14

Coordination failures and realignments

Since V.O. Key's seminal work in the 1950s, the study of critical realignments has formed an important part of American political studies.[1] Definitions of what critical realignments are vary from author to author but certain features recur in the literature: First, there are "short-lived but very intense disruptions of traditional patterns of voting behavior" in which "large blocks of the active electorate ... shift their partisan allegiance"; second, there are disruptions of "the party nominating and platform-writing machinery," leading to "transformations in the internal loci of power in the major party most heavily affected by the pressures of realignment"; and third, there are "transformations in large clusters of policy" (Burnham 1970:6, 7, 9). Critical realignments thus feature abrupt changes in voting, nominating, and policy-making strategy on the part of elites and voters.

The most dramatic examples of realignment entail the disintegration of a major party. When the Whig party fell apart in the 1850s and was rapidly replaced by the Republican party, large numbers of voters and politicians switched their allegiance, with profound consequences for the nation's politics. When the Liberal party in the United Kingdom fell apart in the 1920s and was rapidly replaced by Labour, again large numbers of voters and politicians switched their allegiance, and again the consequences for the nation's politics were profound.

The abruptness of the change in voter and elite strategies in these cases, and the patterned nature of the changes – with virtually all former Whigs going either into the new Republican or the reconstituted Democratic party, for example – indicates the element of coordination in realignment politics. As soon as a sufficient mass of erstwhile Whigs have announced their intention to form a new party, the rest are presented with a choice of joining the new party or joining the evolving

[1]See Key (1955). For an introduction to the subsequent literature, see e.g. Burnham (1970), Brady (1988), and the cites therein.

Democrats. Any attempt to continue the Whig party is doomed, in the short run at least, to failure; it is little better than launching a third party.

Viewing realignments as outcomes of electoral coordination games may provide a theoretical framework within which to analyze these phenomenona, a framework that has repeatedly been proclaimed absent in the literature itself. In this chapter, I do not have the space to develop all the implications that might follow from such a view. Instead, I shall focus on just one, relatively neglected, aspect of the realignment phenomenon: failure.

Battles for the heart and soul of a party, and even a party system, may occur at any time. But the agents of change in these battles need not always be successful. Realignments can fail.

This point might seem obvious but it is not one that is stressed in the traditional literature on realignment, which focuses almost exclusively on successful realignments. Nor would it necessarily follow if one thought of realignments as simply "big" changes of policy. There is nothing in the standard multidimensional spatial model, for example, that suggests that changing policy is particularly difficult, costly, or prone to failure. Indeed, changes of policy are usually taken to entail no transactions costs at all, and the central problem that spatial theory highlights is not that attempts to change policy might fail but that they might succeed, leading to instability (cf. McKelvey 1976; Schofield 1978).

In this chapter I assume that realignment projects are costly not just in the sense that they must be researched, negotiated, and publicized, but also in the sense that they entail costs if they fail. I focus on how alterations in the costs of failure affect the timing and size of realignments (Section 14.1). I then provide an extended discussion of one particular failed coordination project, David Lloyd George's attempt to reinvent British politics in the period from 1910 to 1930 (Section 14.2). The discussion has two main themes: First, Lloyd George seemed thoroughly to understand the logic of the coordination problem that faced him; second, although he had arguably identified a profitable realignment of British politics and was supremely well-positioned to publicize the main elements of his scheme, he failed: Coordination is not easy.

In the third section, I consider how the costs of Lloyd George's failure ramified into the constituencies. This relates to one of the key points raised in the first section, that the costs of coordination failure are greater in strong than in weak electoral systems. Section 14.4 concludes.

