically compatible should also reduce the duration of coalition negotiations compared to those that are not, because party leaders should "be better able to judge which kinds of proposals are acceptable to parties that are ideologically close to their own than for parties that are more ideologically distant" (Martin & Vanberg 2003, 325). Finally, investiture votes are thought to pose a particular hurdle for the formation of minority governments (Strøm 1990, 25). As a result, one might reasonably infer that an investiture requirement slows the formation process for minority governments. One reason is that the formateur has to spend more time gathering information to make sure that the proposed government coalition can actually pass the investiture vote in this situation. In contrast to minority governments, investiture requirements pose no real obstacle to other forms of government because, by definition, they already control majority support in the legislature. Thus, the additional hypotheses to be examined are as follows:

Incumbent Government Hypothesis: Governments that were in power prior to an election should take office more quickly than governments that include non-incumbent parties.

Ideological Compatibility Hypothesis: Governments that are more ideologically incompatible should take longer to form.

Investiture Hypothesis: Investiture requirements should slow the formation of minority governments.

7.2.1 Data and Model

I tested these hypotheses using survival (event history) analysis. The central concept in survival analysis is the hazard function or hazard rate, $h(t)$. This hazard rate is the probability that an 'event' will occur at a particular point in time, given that the 'event' has yet to occur. In terms of the analysis here, the 'event' in question is the formation of a government.[11] One of the issues with employing survival analysis is in choosing a model that appropriately parameterizes this baseline hazard rate (or time dependency). In the analysis that follows, I base my inferences on results from a Weibull model that allows for monotonically increasing or decreasing hazard rates.[12] Although I show the results from a Cox proportional hazards model alongside those from the Weibull model in table 7.3 to indicate their equivalence, I prefer to base my inferences on the Weibull analysis, because I wish to evaluate the effect of pre-electoral coalitions on the *expected duration* of government bargaining delays rather than simply on the hazard ratios (Cleves, Gould, & Gutierrez 2004, 232).

With the exception of the variable *Pre-Electoral Coalition*, indicating whether the government is based on a pre-electoral pact, the data employed in the upcoming analysis come from the Parliamentary Democracy Data Archive (PDDA), unless otherwise stated (Müller & Strøm 2000*a*; Strøm, Müller, & Bergman 2003).[13] *Government Parties* indicates the number of parties in the government. The interaction term *Pre-Electoral Coalition × Government Parties* is required to test the conditional nature of the Pre-Electoral Coalition Hypothesis. *Incumbent Government* indicates whether the government was the incumbent government at election time. *Investiture* indicates whether the government faced an investiture vote, and *Minority Government* specifies whether the government was a minority government. The interaction term *Investiture × Minority Government* is required to test the conditional nature of the Investiture Hypothesis. Finally, *Ideological Range* measures the absolute difference in the ideological positions of the two governmental parties that are furthest apart on the left-right policy dimension according to data from the Manifesto Research Group (Budge et al. 2001). This variable is simply calculated as $|x_R - x_L|$, where x_R is the ideological position of the governmental party furthest to the right and x_L is the ideological position of the governmental party furthest to the left. *Government Formation Duration* is the dependent variable that measures the number of days from the election to the day on which the new government is officially inaugurated. The sample includes data on all cabinets that formed after an election from 1946 to 1998 in the 16 countries listed in table 7.2.

Table 7.3

Determinants of the Duration of Government Formation Process

Independent Variables	Weibull	Cox
Pre-Electoral Coalition	−1.16	−1.38
	(0.92)	(0.99)
Government Parties	−0.35***	−0.40***
	(0.12)	(0.13)
Pre-Electoral Coalition × Government Parties	0.60**	0.68**
	(0.28)	(0.31)
Incumbent Government	−0.002	0.02
	(0.19)	(0.19)
Ideological Range	−0.002	−0.001
	(0.006)	(0.006)
Investiture	0.06	0.11
	(0.33)	(0.33)
Minority Government	0.67	0.66
	(0.47)	(0.47)
Investiture × Minority Government	−0.75	−0.79
	(0.50)	(0.51)
Constant	−3.47***	
	(0.89)	
ln p (shape parameter)	0.16	
	(0.12)	
Log Likelihood	−261.74	−743.06
Observations	182	182

