I

The Politics of Coalition in Europe

WHAT ARE THE POLITICS OF COALITION?

For most of Western Europe, the politics of coalition lie at the heart of the business of representative government. Every West European state has been governed by a coalition for at least some time this century; many have been governed by coalitions for most of this time. Even in European states such as Britain that have no tradition of coalition government, there have been a few quite explicit coalition governments as well as a number of minority governments that have had to hustle for 'outside' support in the legislature in order to remain in office.

The politics of coalition are even more pervasive, however, than the frequency of actual coalition governments in Europe might lead us to expect. The special forms of bargaining and negotiation that characterize the politics of coalition can be found after nearly every election that does not produce an unassailable 'winner' in the shape of a single party that controls a majority of the seats in the legislature. Even in this apparently cut-and-dried situation, it is not unknown for political parties to bargain and for a coalition administration to be formed. Leaving aside actual coalitions and minority governments, furthermore, the perspective of coalition bargaining is a useful one from which to view much of what goes on inside political parties. In the US two-party system, in which talk of executive coalitions is alien, the day-to-day business of politics is intimately concerned with the development, maintenance, and destruction of legislative coalitions, many of which show scant respect for formal party lines.

Coalition, therefore, is a general phenomenon with profound implications. In this book we resist the temptation to apply the perspective to every potentially interesting political interaction,

however, and concentrate on the politics of forming a government. In particular, we look at government formation in those constitutional systems, typical of Western Europe, in which the executive is sustained in office on the basis of winning key votes in the legislature. One special, theoretically trivial, and, in European terms, not particularly common type of case arises when one or other of two parties wins a legislative majority and takes office as a single-party government. Once we take account of the potential for party splits, of course, even two-party systems become potential coalition systems; they are certainly conditioned by the politics of coalition. We will not dwell long on two-party systems, despite all the bargaining that goes on within the parties in such cases. What concerns us is every other potential link between a legislature and an executive that must retain the support of the legislature if it is to continue to govern. It is the interaction between legislative and executive power when no one party wins a majority of seats that defines the subject matter of this book. This interaction, for us, is the essence of the politics of coalition in Europe.

THE POLITICS OF COALITION IN THE REAL WORLD

In order to get a feel for the real-world politics of coalition, consider events in Ireland between January and March 1987. A minority Fine Gael caretaker administration, led by Garret FitzGerald as Taoiseach (Prime Minister), was formed on 20 January 1987 after the collapse of a coalition between Fine Gael and Labour. Labour ministers had walked out after the failure of the coalition parties to agree on the shape of the 1987 Budget. The Labour Party, facing a catastrophic slump in its opinion poll ratings, had earlier made a categoric public commitment to enter no further coalition governments for the foreseeable future, save in the most exceptional of circumstances. Following Labour's withdrawal from office, an election was called for 17 February. Fianna Fáil was the main opposition party and fought the election, as it had often done in the past, on the issue of strong, single-party, majority government. Fianna Fáil refused absolutely, as it had always done in the past, to consider anything but governing alone and campaigned as the only party able to deliver the country from

'weak and indecisive' coalition government. As the results in Table 1.1 show, however, the election returned another 'hung' Dáil.

TABLE 1.1. Distribution of seats in Dáil Éireann, 10 March 1987

Party	*Seats*
Fianna Fáil	81
Fine Gael	51
Progressive Democrats	14
Labour Party	12
Workers' Party	4
Democratic Socialist Party	1
Independent Fianna Fáil	1
Tony Gregory (*left-wing independent*)	1
Sean Treacy (*ex-Labour centrist independent*)	1
TOTAL	166

When Fianna Fáil had last found itself in this position, in 1982, extended negotiations had taken place between the party leader Charles Haughey and representatives of the Workers' Party and the various independent deputies (TDs). These negotiations had resulted in the now infamous 'Gregory Deal' under which Tony Gregory, a left-wing independent TD representing Dublin Central, had extracted promises of major government expenditure on projects of interest to his constituents, in exchange for his legislative support of the Haughey administration. In February 1987 the mood of the times was different. Haughey, acting the role of Taoiseach-in-waiting, announced that there would be no deals, no compromises. Party spokesmen announced that the only alternative to a minority Fianna Fáil administration led by Charles J. Haughey was another election. While there was some public debate as to the constitutional accuracy of this claim, there were few who contested its political realism. Provided that Fianna Fáil remained rock-solid behind its leader, it was clear that they were in a very strong position to dictate the terms of the debate.