14.1 REALIGNMENT AND THE COSTS OF FAILURE

Realignment projects require that a large number of politicians and voters change their behavior in a coordinated fashion. Take as an example the project of constructing a new major party in an SMSP system in

which party A currently holds a majority and runs the government. If only a few politicians and voters bolt from A, then they do not bring down the government and are just another third party, too small to do any damage. If a somewhat larger group bolts from A, they may be able to throw the next election to the other major party, B. The pain of electoral defeat may convince A to accommodate their policy interests, but that is not clear and the immediate impact of dissent is simply to benefit B. If an even larger group bolts from A, A may fall apart, making the new party viable on its own. It may even be able to win the next election and immediately implement the new policies that it desires. Thus, potential dissidents do reasonably well by not bolting at all, do better if they bolt *en masse* and succeed in convincing the rest of the party to adapt to their action, but do poorly if they fall somewhere in-between, launching a dissent that is large enough to hurt but not large enough to succeed. In realignment projects, as in coordination games in general, half measures yield poor payoffs.

The higher are the anticipated costs of coordination failures, the harder it should be to realign a system, because the high costs of failure mean that prospective changers must be more certain that enough others will also be changing, before they are willing to take the plunge themselves.[2] One should thus expect realignments to be less frequent in high-cost systems. High perceived costs of realignment also ensure that any realignments that do come will be more consequential. This is merely as a consequence of selection bias: Political agents will be willing to risk the high costs of coordination only for realignments that really bring large changes. So the realignments in a system with high costs of coordination failure will be "bigger" than the realignments in a system with lower costs of failure.

When will the costs of coordination failure be high? Suppose that one accepts the following premise: (P) Other things equal, the stronger an electoral system is, the higher are the costs of coordination failure under that system. The idea here is that failures under strong electoral systems entail, quite regularly, a significant loss of legislative seats, while failures under more proportional electoral systems do not. If the Left party or coalition splits in two (at the national level) in an SMSP system, then the split ramifies through all the constituencies and redounds considerably to the benefit of the Right (think of the Labour-SDP/Liberal split in the United Kingdom). If the Left splits in a high-magnitude PR system, then each part may end up winning just as many seats as it had formerly. The

[2]A Hobbesian view of *regime* change takes the costs of coordination failure (a visit to the state of nature) to be quite high; and so the recommendation is to stick with the current order rather than risk transiting to another. Cf. Hardin (1991).

split may incur a cost in lost portfolios, but these costs can arise just as much under SMSP systems.

Thus, elites who seek to realign politics in a strong electoral system must get voters into the act from the beginning. If they do not, if voters vote sincerely rather than strategically after elites make their moves, then seats will be lost, at least in the short term. In contrast, elites acting under proportional electoral rules can contemplate the prospect of sincere voting with relative equanimity. Their seats are not at stake.[3]

If one accepts the premise (P), then one should expect realignments in stronger electoral systems to be *less frequent* and *more consequential.* These conclusions fit with the stylized picture of realignment presented in the U.S. case (and reviewed in the introduction to this chapter): Voter allegiances change abruptly simply because voters have to be brought into any realignment in a strong electoral system; elite competition for control of nominations increases abruptly because of the importance of focalness in strong systems and the scarcity of viable labels; finally, "transformations in large clusters of policy" occur because realignments can typically be pushed through successfully in stronger systems only when the payoffs are large enough.

Whether the approach sketched here can shed light on the nature of realignment battles in other systems, so that a truly comparative study of realignment politics is possible, I do not know. Nor do I propose to pursue that project here. My present aim is much more modest: to investigate a particular case of failed coordination in a strong electoral system, with an eye to assessing the plausibility of the theoretical account given above. Did the elites pushing the coordination project see it as a coordination problem or act as if they did? Did the failure of the project entail significant loss of seats in the constituencies? Sections 14.2 and 14.3 take up these questions in the context of the fall of the Liberals in the United Kingdom.

