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Normative Balance and Electoral Reform: A Finnish Puzzle and a Comparative Analysis

STEFFEN GANGHOF, SEBASTIAN EPPNER and KATJA HEEß

The Finnish electoral system has recently been changed to slightly increase proportionality, but nothing has been done to make cabinet alternatives more 'identifiable' before the election. This outcome poses a major puzzle for one important theoretical approach to electoral system change. This approach sees normatively 'unbalanced' systems as vulnerable to reform and would have expected a significant increase in the pre-electoral identifiability of competing cabinet options. The article explains the Finnish case by embedding it in a comparative model of normative tradeoffs in democratic design. Based on Finnish case evidence and a statistical analysis of 100 elections in 32 democracies (from 2001 to 2011), the article argues that the type of democracy exemplified by Finland is not normatively unbalanced. In particular, the lack of pre-electoral identifiability is compensated for by an unconstrained multidimensionality of partisan preferences. While it may be true that normatively balanced designs are more stable, there is more than one way to be balanced.

The electoral reforms of the 1990s in countries like New Zealand, Italy and Japan have inspired a large literature on institutional reform and stability. Renwick (2010) distinguishes two major theoretical approaches: one is focused on the self-interest of political elites (Colomer 2005); the other, developed mainly by Shugart (2001), sees an electoral system as 'vulnerable to reform where it occupies an inherently extreme position on either an intra- or an inter-party dimension' (Renwick 2010: 7). Our goal in this article is to contribute mainly to the second perspective. We do so by focusing on a case that is arguably among the most extreme and hence seemingly reform-prone cases on Shugart's inter-party dimension. Finland scores high on proportionality, and voters find it virtually impossible to identify competing options for government prior to elections. This makes Finland a clear example of what Shugart calls a 'hyper-representative' system. Based on his analysis, we might have expected Finland to establish institutional incentives for the formation of pre-electoral

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coalitions, thereby potentially increasing the identifiability of cabinet alternatives. Such incentives could have been created, for instance, by moving towards a mixed-member proportional system (Shugart 2001) or by giving bonus seats to the largest party or bloc (Renwick *et al*. 2009). Yet Finnish elites have not shown any activity in this direction (Arter 2006: 31). Instead, they have recently decided to further increase proportionality, starting from the 2015 parliamentary elections.

In solving this puzzle, our goal is not to provide an in-depth narrative of electoral reform in Finland. Instead, we follow Shugart's (2001) approach and try to understand this case by embedding it in a comparative model of normative tradeoffs in democratic design. In doing so, we accept his main assumption, namely that normatively more 'balanced' and less 'extreme' institutional systems are more stable. However, we believe that this general idea needs to be spelled out differently. Indeed, Shugart (2001: 191) himself suggests that further conceptual development might be needed to 'shed light on why hyper-representative systems like those in Belgium and Finland survive, and whether they may be candidates for future reform'. We try to make a modest contribution to this research agenda.

Our main argument is that Shugart's verbal model of the relevant normative tradeoffs is too parsimonious. Drawing on the work of Powell (2000) and others, we propose an extended tradeoff model, according to which Finland is not normatively unbalanced or extreme. While the Finnish electoral system does sacrifice the goal of identifiability, something is gained in return: the unconstrained multidimensionality of partisan preferences. We argue that this is an important value in democratic politics, and that there is a widely neglected tradeoff between identifiability and multidimensionality. More precisely, the ability of electoral systems to reconcile proportionality with identifiability is likely to be dependent on a low dimensionality of partisan conflict. We analyse the relationship between proportionality, identifiability and dimensionality with data on 100 elections in 32 democracies for the period from 2001 to 2011.

The second section elaborates on Shugart's (2001) analysis and the Finnish puzzle. The third section summarises institutional change and stability in Finland and rejects two potential explanations of the puzzle that would be consistent with Shugart's model. The fourth section develops our extended normative tradeoff model. The fifth section explores the tradeoff between identifiability and dimensionality, which is crucial to our interpretation of the Finnish case. The final section summarises the main results and makes suggestions for further research.

Normative Balance and the Finnish Puzzle

Shugart's (2001) starting point is the introduction of 'mixed-member' electoral systems (MMS) in four countries: Italy, Japan, New Zealand and Venezuela. One of his main ideas is that these electoral systems achieve some 'balance' between competing normative goals and, indeed, competing visions of

democracy (Powell 2000). In developing this point, he focuses on two central goals: *identifiability* for the 'majoritarian' vision and *proportionality* for the 'proportional' vision. Shugart argues that these goals can be simultaneously achieved when electoral systems are proportional but also provide parties with incentives to form two pre-electoral coalitions; voters can thus choose a party as a representative agent and at the same time directly empower a government:

> Theoretically we can expect the tier of single-seat districts to encourage parties to aggregate into two principal blocs – generating high identifiability – and the proportional tier to moderate or eliminate (depending on specific details of how the tiers are combined) the disproportionality of the outcome. The resulting governments can be expected to be efficient in the sense that they are both empowered from the election outcome yet constrained by the need for coalitions to take in a broader swath of the electorate's preferences. (Shugart 2001: 175)

He calls systems that achieve identifiability and proportionality 'balanced' or 'efficient'. While he focuses on mixed electoral systems, other forms of identifiability-inducing electoral systems could easily be integrated into the analysis. An obvious example is Italy's bonus-adjusted PR system introduced in 2005 (Renwick *et al*. 2009).