Most of the independents and small parties quickly made public declarations of their strategies. The Workers' Party, Labour and the Democratic Socialist Party announced that they would vote

against Haughey. Despite promises that had been made by Garret FitzGerald, in the hurly-burly of electoral defeat, to be helpful to a Fianna Fáil government that pursued the 'right' policies, and despite the fact that Fianna Fáil were effectively going to introduce a lightly edited version of the Fine Gael Budget, Fine Gael were assumed to be unlikely to pass up an opportunity to vote against the man disliked so much by so many of them. Neil Blaney of Independent Fianna Fáil was assumed to be a Haughey supporter, however much he might hold out for a deal. The independent Sean Treacy was also assumed to be a Haughey man. Tony Gregory steadfastly refused to declare his position and gave every impression of waiting for a deal or, in the language of the times, of waiting to be 'reassured' on certain matters.

This left Fianna Fáil with 83 votes out of 166. One of the 166 would have to be Ceann Comhairle (Chairman) of the Dáil and Haughey's opponents announced that it would not be one of them. The Fianna Fáil choice was independent Sean Treacy, who had done the job before. This left them with 82 votes out of 165 and a sympathetic Ceann Comhairle, whose casting vote would decide the issue in the event of a tie. On the morning before the vote, Fine Gael announced that they would vote against Haughey, which made 82 votes against him. Gregory still made no declaration and was still 'available for discussions'. His final statement to the press was that he was 'amazed' that Fianna Fáil might be taking his support for granted.

Fianna Fáil headquarters was put on a full election footing, there were no deals and the inauguration debate began. The outgoing Taoiseach, FitzGerald, brought two speeches into the chamber, knowing that he would only need one of them but having no real idea which it would be. After the more boring formal business was transacted and each of the main party leaders had been nominated as Taoiseach, Gregory rose to speak. He began by being very critical of Fianna Fáil but then, two thirds of the way through his speech, said that he felt that it was in the interests of those who had supported him in the election to give Haughey a chance. To whoops of delight from Fianna Fáil TDs and groans from the others, he announced that he was going to abstain. This meant that the vote on Haughey's nomination for Taoiseach was tied 82–82 and that Haughey therefore won on the casting vote of the Ceann Comhairle. A single-party, minority

Fianna Fáil government took office and, given the deep ideological divisions between the parties that opposed it, maintained a secure grip on power for over two years. The Irish newspaper, the *Sunday Tribune*, of 15 March 1987 best summed up the showdown between Haughey and Gregory: 'It was eyeball to eyeball and Gregory blinked.'

We make no apologies for recounting some of the finer details of this fascinating example of the politics of coalition so early in this book, for it illustrates many facets of the process with which we are concerned. We see, in the Irish Labour Party, a party paying a very heavy electoral price for participating in a government that enacted policies with severe consequences for its supporters. So catastrophically had Labour support slumped in the opinion polls as a result of this that the Labour leadership saw itself as having no choice but to leave the coalition and bring down the government. Only then could Labour fight the inevitable subsequent election on a policy platform that held out some hope of winning its old support back. Labour's plight shows quite clearly what happens when a gap opens up between the policies with which a party is associated when it is in government and those its voters want at election time.

We see, when we look at the strategic implications of the 1987 Irish election results, an example of the way in which the distribution of bargaining power produced by an election can be quite, quite different from the distribution of seats in the legislature. Fine Gael might have won fifty-one seats in the election and the Workers' Party only four, but the Workers' Party had just as much power as Fine Gael when it came to making or breaking a government.

This Irish case also provides some very clear examples of the way in which public bargaining commitments can tilt the balance of power in a particular situation. Most dramatically, the concentration of public attention on the 'pivotal' position of Tony Gregory, one of four single-vote actors in the game, arose solely because Gregory was the last to commit himself to a voting strategy. This was a position into which he had manoeuvered himself precisely in order to exert some leverage. It was one that backfired, of course, when his bluff was called.