14.2 LLOYD GEORGE AND THE COLLAPSE OF THE LIBERALS IN THE 1920s

David Lloyd George was a British politician of the first importance in the opening decades of the twentieth century. As Chancellor of the Exchequer (1908–1915), he presided over budgets that played an impor-

[3]More precisely, they are not at risk of losing their seats *due to strategic voting.* Elites who break off from a pre-existing party may of course find that it is difficult to overcome habitual voting patterns. That is, voters who truly prefer the dissidents and would vote for them were they fully informed, may not realize who has bolted the party, and thus continue supporting the old label. This threat to realignment projects exists under any electoral system, however.

tant role both in introducing the welfare state to Britain and in provoking a watershed constitutional crisis with the House of Lords (culminating in two successive general elections in 1910 and the Parliament Act of 1911). As prime minister (1916–1922) he vigorously prosecuted the war, in the process splitting his own party (the Liberals) and facilitating its replacement by Labour as the second major party in Britain. It is the latter role that I shall emphasize here.[4]

There is of course a vast literature focusing on the dramatic fall of the Liberal Party in Britain. How could a party that had won three consecutive general elections, been in sole possession of power from 1906 to 1915, and then held the prime ministership from 1915 to 1922, become a minor party by the early 1930s? There are answers aplenty, from those that emphasize the pressures that war put on the Liberal coalition (Wilson 1966), to those that emphasize the importance of the fourth Reform Act's expansion of the electorate (Matthew, McKibbin, and Kay 1976), to those that emphasize the lessening importance of the religious cleavage in British politics (Wald 1983). Here I consider Lloyd George's role, casting him as would-be heresthetician (Riker 1986) or focal arbiter (Schelling 1960).

Both these terms, heresthetician and focal arbiter, were coined as a way of dramatizing the possibility of manipulating the choice of equilibrium in coordination games. Focal arbiters are those that have a privileged communication position. They can, merely by publicizing the availability and popularity of a given alternative, make it the focal alternative upon which to coordinate, without actually changing anyone's preferences, only their perceptions of what is viable. Heresthetic ians "set up the situation in such a way that other people will want to join them – or will feel forced by circumstances to join them – even without any persuasion at all" (Riker 1986:ix).

Lloyd George's primary heresthetical project was to realign British politics along a socialist/antisocialist axis, especially if this could be done by creating a Centre Party of which he would be the chief. This was not his only idea for realignment (he flirted briefly with Labour as well) but it was a project he pursued intermittently from 1910 to 1923, a period spanning almost all his years in the front ranks of politics. His heresthetical maneuvers, consisting largely of attempts to manipulate his colleague's perceptions of the future viability of the Liberal party, form an important part of the story of the Liberals' decline.[5]

[4]I cannot claim any originality in the narrative that follows. Most of it is based on Wilson (1966), Cook (1984), and Searle (1992).

[5]I do not claim that Lloyd George's maneuvers were in some unproblematic sense the cause of the Liberal Party's demise: As will be seen, part of the argument is that he sought realignment on his own terms because he believed that realignment on some terms was inevitable.

Let me begin by discussing why Lloyd George might have anticipated a realignment of the old order. The answer, I believe, lies in his perceptions of the rise of socialism and Labour. By 1909 it was his view that "a split between Liberalism and Labour" had "destroyed Liberalism in Germany and elsewhere" (quoted in McLean 1987; Murray 1980:207). Assuming that Lloyd George was familiar with recent Australian political history, he would have known that politics there had realigned decisively away from a free-trade/protectionist axis and toward a socialist/antisocialist axis. This realignment, moreover, had occurred rapidly after independence in 1901, culminating in 1909 with the final dismemberment of the Protectionist Party and the subsequent formation of the Liberal Party (which was really an anti-Labour vehicle, rather than a proponent of classical liberalism).

In the United Kingdom, there were two approaches that the Liberals might have taken toward Labour. One approach, that they had been following since the 1880s, was to prevent Labour's rise by proactive advocacy of policies favorable to the working class (such as Asquith's Old Age Pension scheme in 1908) and by electoral cooperation with Labour against the Conservatives. Proactive advocacy stole some of Labour's thunder. Electoral cooperation deprived them of experience as an independent electoral force.