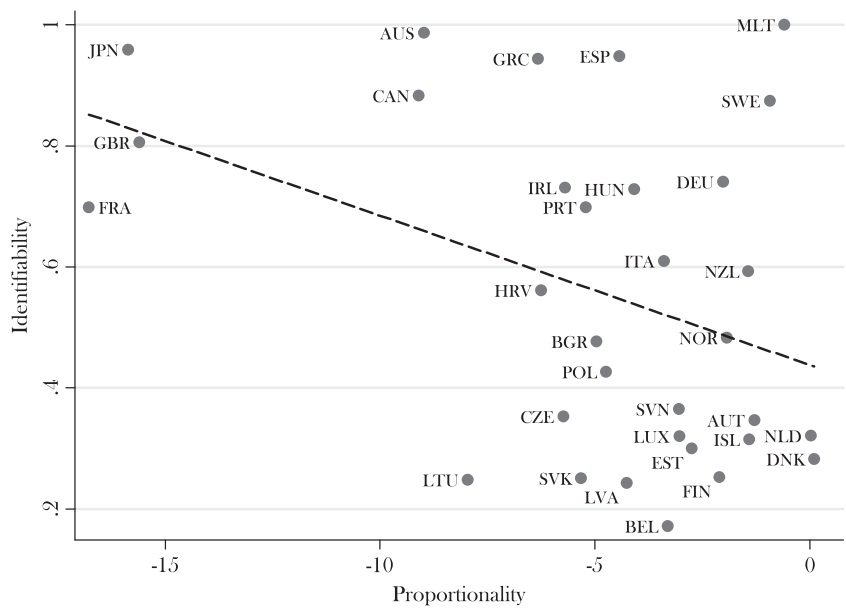
Shugart's analysis has both normative and explanatory elements. On the one hand, he provides a normative analysis of tradeoffs and optimisation. It is comparable to the study by Carey and Hix (2011), which also argues that some class of electoral systems is optimal, given some set of goals. This sort of normative analysis does not necessarily have implications for institutional change. After all, history is not necessarily efficient. On the other hand, Shugart (2001: 173–4) does suggest 'that there may be a political convergence underway, as a specific class of electoral system *is being selected to cope* with the perceived failures of very different pre-existing electoral systems' (173–4 emphasis added). The idea is that that there may be a long-term trend towards greater normative balance. Accordingly, he suggests that the stability of seemingly unbalanced cases like Finland require a special explanation and proposes to 'assess in more detail the contribution of efficiency failures to electoral reform' (Shugart 2001: 191). To our knowledge, this challenge has not been taken up, at least not for Finland.

Finland is important in that it is the most unbalanced case in Shugart's (2001) analysis (along the 'inter-party dimension'). He builds an index of electoral efficiency, in which zero stands for perfect efficiency. Cases can depart from this benchmark in two directions. Departures toward 'pluralitarian' democracy are measured by a kind of disproportionality index. Departures toward 'hyper-representative' democracy are measured by the average of two variables: a measure of pre-electoral identifiability (Huber and Powell 1994; Powell 2000; Strøm 1990) and a measure of how closely the election outcome

approximates a legislative majority for the winning party or bloc. The combination of the two variables is called *electoral linkage*. Based on his empirical analysis of established democracies, he identifies Finland as the most 'hyper-representative case', followed by Belgium and Italy.

Given that Shugart's analysis is somewhat dated by now, we provide an update. Instead of rebuilding Shugart's index of inter-party efficiency, however, we propose a new measure of identifiability and visualise its correlation with proportionality. Our indicator also combines two measures. First, we measure how well parties coordinate into two blocs before the election. We do this by adding up the vote share of the two largest identifiable blocs, where a bloc is either a party or a pre-electoral coalition (*blocseats*). This measure captures parties' strategic decisions about party entry, party mergers and pre-electoral coalition-formation as well as voters' strategic reactions to the available options. In case of a pure two-party or two-bloc system, the value of this variable would be 1 and it would be guaranteed that one bloc has a legislative majority. Second, we use a dummy variable to measure whether the cabinets actually formed after the election consisted only of a single pre-electoral bloc (*blocgov*). This measure is more sensitive to cases in which there is a fair degree of two-bloc competition before the election, but neither bloc wins a majority. To measure identifiability associated with each cabinet formation, we calculate the average of *blocseats* and *blocgov*. The correlation between our

FIGURE 1
IDENTIFIABILITY AND (DIS)PROPORTIONALITY



Note: "Proportionality" is the Gallagher-Index of Disproportionality multiplied by –1. For the measurement of identifiability and the data used, see text and note 2. Reported values are averages.

indicator of identifiability and Shugart's (2001) combined measure of 'electoral linkage' is 0.84.[1]

Figure 1 shows the scatterplot of (dis)proportionality (Gallagher 1991) and identifiability for 32 democracies (averages for the period from 2001 and 2011).[2] We see that there is a strong trade-off between these two goals (see Powell 2000), but it may not be linear (see Carey and Hix 2011). Some countries are able to combine fairly high levels of proportionality with high identifiability. We also see that there are quite a few cases in which identifiability is sacrificed in favour of high proportionality. Finland is thus hardly unique, but it is still a prime example of a 'hyper-representative' democracy in Shugart's framework. The quantitative measurement for Finland is also confirmed by qualitative studies: 'In order not to exclude themselves from cabinet formation negotiations, parties do not present voters with pre-election alliances, nor do they make public statements ruling out power sharing with particular parties' (Raunio 2011: 126).

How *Not* to Explain Electoral Change in Finland

Despite the complete absence of identifiability, there have been no efforts to increase it. If anything, the Finnish electoral system has become *more extreme* from Shugart's (2001) perspective. In this section, we first summarise the basics of the electoral system as well as its recent reform. We then sketch two potential explanations for the lack of identifiability-enhancement that would be consistent with Shugart's analysis. We reject both of them as being inconsistent with the facts.