Notes: Weibull and Cox proportional hazards estimates; robust standard errors clustered by country in parentheses. A test using Schoenfeld residuals indicates that the proportional hazards assumption is not violated. The Efron method is employed for handling ties in the Cox model. Data are based on post-electoral coalition cabinets from the 16 countries shown in table 7.2 between 1946 and 1998. $^{*}p < 0.05$; $^{**}p < 0.01$ (two-tailed).

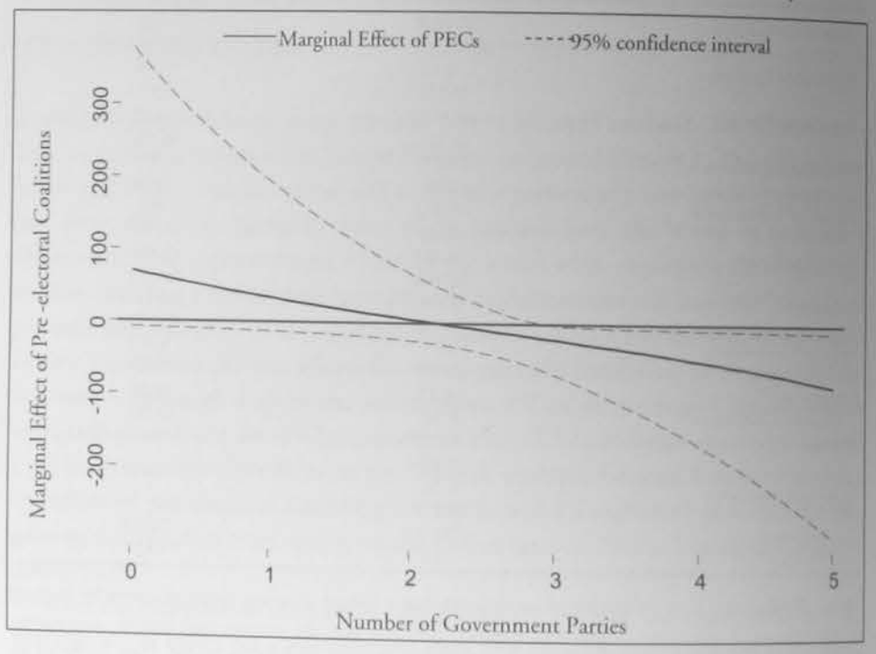
7.2.2 Results and Interpretation

The results from my analysis are shown in table 7.3. The coefficients in table 7.3 are expressed as proportional hazard estimates. As a result, a positive coefficient indicates that the covariate in question increases the hazard rate or reduces the length of time that it takes to form a government. Conversely, a negative coefficient implies that the covariate reduces the hazard rate or delays the formation of a government. I employ robust standard errors clustered by country to take account of the fact that the observations in each country may not be independent.

The principal hypothesis of interest relates to the effect of pre-electoral coalitions on the duration of government bargaining delays. The fact that the coefficient on *Pre-Electoral Coalition* is indistinguishable from zero indicates that electoral pacts have no effect on the duration of government formation when the number of parties in government is zero (or the government is non-partisan). This finding is exactly as predicted. However, there is strong evidence that pre-electoral

Figure 7.1

Marginal Effect of PECs on Expected Bargaining Duration in Days



agreements do start to increase the hazard rate or shorten the time it takes to form a government as the number of government parties increases. This finding is because the coefficient on the interaction term *Pre-Electoral Coalition* × *Government Parties* is positive and significant, as predicted.

To better illustrate the effect of pre-electoral coalitions on government bargaining delays, I plot the marginal effect of electoral pacts on expected bargaining duration, measured in days, across the observed range of the number of government parties in figure 7.1, using the results from the Weibull model.[14] *Ideological Range* is set at its mean value, while *Investiture, Minority Government,* and *Incumbent Government* are all set to zero. The solid line is the marginal effect of pre-electoral arrangements on expected bargaining duration, and the dashed lines are 95% confidence intervals. The marginal effect is significant whenever both the upper and lower bounds are above (or below) the zero line. (Please refer to equation (7.2) in note 14.)