The traditional Liberal approach to managing the working class vote did not prevent the formation of the Labour Representation Committee in 1900, nor the election of Labour (as opposed to Lib-Lab) MPs in 1906. If one entertained the thought that Labour would eventually grow so strong that politics in the United Kingdom would realign in reaction, as it had in Australia, then the option of "managing" the labor movement by judicious concessions, while maintaining essentially liberal principles, might have begun to appear thoroughly chimerical. There were certainly some objective indicators of Labour's rise with which Lloyd George was probably familiar; and many of his actions are consistent with the notion that he sought to respond proactively to Labour's rise.

Consider first the objective indicators, of which Lloyd George (and others) may be presumed to have been aware. First, the number of trade unionists roughly doubled between 1914 and 1919. As very few opted out of the political levy that was part of their dues, this greatly enriched the Labour party, which was flush with funds by 1918 (Searle 1992:137). Second, a natural part of the Labour voting coalition, the Irish working class, had voted Liberal as long as the Liberals were the best hope for Irish Home Rule. After the onset of war pushed Home Rule off the political agenda, moderate Irish leaders were rapidly superseded by Sinn Fein and the independence movement. By the Easter Rebellion of 1916, it might have been clear that the Irish vote in England was no

longer tied firmly to the Liberal Party, and was therefore free to gravitate to Labour. In any event, "in many industrial constituencies after 1918 Labour successes owed much to the capture of the Irish vote" (Howard 1983:68). Third, by 1917 the wartime coalition government had agreed on a further expansion of the electorate, in time for an election in 1918. Matthew, McKibbin, and Kay (1976) have shown, using contemporary statistics, that a substantial portion of the working class stood to gain the vote in 1918. Although the political importance of this has been contested (see McKibbin 1990:66), what else could a politician at the time have thought, other than that it would help Labour?[6]

Consider next the sequence of attempts by Lloyd George to form a Conservative-Liberal coalition of one kind or another. As early as 1910, we find him publicly declaring that the old issues of politics were dead and secretly urging a grand coalition upon Balfour, the Conservative leader. The coalition's immediate purpose was to dispose of the troublesome Irish but it would also have left Labour out in the cold.[7]

With the onset of the war, one finds Lloyd George seeking an end to Herbert Asquith's Liberal government (of which he was a part) in favor of a coalition (cf. Wilson 1966:52-53). The Liberal government did fall in May 1915, when Bonar Law (the Conservative leader) presented Asquith with a choice between coalition and a frontal Conservative assault on the Liberal government. Bonar Law not only delivered his ultimatum with Lloyd George at his side but (according to Churchill) the latter threatened to resign if Asquith did not accept the proposal of coalition.

The coalition thus formed was not what Lloyd George had proposed in 1910, as it included Labour. And of course it was still headed by

[6]In addition to the growing strength of Labour, one might also point to the growing strains within the Liberal party. The gist of Wilson's (1966) argument is that the war necessitated policies, such as conscription and trade sanctions against Germany, that were anathema to voluntarist, free-trade liberals. The inevitable consequence was a division of opinion within the party, with some willing to sacrifice liberal principles to the efficient prosecution of the war, while others were not. It was not inevitable that this division of opinion should have turned into an organized split (as it did), but certainly the materials for such a split were at hand for the politician ready to use them.

[7]After the first of the two general elections held in 1910, the Irish Nationalists held the balance of power in the House of Commons. The price that they exacted from the Liberals in return for their support of the "People's Budget" was that Home Rule for Ireland be put on the political agenda again and that the way for its passage be cleared by removing the House of Lords' ability to veto legislation (a proposal that some Liberals favored, many others preferring merely a change in the Lords' composition). In the summer of 1910 the Liberals convened a constitutional conference (to which the Irish were not invited) and considered various proposals that would have entailed backing out of their deal with the Irish. In the course of the conference, Lloyd George secretly approached Balfour to propose a coalition. See Searle (1992:88–89).

Asquith, Lloyd George's senior in the Liberal party. His actions thereafter seem calculated to remedy both of these problems.

Take the issue of the leadership first. Wilson (1966:66) notes that "from early in its existence it was widely believed that Lloyd George intended to break up the government and seize the premiership himself." By December 1916 he had succeeded in this suspected intent and emerged as prime minister, supplanting Asquith.