The Finnish constitution requires a direct, proportional and secret vote, for which the country is to be divided into no fewer than 12 and no more than 18 electoral districts (Raunio 2005: 475). Apart from these requirements (as well as the voting age), the electoral law can be changed by a simple majority vote in parliament. Since 1962 Finland has been divided into 14 multi-member districts – with magnitudes between 6 and 35 – and one single-member district. The mean district magnitude approximates 14. Due to the varying district magnitudes, the implicit electoral threshold varies from around 3 to 14 per cent. There are no nationwide adjustment seats and there is no legal threshold (Raunio 2005: 477). Seats are distributed at the district level using the d'Hondt method, which favours larger parties. Disproportionality has nevertheless been fairly low due to the averaging out of higher disproportionalities at the district level (see Figure 1). Finland operates an open-list PR system that is strongly candidate-centred (Raunio 2011: 118–19). Given the mechanisms of a parliamentary (premier-presidential) system, though, party discipline is nevertheless high and political accountability is still to a large extent party-based (Pajala 2010; Wiberg 2000).

Until the mid-2000s there had been 'little or no debate in Finland about electoral reform for general elections' (Arter 2006: 31). Shortly afterwards, however, a debate on proportionality emerged, initiated by the smaller parties.

They had repeatedly proposed to change the sizes of the constituencies, or to introduce nationwide adjustment seats, or to replace the d'Hondt method with the Sainte-Laguë formula; but these proposals were rejected by the three largest parties (Raunio 2005: 487). The debate intensified in 2007, after the chairwoman of the Green League had failed to get elected despite winning almost 12 per cent of the vote in her electoral district of North Karelia. A commission was installed which proposed the introduction of a system that would have allowed parties to enter parliament either by winning 3.5 per cent of the nationwide votes or 12 per cent in a district; electoral alliances at the district level would have been banned (Helsingin Sanomat 2008). The proposal was criticised by experts for making it *more* difficult for smaller parties to enter parliament. There was also disagreement between the political parties: the Swedish People's Party (due to its localised electoral support base) and the Social Democrats preferred a rearrangement of electoral districts, whereas the True Finns preferred a lower threshold of 2 per cent. In May 2009 the government – consisting of Centre Party, Conservatives (KOK), Greens and the Swedish minority – agreed on a nationwide threshold of 3 per cent but rejected a second path into parliament by clearing a higher threshold at the district level. Since the reform implied a constitutional change, it had to be approved by a two-thirds majority in the next parliament. In the new parliament, elected in 2011, however, the reform failed due to opposition from the Social Democrats (Helsingin Sanomat 2011).

In 2012 though, the new government – including Social Democrats, Conservatives, Greens, Left Alliance, Christians and the Swedish minority – agreed on a more moderate reform: the number of districts was reduced from 14 to 12 by merging the districts of Kymi and South Savo and those of North Savo and Northern Karelia. The new districts are expected to send 17 MPs and 15 MPs, respectively, to parliament in the 2015 elections. The resulting increase in district magnitude is likely to increase proportionality. The Greens are expected to profit from the new system whereas the Social Democrats are expected to lose seats (Helsingin Sanomat 2012).

The most parsimonious and highly convincing explanation of the Finnish reform would be one focused entirely on partisan self-interest (Colomer 2005). Once a multi-party system is established, finding majority support for decreases of proportionality may be difficult (but see Renwick 2010). To the contrary, small parties can use their bargaining power in coalition-building to reduce biases against them, as they did in Finland. Finland fits Colomer's 'prediction' of a long-run trend towards more proportionality. If our goal was merely to find the most parsimonious explanation for why proportionality increased in Finland, we could stop here.

Our explanandum is different, though. We do not ask why Finland increased proportionality rather than maintaining the status quo, but why Finland (only) increased proportionality rather than (also) increasing identifiability. For this question, Colomer's self-interest model is of little help, since it ignores identifiability. Since our explanandum is derived from Shugart's

discussion, we first have to ask whether there are potential explanations of the non-increase of identifiability in Finland that are consistent with his parsimonious tradeoff model. We see two such explanations.

The first explanation would be that other, non-electoral, preconditions for two-bloc competition were lacking in Finland. In particular, such competition might be predicated on the absence of strong legislative veto points for the opposition. As Powell (2000) emphasises, it seems incoherent to elect an identifiable majority government and then force it to compromise with the oppositional minority.[3] This potential explanation does not work, though, as Finland moved from a supermajoritarian to a majoritarian system of legislative decision-making in the early 1990s. Until the late 1980s, a one-third minority in parliament could postpone legislation until after the next parliamentary election. This minority veto, commonly cited as a reason for the Finnish tradition of forming oversized cabinets, was abolished completely by 1992 (Mattila 1997; Raunio and Wiberg 2008). In addition, the legislative veto of the Finnish president was first weakened and finally abolished. The revised Finnish constitution, in force since March 2000, allows a parliamentary majority to override a presidential veto immediately. In sum, there would have been no institutional obstacles for installing a system of two-bloc competition and majority cabinets.

The other potential explanation could be that two-bloc competition was not *necessary* due to the directly elected president. This explanation is hinted at by Shugart (2001: 191, n.8) himself: 'the presence of the elected presidency – recently transformed from selection via an electoral college to direct election – may mitigate the inefficiency of the parliamentary electoral process'. Identifiability may be realised in presidential rather than parliamentary elections. Yet this explanation fails for a similar reason to the first one: due to a series of constitutional reforms the Finnish president has been transformed into a mere figurehead, direct elections notwithstanding.