As predicted, pre-electoral coalitions never have a significant reductive effect on expected bargaining delays when the number of parties in government is less than two. This result should come as no surprise, since electoral coalitions require at

least two parties. However, electoral pacts do significantly shorten the time that it takes to form a government once there are more than 2.9 governmental parties. This finding is substantively meaningful, since roughly 50% of all coalition cabinets comprise more than two parties. A three-party government not based on a pre-electoral pact would take about 22 additional days to form than an identical cabinet based on an electoral coalition. Thus, in this case one would have about three extra weeks without an operational government. A four-party government not based on a pre-electoral coalition would mean about seven extra weeks (50 days) without an operational government. Clearly, pre-electoral agreements shorten the time that it takes a government to take office after an election.

What about the other hypotheses? First, there is strong evidence that increasing the number of parties in the potential government will increase the length of coalition negotiations so long as there is no pre-electoral pact, because the coefficient on *Government Parties* is negative and significant. In fact, the results from the Weibull model indicate that an extra party in the government when there is no pre-electoral coalition will decrease the hazard rate by 29% [10, 44]. Again, 95% confidence intervals are shown in brackets. At first sight, this result might seem to confirm Martin & Vanberg's (2003, 327) claim that large coalitions have longer government bargaining delays. However, it should be noted that increases in coalition size do not cause additional bargaining delays if the government is based on a pre-electoral coalition, because the marginal effect of *Government Parties* when there is a pre-electoral coalition is now positive rather than negative (−0.35 + 0.60 = 0.25). Perhaps this is evidence that pre-electoral pacts resolve the bargaining difficulties that arise with large government coalitions prior to the election, rather than leaving them to be resolved after the election. Thus, coalition size affects government bargaining delays only when there is no pre-electoral agreement.

Second, there is no evidence to support Martin & Vanberg's (2003, 332) claim that "minority governments must endure a longer bargaining process than majority governments." The fact that the coefficient on *Minority* is not significant indicates that minority governments that do not face an investiture vote have no significant effect on government bargaining delays. Although the coefficient on *Investiture* × *Minority Government* is negative as predicted, it is statistically insignificant. Together, these results clearly indicate that minority governments have no more trouble putting a government together than do majority governments, irrespective of whether they face an investiture vote or not. The results also confirm the findings made by Diermeier & van Roozendaal (1998, 621–22) that investiture votes have no significant effect on government bargaining delays.

Finally, what about the effect of incumbency status and ideological compatibility? Contrary to expectations, experience of being in office together in the immediate past does not seem to shorten the time that it takes to form a cabinet. Also

contrary to expectations, ideological divisions within an incoming government have no significant effect on government bargaining delays.[15] This last finding contradicts Martin & Stevenson's (2003, 331) claim that ideological divisions significantly increase government bargaining delays.

To conclude, countries that routinely have government cabinets consisting of more than two parties could significantly reduce the period of time in which no major policies can be implemented while everyone waits for a new government to take office by promoting pre-electoral coalition formation. Given the effect of the extra uncertainty over the identity of the government that bargaining delays are likely to induce, such a reduction may well have significant positive consequences for various political and economic indicators.

7.3 Ideological Compatibility of Government Coalitions

Thus far, I have shown that pre-electoral coalitions affect the likelihood that member parties will enter government and how long those governments take to form. But do they also affect the ideological compatibility of the government coalition that forms? In chapter six, I showed that ideological compatibility between potential coalition partners makes it more likely that these parties will reach a pre-electoral agreement. A similar result holds in the existing coalition literature regarding government coalitions—strong evidence indicates that government coalitions are more likely to form between ideologically similar parties. The question addressed in this section is whether governments based on pre-electoral agreements are *more* ideologically compatible than government coalitions that are not based on electoral pacts.