Another interesting strategic facet of this Irish example concerns politics within political parties. The refusal of the other parties,

and in particular of Fine Gael and the Progressive Democrats, to vote for Haughey or even to abstain in the vote when neither clearly had any hope of forming a government itself, was a tactic designed to split Fianna Fáil. The hope was that dragging Fianna Fáil TDs who had just fought a gruelling election campaign to the precipice and forcing them to look over at what would happen in the event of a stand-off would frighten them into ditching Haughey and installing a leader more congenial to Fine Gael and the PDs. Fianna Fáil, clearly sensing this, held firm; we will never know what would have happened if there had indeed been a stand-off and Fianna Fáil TDs had been invited to follow their leader over the edge.

This particular case also highlights the impact of the precise formal rules of the coalition game. These rules deal, among many things, with what should happen in the event of a stalemate. They concern matters such as how a chairman should use his casting vote, whether an immediate election should be called if the legislature cannot agree on an executive, whether the President takes an active or merely a ceremonial role in government formation, and so on. Differences in these rules of the game might well throw up different governments in otherwise similar circumstances.

Finally, and very significantly, we see in this Irish example an episode of the politics of coalition that did not produce a coalition. Instead, the outcome was a relatively secure single-party minority government, an outcome that only becomes comprehensible once we take into account the policy differences dividing the opposition. Minority governments have been rather neglected by political scientists. With one or two notable exceptions they have tended to be treated as pathologies, as deviations from the 'norm' by which government parties control a majority of legislators. We will argue below, however, that minority governments in Europe are simply one among several perfectly 'normal' European manifestations of the politics of coalition.

Any other detailed example of the politics of coalition would have generated as rich and interesting a set of possibilities as this particular Irish case. Coalition is a fascinating political process. In order to allow ourselves to understand this process in a reasonably systematic manner, however, we must move beyond examples to look for general underlying patterns. This is the role

of theory, and 'coalition theory' is something that has interested political scientists for a number of years. It has developed within two broad traditions which are sketched out in the following section, after which we describe how we will set about looking at the most important facets of the politics of coalition. It is important to bear in mind, however, in the discussions that follow, that this does not set out to be a book on coalition theory. While we will use particular theoretical concerns to give a structure to our discussions, the heart of the matter, for us, will be real coalition bargaining. We will use examples wherever we can to illustrate this, and we hope that readers will be more inclined, when they are in doubt about something, to resort to the details of particular episodes of coalition bargaining than to the content of particular coalition theories. None the less, coalition theory is indubitably important, for without it we could not even begin to think about the problem.

TWO TRADITIONS IN COALITION STUDIES

Coalition government is an area of political activity which has been both the object of careful empirical analysis and the foundation for an elaborate superstructure of theory. The fact that coalitions are at the same time so important to those who are interested in European politics and so central to the understanding of bargaining in general has meant that the politics of coalition have typically been approached from at least two quite different directions at the same time. On the one hand there is the 'European politics' tradition; on the other, there is the 'game-theoretic' tradition.

The 'European Politics' Tradition

The study of European coalition governments comprises an obvious sub-field within the general study of European politics. It is an area of specialization within an increasingly self-confident body of academic work that we might think of as the 'European politics' tradition. This approach is best illustrated in the workshop sessions and research groups of the European Consortium for Political Research. It is reflected in the style of many of the

articles published in journals such as the *European Journal of Political Research*, *West European Politics*, and *Electoral Studies* and in the work of eminent European political scientists such as Arend Lijphart, Giovanni Sartori, Hans Daalder, Jean Blondel, and, perhaps above all, the late Stein Rokkan. This tradition pushed the study of European politics beyond the binding together of collections of single country studies within a single set of covers to the cross-national analysis of particular interesting components of the political process. 'Coalition government' has evolved as one of those components.