Between 1919 and 1987 the president was indirectly elected by an electoral college. The indirect electoral system was a consequence of the political left's opposition to a directly elected president. The president was very powerful, both formally and informally. Among his formal powers was the right to unilaterally dissolve the legislature. In practice the president also enjoyed discretion in government formation (Jyränki 2007: 289f), which implied that, after the Second World War, governments used to resign after each presidential election. In 1969 a centre-left government installed a constitutional reform committee, which was to prepare a comprehensive institutional reform. The first attempt failed, due to the resistance of the political right and the incumbent president Kekkonen (Jyränki 2007: 294f). However, in the late 1980s and early 1990s parliament adopted several constitutional amendments which strengthened the president's electoral connection but also greatly reduced his or her formal powers. The direct election of the president was introduced in a preliminary version in 1987 and finally in 1991. The president's competence to dissolve the legislature was abolished – it can now only be exercised upon the request of the prime minister – and the president's power in cabinet formation

was considerably weakened. The new constitution of March 2000 strengthened the role of parliament further. The president's role in government formation is now purely formal and the legislative veto can be immediately overridden by parliament, as noted above. The president's powers to influence governmental policy decisions have been largely eliminated and his or her appointment powers have been strongly reduced (Jyränki 2007: 298f.; Paloheimo 2003: 225).

In sum, the idea that the directly elected president mitigates the 'inefficiency' of parliamentary elections is implausible. To the contrary, the reforms of the presidency established 'a more direct link between election results and cabinet formation' (Raunio 2011: 126) and thus made the lack of identifiability potentially more visible and salient. From the perspective of Shugart's tradeoff model, the Finnish case has become *more* puzzling. To explain it, we suggest an extension of the model.

Why the Finnish Case is not Unbalanced

In order to re-specify the idea of 'normative balance', we draw on ideas of Powell (2000) – as did Shugart – as well as on more recent work by Ward and Weale (2010). Powell (2000) distinguishes two visions of democracy and associates each vision with a number of normative goals. Shugart (2001) selects merely one goal of each vision – identifiability and proportionality – and argues that systems which can achieve both are balanced. We believe that (1) more goals have to be taken into account and that (2) an adequate model of the relevant normative tradeoffs depends on how we conceptualise the two polar visions of democracy.

Like Powell and Shugart, we model one polar vision of democracy on the 'Westminster' system: two parties compete in a one-dimensional issue space; one of them gains a majority and dominates the legislative process. We call this vision of democracy *simple majoritarianism*. Shugart (2001) does not say much about the polar alternative to the Westminster model, except that it is based on proportional representation (PR). In specifying this alternative, we draw on an idea that Powell mentioned but did not develop. The idea was that

> policymakers should choose the policy desired by the citizen majority *on each issue*. Because many issues will be considered by the national government between every election and different sets of citizens will form the majority on different issues, it is important that the policy-making coalition not be locked into place by the immediate election outcome. (Powell 2000: 256, n.9)

This vision of democracy was more recently elaborated by Ward and Weale (2010) in social choice terms (although without reliance on Powell's work). The underlying ideal is to let the median voter win on each separable dimension of a multidimensional issue-space. Since preference constellations

can differ across dimensions, different parties may represent the median voter on different dimensions, so that different majorities are formed. Ward and Weale therefore speak of an ideal of 'majorities rule'. Here we refer to this ideal as *complex majoritarianism*.

We contend that if we use the conceptual contrast between simple and complex majoritarianism, we gain a more adequate perspective on the most salient tradeoffs in the design of democracy and are able to see that Finnish democracy is not unbalanced but arguably well balanced. To develop this argument, we proceed in two steps. First we specify three crucial goals associated with each polar vision of majoritarianism (Table 1). Then we argue that there are *two* intermediate models between the two polar extremes. Shugart (2001) focuses on one of these models, while Finland is a fairly good example of the other.

Note that the following discussion focuses on pure parliamentary systems with a single chain of delegation from voters to policy-makers. While Finland is technically a semi-presidential system, we have shown above that the Finnish president has become formally so weak that it can be analysed as a parliamentary system.[4]

Simple majoritarianism in parliamentary systems is associated with three main goals. The first is *identifiability*. The second goal is *clarity of responsibility* (Powell 2000). It is perhaps greatest with one-party majority cabinets but can also be fairly high under coalition cabinets, even those that lack pre-electoral identifiability. More precisely, when parties form a majority coalition of parties that recognise each other as 'veto players' on all issue dimensions (Tsebelis 2002) they become jointly responsible for all legislative outcomes during the legislative term.[5] In contrast, clarity of responsibility is lower under minority cabinets with shifting majority coalitions, or when majority cabinets have to negotiate with additional veto players not included in the cabinet. Finally, *cabinet stability* is of general practical importance in a parliamentary democracy, but it is also a sort of auxiliary means for identifiability and clarity of responsibility. If an identifiable majority coalition is voted into office but soon replaced by some other coalition without new elections, the potential gain of identifiability is likely to be lost. Similarly, even if new cabinets are empowered by new elections, frequently changing cabinets make it more difficult for voters to see who is responsible for policy outputs and outcomes (see Powell 2000: 61). In sum, the ideal of simple majoritarianism implies high identifiability, clarity of responsibility and cabinet stability (Table 1).[6]

TABLE 1
GOALS OF SIMPLE AND COMPLEX MAJORITARIANISM

Simple majoritarianism	**Complex majoritarianism**
Identifiability	Proportionality
Clarity of responsibility	Unconstrained multidimensionality
Cabinet stability	Unconstrained issue-specificity