In chapter four, I speculated that governments based on pre-electoral agreements would be more ideologically compatible. This speculation rested on the belief that the ideological compatibility constraint facing potential coalitions will be stronger prior to elections than afterward, because voters might be unwilling to vote for electoral coalitions comprising parties with incompatible or incoherent policy preferences. At the very least, parties with wildly different policy agendas are unlikely to form an appealing coalition in the eyes of their electorates, with regular voters probably hesitating to support such an electoral pact. This concern with how the ideological divisions within a potential electoral coalition might affect its electoral success is often reflected in the decision of party elites to invest considerable resources to explicitly measure the coalition's expected electoral consequences (Kaminski 2002). For example, there is evidence that party leaders sometimes employ private polling companies to carry out surveys asking voters whether they would support particular coalition arrangements (Kaminski 2001).

Note that I am not claiming that government coalitions do not face ideological compatibility constraints; of course, they do (Warwick 2005). It is entirely reasonable to think that parties feel constrained in their coalition choices even after an election, owing to the fact that voters could potentially punish ideologically incompatible governments at subsequent elections. However, if party leaders think that a particular 'incompatible' coalition is likely to be successful in office, then they may gamble that voters will not punish them in the next election. Party leaders might also be willing to form incompatible government coalitions after an election if they have a high discount rate. In other words, party leaders might prefer to get the benefits of office and the ability to make policy today, even though they know that they will be punished in the future. Indeed, we know empirically that ideologically incompatible coalitions do sometimes form after elections (Brams, Jones, & Kilgour 2002). All I am claiming is that one might expect that parties have additional leeway to form more ideologically incompatible coalitions after an election, because voters are no longer such an immediate constraint on their actions. Of course, whether this is the case is an empirical question and one that, to my knowledge, has never been addressed before. Thus, the principal hypothesis tested in this section is the following:

Ideological Compatibility Hypothesis: Governments based on pre-electoral arrangements should be more ideologically compatible, *on average*, than governments that are not.

7.3.1 Data and Results

I employ a variety of different measures of ideological compatibility to test this hypothesis. I use data from the Manifesto Research Group detailing the positions of parties on the traditional left-right policy dimension to construct measures of the range and spread of ideological diversity in coalition governments for 17 parliamentary democracies from 1946 to 1998 (Budge et al. 2001). The left-right policy dimension ranges from −100 on the left to +100 on the right. The countries covered are Australia, Austria, Belgium, Denmark, Finland, France (both the Fourth and Fifth Republics), Germany, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, and Sweden. Canada, Spain, and the United Kingdom are excluded, since the data indicate that these countries have never experienced coalition governments.[16] As in the previous section, the range of ideological diversity is calculated as $|x_R - x_L|$, where x_R is the ideological position of the governmental party furthest to the right and x_L is the ideological position of the governmental party furthest to the left. The spread of ideological diversity

is calculated as $\sqrt{\sum_{i=1}^{n} p_i(x_i-\bar{x})^2}$, where p_i is party *i*'s proportion of government-controlled seats in the legislature, x_i is party *i*'s ideological position on the left-right policy scale, $\bar{x}$ is the weighted mean policy position of the government $(\sum_{i=1}^{n} p_i x_i)$, and n refers to the number of parties in the government (Warwick 1994, 154).

Some descriptive statistics are shown in table 7.4. The most incompatible government coalition in terms of its ideological range (90.5) is a Finnish government coalition in 1946 that includes the Swedish People's Party, Center Party, Conservatives, and Liberals (the parties are listed from furthest left to furthest right). This government is not based on a pre-electoral agreement. In contrast, the three government coalitions with the lowest range of ideological diversity are all based on pre-electoral agreements. The data in table 7.4 clearly indicate that the average range of ideological diversity for governments that are not based on an electoral agreement (29.0) is higher than that for governments that are based on pre-electoral coalitions (22.3). A difference in means test indicates that we can be 98% confident that governments that are not based on electoral pacts are more incompatible in terms of their ideological range than governments that are based on electoral pacts. The data also indicate that governments that are not based on pre-electoral agreements have greater ideological spread (11.4) on average than governments that are based on pre-electoral agreements (9.2). A difference in means test confirms that we can be 95% confident of this result. Thus, governments that are based on pre-electoral coalitions are more ideologically compatible in terms of both their range and their spread than those that are unconstrained by electoral alliances.