The European politics tradition is above all a tradition of empirical theory and research at a cross-national level. Coalition studies within this tradition, therefore, have been essentially empirical attempts to fit the experience of European coalition government to an inductive theory. This has meant that practitioners of this approach have tended to have few qualms about modifying their theoretical assumptions in search of a better fit with reality. In some ways this has been a rather incestuous process. There is, for example, really only one universe of data on European coalition governments—the set of governments that were actually formed. This is a universe which has by now been very thoroughly picked over. The original data on coalition governments were collected to test early coalition theories. As a result of these tests they were used to nurture new theories, theories which the same data were in turn used to test. This is not the fault of the practitioners, of course, for there only can possibly be one universe of European governments, typically confined to those that have been formed in the post-war period. New data can be added to this universe only with the passage of time, which means that the application of the normal scientific process, by which modifications to theories are tested on new data rather than reapplied to the data that gave birth to them in the first place, has proved to be a problem for coalition studies. (We might note here as an aside that the study of coalitions in local government is very much in its infancy. Local government coalitions, however, generate many more cases within a single political system, allowing variables such as political culture and party system to be controlled much more rigorously and above all providing a large, fresh database on which to test new theories. As yet, little has been done along these lines, but the potential of local coalition studies is clearly enormous.)

The fact that each empirically based coalition theory developed hitherto has addressed the same rather small fixed universe of post-war European governments means that it is far more sensible to assess the academic worth of such theories in heuristic terms, looking for the insights that they can give us into the coalitional process rather than for rigorous 'scientific' 'tests'. Notwithstanding this, there can be no doubt that the European politics tradition has provided us with an immense body of information about the politics of coalition, together with some occasional excellent examples of those unexpected insights into the political process which remind us that the practice of political science is a worthwhile activity.

The Game-Theoretic Tradition

The major alternative approach to analysing the politics of coalition has been that of game theory. Some game theorists, indeed, have argued that the coalition is one of game theory's most fundamental concepts, 'the only . . . one corresponding at least roughly to the anthropological or sociological concept of a group'.[1]

Early game-theoretic approaches, such as that to be found in the genuinely seminal *Theory of Political Coalitions* by William Riker,[2] tended to view the politics of coalition as a constant sum game played for the fixed prize of holding office. (In a constant sum game, everything that is 'won' by one actor must, because of the structure of the game, be 'lost' by another; the payoffs of all actors taken together thus always sum to a constant.) Payoffs tended to be denominated in cabinet seats. The politics of coalition was seen simply as a particular logical type of social interaction, one forcing a subset of the actors to strike a particular type of bargain with each other before they could 'win'. Coalition games could equally be played, and indeed often were played, by groups of paid graduate students winning payoffs denominated in dollars and cents.

European coalition governments, therefore, have by no means been an essential part of the enterprise of the game theorists; their theories could easily be tested on university campuses in the

United States. Most game theorists, however, thrill to the smell of the real political world. The possibility of providing an account of real government coalitions in a down-and-dirty real political environment has usually proved irresistible. In all of this, however, we should never lose sight of the fundamental objective of game theorists. They are motivated by the desire to elaborate upon a particular body of theory. The interpretation of European coalition bargaining helps them to do this, but it is a means, not an end. They are, when push comes to shove, interested in game theory rather than in government coalitions.

The Two Traditions Grow Apart

While two academic traditions have been busy studying different aspects of the coalitional process, an intellectual tragedy has been developing. The European politics and game-theoretic approaches are by now so far apart in their styles of analysis that they have almost nothing to contribute to one another. This tragedy has developed by accident, in large part a product of the fact that most of the game-theoretic work has been conducted by people working in the United States and expressing themselves in a mathematical notation that is incomprehensible to nearly all European politics specialists. Furthermore, as the sub-field has developed, its notation has become more cryptic, often referring back to earlier work and thereby requiring an increasingly arduous initiation process for the neophyte. This has had the practical consequence that European politics specialists have effectively cut themselves loose from the game-theoretic approach, increasingly and understandably treating it, because they cannot understand it, as irrelevant to their interests. On the other side of the Atlantic, as the solution concepts developed by game theorists have become more powerful, there has been a tendency for them to 'let go' of the real world of European coalition government, except when this can be operationalized neatly in terms of the concepts at issue. This growing apart of the two traditions is a tragedy that has recently become especially apparent as game theorists increasingly acknowledge the theoretical importance of particular institutional details of the coalition formation process, together with all sorts of other empirical matters that have long been the concern of the European politics people. It more and more seems

to be the case that both groups of scholars are talking about almost precisely the same thing but that they are simply using different languages to do so.