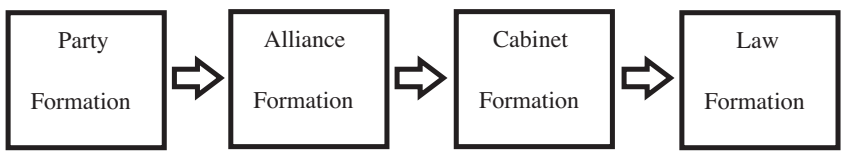
Now consider the three core goals associated with complex majoritarianism. The first is electoral *proportionality*. The second is what we call *unconstrained multidimensionality* of parties' programmatic positions. By this we mean that parties face no institutional incentives to 'integrate' certain salient issues into some dominant dimension such as an economic left–right dimension. A multidimensional differentiation of preferences can mean, for instance, that the European Union (or certain aspects of it) becomes a cross-cutting issue. Voters on the left and the right can then decide whether they want to support more or less Euro-sceptical parties. Democratic theorists have given different reasons for why this multidimensional differentiation of preferences is desirable. Some highlight the cognitive constraints of normal citizens and the importance of multidimensional party programmes in educating them about how issues do or do not relate to one another; for others the multidimensional differentiation of partisan positions is a precondition for achieving congruence between the issue-specific medians among the voters and in parliament (Ganghof 2014b; Ward and Weale 2010).

Finally, the polar ideal-type of complex majoritarianism also requires that the issue-specific medians in parliament be empowered. In other words, legislative decision-making should be as issue-specific as possible. We call this goal *unconstrained issue-specificity*. In sum, the ideal of complex majoritarianism implies maximal proportionality as well as unconstrained multidimensionality and issue-specific decision-making (Table 1).

Based on the six goals just specified, we can distinguish four ideal-typical visions of democracy in parliamentary systems, the two polar ones sketched above as well as two compromise visions that mix elements of simplicity and complexity. To develop the four visions, we draw on another crucial idea of Powell (2000). He focuses strongly on how the 'decisive stage' of decision-making differ in the visions of democracy. His main distinction is between the pre-electoral stage (central in the majoritarian vision) and the post-electoral stage (crucial to the proportional vision). We subdivide these two stages further and distinguish four ideal-types of majority formation based on the stage of the democratic process at which majorities are formed. Democracies can form majorities at four consecutive stages (Figure 2):

The two polar stages of majority formation correspond to the two polar visions of simple and complex majoritarianism sketched above. They tend to achieve the goals inherent to the underlying model of majoritarianism at the

FIGURE 2
FOUR STAGES OF MAJORITY FORMATION



expense of the goals associated with the competing vision. In the 'Westminster' model of democracy, the most decisive stage of majority formation is the first, party formation, stage. Ideally, only two parties form, one of which gains a majority and dominates the legislative process. To the extent that such a two-party equilibrium can be sustained at all, though, it usually requires a highly disproportional electoral system and a one-dimensional structure of political conflict. New Zealand before the electoral reform and Great Britain before the current coalition government are well-known examples (see Lijphart 2012; Nagel 1998; Powell 2000). Conversely, the ideal of complex majoritarianism can be best approximated when majority formation is postponed until the last and final stage of law-making. In parliamentary systems, this happens when a highly proportional electoral system facilitates a multidimensional structure of preferences, and when legislative and executive institutions facilitate the emergence and stability of minority cabinets with changing support parties. The Danish case is perhaps the best real-world example, especially in the 1980s (Damgaard and Svensson 1989).

Our tradeoff model identifies two balanced visions of democracy, associated with the two intermediate stages of majority formation in Figure 1. When the decisive stage of majority formation is the formation of pre-electoral alliances, we have the vision of democracy highlighted by Shugart (see also Golder 2006: 2–4, 137–8). It promises to combine the three goals of simple majoritarianism with one core goal of complex majoritarianism: proportionality. This combination is attractive because it allows voters to simultaneously choose a party and a cabinet. It may lead to superior democratic performance, e.g. with respect to turnout (Tillman 2013).

Yet what authors like Shugart and Tillman neglect, is that the 'Alliance' vision of majority formation comes with normative costs of its own. Combining high proportionality with the competition of two comprehensive blocs is likely to be predicated on a low-dimensional structure of partisan preferences. Indeed, it is plausible to assume that when certain electoral systems (e.g. mixed-member proportional or PR with majority bonus) provide strong incentives for the formation of pre-electoral coalitions, they do so at least partly by reducing dimensionality. The constraining effect on dimensionality may be one of the causal mechanisms that make the kind of normative balancing envisioned by Shugart possible. As Christiansen and Damgaard (2008: 69) note for Scandinavia, for example: 'Pre-electoral coalitions limit individual parties from pursuing an electoral strategy with a clear policy profile, which may disengage the party faithful and also could cost voters for individual parties in the coalition.' As we have argued, the clear multidimensional differentiation of policy profiles is a distinct democratic value in its own right and an essential part of the vision of complex majoritarianism.

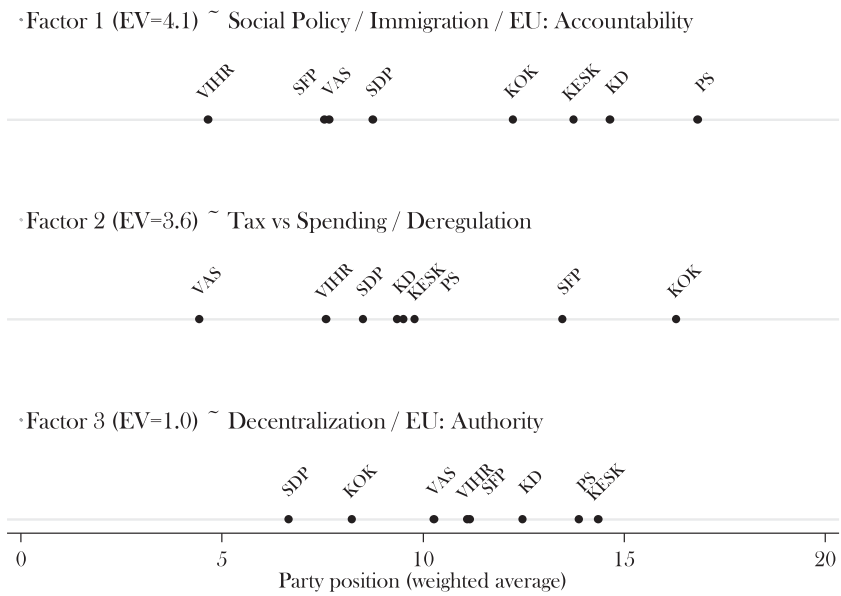
We can now see that majority formation at the third, cabinet formation, stage is also a balanced vision of parliamentary democracy (Figure 2). Parties eschew the formation of pre-electoral pacts (and anti-pacts), but build majority coalitions – either majority cabinets or minority cabinets with stable support