While these data are informative and support my Ideological Compatibility Hypothesis, one might reasonably question whether it is meaningful to compare the ideological compatibility of government coalitions across countries in this way. The data from the Manifesto Research Group may indicate that Party A and Party B in country 1 are ideologically further apart than, say, Party C and Party D in country 2. But is it meaningful to compare these two distances? For example, it might be the case that the party system in country 1 is simply more ideologically diverse than the party system in country 2. If this were the case, then voters in country 1 might very well have a different view of what constitutes an ideologically incompatible coalition than voters in country 2. Even if one ignores the difficulties that arise if one party system is more ideologically diverse than the other, it might also be the case that Parties A and B in country 1 are actually adjacent to each other in the ideological space, while Parties C and D in country 2 are separated by some other party or parties. Again, this type of scenario would probably affect voters' perceptions of the ideological compatibility of a particular coalition.

An alternative measure of ideological compatibility that sidesteps these potential problems focuses on whether or not the government coalition is a 'connected'

Table 7.4

PECs and Ideological Compatibility

			All Governments		No Pre-Electoral Pact		Pre-Electoral Pact	
Measure	Min	Max	Mean	*N*	Mean	*N*	Mean	*N*
Range	0	90.5	26.0	159	29.0	99	22.3	60
Spread	0	36.2	10.6	159	11.4	99	9.2	60

Notes: Data come from the Manifesto Research Group (Budge et al. 2001) and cover 159 governments that formed after an election in 17 parliamentary democracies from 1946 to 1998.

coalition. Since a connected coalition is one in which the coalition members are all adjacent to each other in the ideological space, they are more ideologically compatible than unconnected coalitions (Riker 1962). I constructed two different measures of whether a government coalition is connected or not. The first measure is based on data from Müller & Strøm (2000*a*) and Indriðason (2004) and covers Austria, Belgium, Denmark, Finland, France (Fifth Republic only), Germany, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, and Sweden from 1946 to 1998. Using this measure, I found that 82.6% of governments based on pre-electoral coalitions have members who are adjacent in the ideological space; only 46.4% of governments that are not based on electoral coalitions have connected members. A difference in proportions test indicated that we can be over 99% confident that this difference is statistically significant. The second measure is based on data from the Manifesto Research Group (Budge et al. 2001). This second measure includes all of the countries just mentioned, as well as Australia, the French Fourth Republic, Japan, and New Zealand. Using this measure, I found that 61.7% of governments based on pre-electoral coalitions have members who are adjacent in the ideological space; only 42.4% of governments that are not based on electoral coalitions have connected members. A difference in proportions test indicated that we can be 95% confident that this difference is statistically significant. Thus, both measures of connected coalitions provide support for my Ideological Compatibility Hypothesis.

To conclude, there is strong evidence that governments based on pre-electoral coalitions are more ideologically compatible than those that are not. I have illustrated this idea with several different measures of ideological compatibility and a variety of data sources. It seems clear that governments that have no electoral alliances to take into account are less constrained by ideological compatibility concerns than are governments based on electoral alliances. As I argued earlier, this result should not come as a surprise, since voters are likely to be put off by a pre-electoral coalition that they judge to be ideologically incompatible. One of the

implications of this analysis is that the policy position of a government based on an electoral pact is likely to be more congruent with that of its electorate than the policy position of governments that are not constrained by a pre-electoral agreement. This is another normatively appealing feature of pre-electoral coalitions.