PLAN OF CAMPAIGN

The gap between the two traditions is by now almost certainly too big to be bridged by a single book. It is our intention, however, to begin building the bridge with this book. In other work we plan to build from the game-theoretic tradition. In the present book we build primarily from the European politics tradition, treating the politics of coalition as a crucial theme for cross-national research and relying for the most part upon empirical and inductive arguments. Our main intention is to review and consolidate the existing body of work on the politics of coalition, and to set it in a more comprehensive context, recognizing that coalition formation is a fundamental part of the process of democratic government in most Western societies. While we approach the study of government coalitions primarily from the perspective of European politics, this does not mean that we take the easy way out when it comes to theory. We also evaluate the usefulness of the main strands of game-theoretic coalition theory, setting out to provide a non-technical introduction to this important field to European politics specialists, who increasingly need to know about it.

We did not intend, when we started to write this book, to present new data or new theory, since one of the problems of coalition studies is that there is already more than enough of both to go around. However, we have been unable to resist the temptation to engage in a little new theorizing from time to time. Our main purpose, nevertheless, remains to marshal the existing body of theory and research on government coalitions in Western Europe, much of it of quite excellent quality.

We deal with a rather simple agenda of basic concerns. We begin by looking at the actors who play the coalition game. Traditional game theory has viewed political parties as unitary actors, a matter of assumption rather than an empirical statement and an assumption, what is more, that has often aroused the scorn of the European politics people. We review the empirical evidence

on this assumption and consider the theoretical implications of violating it.

We move on to consider the stakes for which the coalition game is played. While early formal theories concentrated solely on the battle for control of the cabinet, viewed as a prize in and for itself, almost everyone now agrees that policy payoffs are also important. They disagree, of course, on how to deal with policy in theoretical terms, while a considerable body of data on the policy preferences of coalition actors has now been built up within the European politics tradition.

Having established who is playing the game and what they are playing for, we move on in Chapter 4 to look at how the game is won. In this chapter we throw away the idea that 'winning' means having a majority of the seats in the legislature, working with the notion of a 'viable' government rather than a majority one. This allows us to bring the study of minority governments into the mainstream of political science, rather than treating these very common phenomena as deviant cases, as many have done up until now.

Once we have established the identity and the motivations of the players and the rules of the game that they are playing, we look at the process of coalition formation, the focus of most existing studies of the politics of coalition. Obviously, who, precisely, gets into government and how, precisely, this is related to past and future elections is a matter of vital concern to all who are interested in representative democracy.

After a coalition has formed, the next question concerns whether it will stay formed: the question of cabinet duration. This is of considerable practical political significance, since many of those who attack coalition government (often those who also criticize electoral systems based on proportional representation) treat coalitions as inherently unstable. A moment's perusal of the evidence shows this to be untrue, but a consideration of the processes that lead coalitions to break up is one of the least developed and most interesting areas of the entire field of study.

We will have considered the stakes for which the coalition game is being played earlier in the analysis. We now look at the related matter of coalition payoffs. Accounts of the coalitional process are inevitably predicated upon assumptions about what the actors are playing for. When we analyse the distribution of payoffs, we find

out who were the winners and who the losers. This is another fundamental question, since many casual critiques of the politics of coalition charge it with being perverse, with rewarding the 'wrong' people (be they tiny centre parties, hard-line extremists, or whoever), and with thereby in some sense being undemocratic.

Finally, we look at the effect of the particular constraints on coalition bargaining that can be found in each political system. Each has a different written constitution, a different set of historical conventions and precedents, and all of these things can have profound effects on the final outcome. Sometimes the constraints can be so restrictive, for example, that only one coalition is viable. (Such was the case with the Irish example elaborated above.) This is the item on our agenda at which the essential concerns of the European politics tradition (which spends a lot of time on the particularities of a given system) are approaching those of the game-theoretic tradition (which is increasingly aware of the role of particular institutional factors in bargaining).

Notwithstanding everything that has gone before by way of an intellectual justification for our enterprise, however, it is a simple fact of political life that coalition lies at the very heart of European politics. In this crude but important sense, our book needs no further justification.