arrangements – directly after the election. This 'Cabinet' vision of majority formation can combine two goals of each polar vision of majoritarianism. Since parties form stable majority coalitions of veto players, they can achieve a high degree of joint responsibility for policy outcomes and high cabinet stability. And since the proportionally elected parties eschew pre-electoral pacts, they are free to differentiate their policy position in a clear and multidimensional manner.

Now, our argument is that the real-world case of Finland embodies many of the elements of the 'Cabinet' vision. Cabinet stability has been fairly high since the early 1980s (Raunio and Wiberg 2008: 588), and cabinets are majority coalitions that assume joint responsibility for the policies of the government. On the other hand, proportionality is also high (see above), and empirical studies show that Finland has one of the most multidimensional structures of party preferences in Western Europe. To illustrate the latter point, we rely on the Finnish expert survey in Benoit and Laver (2006), although we postpone a systematic comparative analysis until the penultimate section. These authors estimated Finnish party positions on nine issues.[7] A factor analysis shows that the preferences on these issues can be reduced to three main dimensions (Benoit and Laver 2006: 178). Figure 3 illustrates these dimensions by displaying the weighted average of party positions on the most relevant constituent dimensions, with the weights being derived from the factor analysis.[8] The first dimension summarises parties' positions on questions of 'social liberalism' (e.g. same-sex marriage), immigration and 'EU authority', which have played an important role in the most recent Finnish election (Nurmi and Nurmi 2012: 235). The second dimension concerns economic left–right issues such as taxation and deregulation. The third dimension, which was also considered highly important by the experts, captures aspects of decentralisation and 'EU accountability'. Figure 3 reveals the extent to which parties' positions are multidimensional, i.e. not correlated across the dimensions. For example, the True Finns (PS) are very moderate on economic policy issues but most rightist on the other two dimensions, which contributed to their vote and seat gains in the 2011 election (Arter 2012; Nurmi and Nurmi 2012; Raunio 2012). On the left side of the spectrum, we see that each of the three left parties has the most leftist profile on one of the three dimensions, while being more moderate on others. This multidimensionality of preferences educates voters about their choices as well as giving them more freedom in expressing them. Note also that our quantitative description of Finland as multidimensional is corroborated by studies applying other methods (e.g. Bakker *et al*. 2010; Singh 2012) as well as by qualitative accounts (Arter 2009: 235).

We do not claim, of course, that all important features of Finnish politics are captured by our 'Cabinet' vision of majority formation. Most notably, there is still a strong tendency to build oversized coalitions, which is *not* a necessary element of this vision. What matters is that the legislative majority coalition (whether it is oversized or minimal winning) is not identifiable before the election, but commits to governing together on all issues after it. Oversized coalitions are not in conflict with this vision, but they do complicate things. It

FIGURE 3
MULTIDIMENSIONALITY IN FINLAND



Notes: EV refers to the Factor Eigenvalues of a principal components factor analyis (varimax-rotated loadings). We associate issues with a factor when they are fairly highly correlated with that factor (correlation coefficient of 0.5 or higher) and not similarly highly correlated with another factor. The average party positions are weighted by these coefficients. Party abbreviations: KD – Christian Democrats; KESK – Centre Party; KOK – Conservatives; PS – True Finns; SDP – Social Democrats; SFP – Swedish People's Party; VAS – Left Alliance; VIHR – Green League.
Source: Own analysis based on Benoit and Laver (2006).

may be possible for individual parties to leave the cabinet without requiring a new cabinet formation or election. In March 2014, for instance, the Left Alliance left the oversized cabinet (the one that had passed the electoral reform) over a conflict about the budget. This will be counted as 'cabinet instability' on some measures, but it also shows that parties do indeed have to take joint responsibility for the entire policy package of the cabinet as long as they are part of it. Since the Left Alliance could not accept the negotiated package of spending cuts and tax rises, it decided to leave. In contrast to the 'Law' vision of majority formation, it is not possible for a party to pick and choose.

Table 2 summarises our reasoning about tradeoffs in a condensed and stylised manner. We see no basis for arguing that the 'Alliance' vision of majority formation is more balanced than the 'Cabinet' vision. If anything, the latter is more balanced, as it combines two goals of each polar extreme. We must remember, though, that we, like Shugart (2001), have merely proposed a verbal *model* of the relevant normative tradeoffs. Such a model cannot be true or false, since it has to rely on simplifying assumptions and neglect a great deal of reality. The important questions are whether a model is consistent and

TABLE 2
NORMATIVE TRADEOFFS AND VISIONS OF DEMOCRACY

Visions of majoritarianism	**Simple**	←	→	**Complex**
	Party	Alliance	Cabinet	Law
Identifiability	+	+	–	–
Clear responsibility	+	+	+	–
Cabinet stability	+	+	+	–
Proportionality	–	+	+	+
Multidimensionality	–	–	+	+
Issue-specificity	–	–	–	+
Empirical examples	**Britain**	**Germany**	**Finland**	**Denmark**

Notes: + (–) means that the specified goal has a high (low) chance of being achieved in the respective model of majority formation.
Source: Own composition.

whether it is useful for answering specific research questions (see Clarke and Primo 2012). Our model is consistent in that it covers all main stages of majority formation and useful in that it aids our understanding of the Finnish case. It is a mistake, in our view, to believe that a system that sacrifices the goal of identifiability is automatically unbalanced and subject to reform pressures.