7.4 Stability of Government Coalitions

I have shown that pre-electoral coalitions improve the chances that a party will enter government, they shorten the time that is needed to form a government, and they make governments more ideologically compatible. Few government scholars would deny that these consequences of electoral coalitions are positive from a normative standpoint. In the introduction, I also argued that pre-electoral coalitions offer significant normative advantages, owing to their effect on the representative nature of government (Powell 2000). Electoral pacts increase the identifiability of government alternatives and allow voters to make a meaningful choice between them. By making the government formation process more transparent, it is arguable that pre-electoral agreements also provide the incoming government with increased legitimacy and a stronger mandate. It seems reasonable to think that this added legitimacy and stronger mandate might translate into the more directly observable effect of more stable and longer-lived governments. The fact that cabinets based on pre-electoral agreements also tend to be more ideologically compatible provides another reason to suspect that they would survive longer than governments that have not reached an electoral pact. This expectation is because ideological compatibility should reduce the occurrence of policy conflicts and, hence, the likelihood of government breakdown (Warwick 1994; Laver & Schofield 1998). In addition, one might also think that pre-electoral coalitions improve government stability by increasing the speed with which governments actually take office, because a speedy government formation probably indicates a less complex bargaining environment and, hence, a more stable political situation (King et al. 1990). Given these claims, the principal hypothesis to be tested in this section is:

Government Survival Hypothesis: Governments based on pre-electoral agreements should last longer than governments that are not.

In order to test this hypothesis, one might want to control for other factors that are hypothesized to affect government survival. Over the past few decades, there have been numerous studies of government duration (Warwick 1979; Cioffi-Revilla 1984; Browne, Frendreis, & Gleiber 1986; King et al. 1990; Warwick & Easton 1992; Warwick 1994; Alt & King 1994; Lupia & Strøm 1995; Grofman

& van Roozendaal 1997; Diermeier & Stevenson 1999; Druckman & Thies 2002). Although few would deny that this literature has significantly improved our understanding of government survival, it is arguable that the accumulation of knowledge in this area is often overstated. One reason for being critical of the existing literature is its disproportionate focus on empirical analysis in the absence of a coherent theoretical model (Laver 2003).[17] This situation often results in one set of scholars providing a plausible, but ad hoc, theoretical argument why the effect of a particular variable should come out one way, and a different set of scholars providing an equally plausible and ad hoc theory suggesting that it should come out another way.[18] While this criticism is obviously of some concern, a bigger problem revealed by my own investigatory analyses is that many of the results reported in the literature are not robust to the sample of countries examined; the precise specification of the survival model; the variables that are included; how those variables are constructed; and whether one focuses only on those governments that form after an election, or whether one also includes governments that form in the inter-election period.

A logical approach to examining the effect of pre-electoral coalitions on government duration would be to start with a sound baseline model that is well accepted in the literature. However, such a model does not really exist; Laver (2003) is correct when he complains that it is not entirely clear at this point which independent variables ought to be included in a model of government duration. Part of the problem is that the existing literature often shows more interest in the specific methodology employed to examine government duration than in the substantive results themselves.[19] While this focus on methodological issues has clearly been fruitful, it appears to have had the consequence that some scholars have adopted pre-existing models without explicitly addressing whether the included variables are suitable or constructed appropriately to test their theories. For example, some recent studies have adopted a model by Warwick as their starting point (Diermeier & Stevenson 1999; Druckman & Thies 2002). These studies do not mention the problems that arise from the fact that this baseline model was generated using "a backward-elimination stepwise procedure" (Warwick 1994, 41).[20] Depending on one's theoretical question, the appropriateness of this baseline model may also be called into question by Warwick's decision throughout most of his book to define the government as including parties in the cabinet, as well as formal or declared support parties in the legislature (Warwick 1994, 30–32).[21] Given my interest in the effect of pre-electoral coalitions on government duration, this definition is clearly inappropriate for testing the Government Survival Hypothesis—theoretically, I am interested only in the parties that are formally in the cabinet. I should be very clear here that my purpose is not to criticize Warwick's model in particular, but

simply to illustrate that there is no baseline model of government duration that is well accepted in the literature.