We have merely provided a theoretical *interpretation* of the Finnish case, though. We present no direct evidence that political actors view the normative tradeoffs as postulated in our model and that this view has guided their actions. Providing this direct evidence was not our ambition. Our goal was rather to use the alleged Finnish puzzle to gain general insights about the tradeoffs in democratic design and develop new hypotheses for more systematic comparative analysis. In line with this goal, the next section will put the Finnish case in comparative perspective.

The Tradeoff between Identifiability and Dimensionality

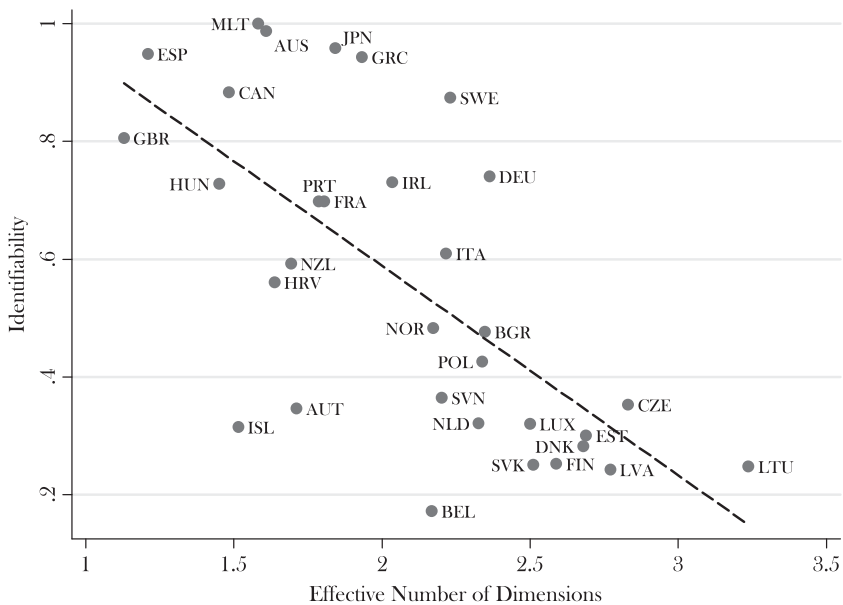
Our verbal model of the normative tradeoffs in democratic design implies that there is a strong tradeoff between the goals of *identifiability* and *unconstrained multidimensionality*. Indeed, highlighting this potential tradeoff is one major insight provided by our theoretical discussion. Arguments about the optimality of an 'Alliance' vision of majority formation like Shugart (2001) and Tillman (2013) neglect this potential tradeoff. In this section we want to provide some initial empirical evidence for its existence.

We measure identifiability as explained in the second section. To measure dimensionality, we again rely on the expert survey by Benoit and Laver (2006). We replicate this analysis and compute what we call the *effective number of dimensions*.[9] That is, we simply add up the number of factors identified by the analysis but weigh each factor with the size of its eigenvalues. Figure 4 shows the bivariate correlation between this measure of dimensionality and identifiability. It includes all democracies covered by Benoit and Laver's factor

analysis for which we could obtain data on identifiability (elections from 2001 to 2011).[10]

Figure 4 visualises the simple correlation between identifiability and multidimensionality. It suggests that there is a strong tradeoff between these two goals and that Finland does indeed gain something by sacrificing identifiability. But bivariate correlations can be deceptive. Maybe the relationship between dimensionality and identifiability reflects solely the disproportionality of an electoral system and the effective number of parties – rather than separate electoral incentives to build pre-electoral coalitions between these parties. A comparison of Figures 1 and 4 already suggests that this is unlikely: the correlation is much stronger for dimensionality than for proportionality. Table 3 shows the results of a more direct test. We regress identifiability on disproportionality (Gallagher 1991), the effective number of parliamentary parties (Laakso and Taagepera 1979) and the effective number of dimensions. The results show that all three variables are correlated with identifiability (models 1–3) and that the effective number of parties explains most of the variance in identifiability (model 2). What is crucial here is that the estimated 'effect' of disproportionality is not robust to the inclusion of the effective number of parties, whereas dimensionality is (models 4 and 5). Hence, while this is a simple and preliminary analysis, it supports the idea that there is a tradeoff between identifiability

FIGURE 4
IDENTIFIABILITY AND DIMENSIONALITY



Note: For the measures and data used, see text and note 2. The reported values are averages.

TABLE 3
OLS-REGRESSIONS, DEPENDENT VARIABLE IS IDENTIFIABILITY

	M1	M2	M3	M4	M5
Dimensionality	−0.365***			−0.184***	−0.182***
	(–6.60)			(–2.88)	(–2.81)
ENPP		−0.147***		−0.105***	−0.102***
		(–7.47)		(–5.59)	(–5.63)
Disproportionality			0.024***		0.003
			(3.16)		(0.44)
Constant	1.318***	1.131***	0.427***	1.350***	1.312***
	(9.98)	(13.49)	(6.53)	(12.24)	(8.72)
Observations	100	100	100	100	100
R^2	0.363	0.446	0.113	0.502	0.504
Adjusted R^2	0.357	0.441	0.104	0.492	0.488

t statistics in parentheses.
*$p < 0.1$; **$p < 0.05$; ***$p < 0.01$.
Note: For the data used, see note 2.

and dimensionality that is not fully mediated by the effective number of parties. As we suggested, if multiple parties succeed in forming two comprehensive blocs that compete for cabinet power, a likely side effect, or precondition, is a reduction of dimensionality.

One last point has to be considered. The results in Table 3 tell us nothing about the *direction* of causality. Our theoretical discussion has so far focused on the causal direction going from electoral institutions to dimensionality – and this is the assumption in the regression analysis. Yet we have to be attentive to the possibility that electoral institutions are also to some extent *endogenous* to the features of the party system. Colomer (2005) and others have made this argument with respect to the effective number of parties. The idea is that multiple parties may emerge regardless of the pre-existing electoral system but may *subsequently* facilitate the emergence, stability or extent of proportional representation. We believe that a similar argument might be developed for the dimensionality of party systems. That is, multidimensionality may develop to some extent *independently* from the electoral system – based on social and economic divides – but may subsequently influence the selection of electoral institutions that stabilise the pre-existing dimensionality of preferences. A country with a history of bipolarity may thus be more likely to adopt incentives for pre-electoral coalition formation than a country with a historical absence of such bipolarity, such as Finland.

This possibility poses no problems for our main argument. Indeed, we find it highly plausible that causality goes in both directions: from electoral institutions to dimensionality and the other way around. Neither we nor Shugart have claimed that 'normative balance' is the only consideration in electoral reforms. As argued by Colomer (2005), partisan self-interest is certainly of

major importance; and we find it plausible that partisan self-interest is influenced by pre-existing dimensionality. In a multidimensional system like that of Finland, each party might ask itself how a change towards a more one-dimensional, bipolar competition would affect its own interests. A party may be highly uncertain about the consequences of increased bipolarity, or it may fear adverse effects. For example, a party might gain bargaining power by having a pivotal (median) position on one of several dimensions. Another party (like the True Finns) may have an extreme position on some dimension that contributes to its electoral success. Both types of parties would have little reason to support an electoral reform that reduces dimensionality. If this sort of self-interest explanation does capture parts of the Finnish case (which is something we do not know and certainly have not shown), it would complement our 'normative balancing' explanation. Our main point is that, regardless of which explanatory approach one favours or whether one combines them, the Finnish case is not puzzling. Neither partisan self-interest nor normative inefficiency provided a strong stimulus for a major reform of the Finnish electoral system.

Conclusion

This article has taken up Shugart's idea that normatively 'balanced' designs of democracy may be less vulnerable to reform. We believe that this idea deserves further development and testing. As a modest contribution to its conceptual development, we have proposed a more complex tradeoff model and argued that the seemingly puzzling case of Finland is not normatively unbalanced. Finnish democracy does balance elements of simple and complex majoritarianism. Whilst the goal of identifiability is indeed sacrificed, something is gained in return: the unconstrained multidimensionality of partisan preferences. This, we have argued, is a central component of the ideal of complex majoritarianism and difficult to combine with high identifiability.

We see three main directions for future research. The first is to gather more in-depth case study evidence about the role that normative considerations have played in Finland and elsewhere. The second is to provide a fuller quantitative analysis of the normative tradeoffs assumed in our model of the four visions of majority formation. The third is to test the hypotheses about institutional stability and change that follow from our expanded tradeoff model. This model implies that a PR-based parliamentary system of minority cabinets and shifting majority coalitions in the legislature is relatively unbalanced and may thus be subject to reform pressures. The recent tendencies of Scandinavian parties to build pre-electoral alliances and more stable majority arrangements – which happened partly in response to changes in budgetary rules (Christiansen and Damgaard 2008: 64–7) – suggest that this hypothesis deserves systematic testing.

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Notes

1. For the sake of comparability with Shugart (2001), we use averages over all cabinets from 1970 to 1999 (we weigh those averages by cabinet duration). Shugart reports measures for 27 cases. We use 21 cases, excluding the presidential regimes and (due to data availability) Israel. Note that Shugart's indicator focuses on elections, whereas *blocgov* may vary between elections. When this is the case, we calculate averages for the entire legislative period and weigh the cabinets by their respective duration.
2. Our selection of countries and the time period is driven by our usage of the expert survey of Benoit and Laver (2006); see below. Our data covers 100 elections in all parliamentary and semi-presidential systems that are included in Benoit and Laver (2006) and ParlGov (Döring and Manow 2012).
3. Such systems do exist, however, most notably in Australia. For an analysis of their institutional logic, see Ganghof (2014b).
4. Elsewhere we analyse in more detail how the conceptual difference between simple and complex majoritarianism differs from Powell (2000) and how it relates to the contrast between parliamentary, presidential and mixed systems (see Ganghof 2014a, 2014b).
5. Note that while we use Tsebelis' term, we do not accept all of his claims. For a discussion of some problems and the application to Finland, see Ganghof (2006: 18–24, 103–9; 2011).
6. As Powell (2000: 60) emphasises, it also implies highly disciplined parties. But since we focus on pure parliamentary systems here, we can simplify the analysis by *assuming* party discipline. Note also that throughout the article we avoid the use of the term 'accountability'. A widespread view, often associated with Powell's work, is that identifiability and clarity of responsibility translate into 'accountability'. However, other authors argue that accountability may be highest when entry barriers for new parties are low, as is the case in a democracy with highly proportional and multidimensional party competition (McGann 2013).
7. Benoit and Laver (2006: 156) estimate positions on the policy dimensions that country experts had considered 'potentially important'. On average, there are nine dimensions per country.
8. Our 'replication' differs from Benoit and Laver (2006) in that we average the expert scores for each party and issue before we perform the factor analysis.
9. See also note 8.
10. See also note 2.

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