Regardless of the absence of a solid and widely accepted baseline model, it is still necessary to control for other factors when testing my Government Survival Hypothesis. In the upcoming analysis, I control for various attributes of the government, the legislature, and the country. In terms of government attributes, one would expect governments that control a majority of seats to survive longer than minority governments, because they are less likely to be defeated in the legislature (King et al. 1990; Warwick 1994; Laver & Schofield 1998). One would also expect single-party governments to survive longer than coalition governments, because they should be able to reach agreements more easily (Warwick 1994). It is also plausible that ideological compatibility should help governments stay in office longer. Again, this expectation is because the government should have fewer policy conflicts and be able to reach agreements more easily (Warwick 1994; Laver & Schofield 1998). Caretaker governments should not last as long as other forms of government, because the very nature of a 'caretaker' government is that it should be in power for only an interim period while a proper government is formed (King et al. 1990; Warwick 1994). There is some dispute as to whether governments that form after multiple formation attempts should be less likely to survive than those that form more quickly. On the one hand, King et al. (1990, 859) and Laver & Schofield (1998, 162) claim that a higher number of foiled attempts will reduce government duration, because a higher number of attempts indicate a difficult bargaining environment and a higher number of potential governments. On the other hand, Warwick (1994, 37) suggests that the very difficulty experienced in forming the government might oblige parties to stick with the existing coalition.

In terms of legislature attributes, one would expect legislative fragmentation to reduce government duration, because it indicates a more complex bargaining environment and a larger number of potential governments (King et al. 1990; Warwick 1994; Laver & Schofield 1998). In terms of country attributes, several scholars have argued that investiture votes should diminish average government duration by causing some governments to fail very quickly (King et al. 1990; Warwick 1994; Diermeier & Stevenson 1999; Druckman & Thies 2002). For this reason, investiture requirements are included in nearly all models of government duration. Note, though, that the underlying logic of this causal claim is deeply problematic and depends crucially on how one measures government duration, because a 'proposed' government that faces an investiture requirement does not formally take office unless it passes the investiture vote. Thus, 'proposed' governments that fail investiture votes are not actually governments and have no duration—they never enter office. If one measures government duration accordingly, there is no reason to believe that investiture votes should affect government duration; if anything, one might expect governments that face investiture votes to survive longer, because they had to enjoy enough legislative support to pass this additional formal hurdle.

7.4.1 Data and Model

I test my government survival hypothesis using a Cox survival model. Just as with many parametric survival models such as the Weibull, the hazard rate in the Cox model can be expressed in terms of a baseline hazard and a set of covariates:

$$h(t \mid x) = h_0(t)e^{x\beta} \tag{7.3}$$

where $h_0(t)$ is the baseline hazard. In contrast to the analyst using the parametric models, though, the analyst employing a Cox model has the advantage that she does not have to choose a particular parameterization of the baseline hazard function.[22] Because the Cox model analyzes the order in which observations 'fail' (or governments collapse), it may be the case that more than one observation would fail at the same time. I employed the Efron method to handle these ties in the data (Box-Steffensmeier & Jones 2004, 55). A global test of the Schoenfeld residuals indicated that the assumption of proportional hazards underlying the Cox model is not violated.

One issue that did not arise in my earlier analysis of government bargaining delays was that of censoring and truncation.[23] In line with the literature, I avoided problems with left-truncation by only including observations that began on or after the first day of my data set, and there were no right-censoring issues, because I observed the completion of the government formation process in all cases. My current analysis of government survival does not face any left-truncation issues, because I again only included cases that began on or after the first day of my data set. However, it does face right-censoring issues, because some governments are still in power when my sample period ends. For these governments, all I know is that they have survived up until the last period in my data set; I do not know how long they will survive. Although one might think of dropping these censored observations, doing so potentially introduces selection bias because it typically means omitting stable governments. Fortunately, it is possible to include censored observations and take account of the information that such governments provide, so long as the censoring point is known, as is the case here (Box-Steffensmeier & Jones 2004, 16–19). Other issues with right-censoring also occur because each country has a constitutionally mandated length of time after which new elections must be held. For instance, the constitutional inter-election period (CIEP) is five