Eight months later came Lloyd George's "foolish expulsion of Henderson [the key Labour Minister] in the so-called 'doormat incident'" (Searle 1992:126). Although this incident has been seen as rather abrupt and pointless, it did lead to Labour's eventual withdrawal from the coalition. Thus, Lloyd George had created by 1918 a version of the coalition he had proposed in 1910, with Asquithian Liberals, Labour, and the Irish in opposition.

Nor did Lloyd George stop at merely establishing the appropriate governing coalition. Although Asquith did not actively oppose the new coalition, apparently seeking to prevent an open split in the party, Lloyd George nonetheless proceeded to appoint his own whips in the Commons, to set up his own electoral headquarters in London, and to seek control of one of the major Liberal newspapers as his official mouthpiece (Wilson 1966:106, 112, 113). By mid-July 1918 the notion of an electoral alliance between the Coalition Liberals and their Conservative allies was canvassed in a memorandum to Lloyd George from his chief whip, and this initiative in due course resulted in the (in)famous Coupon Election of December 1918. Letters of endorsement, known as coupons, were sent out over the signature of Lloyd George and Bonar Law to selected Liberals and Conservatives. The result was a crushing defeat for the Asquithian Liberals and (to a lesser extent) Labour, and an overwhelming victory for the coalition candidates.

When the new parliament met, in February 1919, the Asquithian Liberals and the Coalition Liberals, after a brief and unsuccessful attempt at reconciliation (in which Lloyd George played no role), set up separate parliamentary groups. This parliamentary break ramified into the constituencies when Lloyd George sought to turn his electoral alliance into a new Centre Party. Evidence of his intent came first in by-elections, where he continued to oppose Asquithians in favor of Conservative and Coalition Liberal candidates. As Wilson (1966:193) describes it:

> Such conduct could have only one objective: a final severance from the Liberal party and the 'fusion' of Coalition Liberals with Conservatives. Churchill gave warning of what was afoot when on 16 July 1919 he publicly advocated the formation of a Centre party, arguing that 'no deep division of principle' now separated the two wings of the coalition. He was recognised as speaking for Lloyd

George as well as himself, for he had spent the previous week-end with the prime minister, and in his speech he made the first public reference to Lloyd George's Centre party scheme of 1910, which he would scarcely have done without the Premier's consent. Shortly after, Lloyd George began sounding his Liberal colleagues on the subject of 'forming a new progressive party' ('Liberalism,' he warned them, 'has no future'). And in the months between December 1919 and March 1920 he set about launching his new party.

His first move was a speech at Manchester on 6 December 1919. It ... consisted largely of a fierce attack on Labour and condemnation of 'socialism' ...

Lloyd George's next step was to get the consent of the two wings of the coalition to fusion. The Conservatives looked easy, for their leaders had signified their agreement, and the rank and file had given no warning of hostility. But the Coalition Liberals were plainly more difficult .... He spent a good deal of January and February 1920 urging the scheme on Liberal members of the government ....

Lloyd George's strategy in convincing his colleagues was a canny one, full of heresthetical appeal, and calculated to leave his followers no better choice than to do what he wished them to. Here I shall discuss his attempt to manage perceptions of the political situation both in the large and in the small.

Lloyd George had a clear two-pronged strategy in manipulating perceptions of the lay of the political land. The first component of the strategy was to activate the socialism/antisocialism cleavage. He pursued this strategy not only in the Manchester speech cited above but as early as his final election address in 1918, in which he likened the Labour leaders to the Bolsheviks. The second, and complementary, component of his global strategy was to proclaim the death of Liberalism. This was something he had articulated as early as January of 1918, and many times thereafter (Wilson 1966:149). The joint effect of these pronouncements was clearly to underline that the most important choice lay between socialism and antisocialism and that the Liberal party was not viable as an antisocialist vehicle. Such pronouncements, moreover, had a self-fulfilling character to them in that, if his audience believed his analysis of the drift of events, then they really were left with only one viable political strategy: Antisocialist Liberals, even if they really cared more about the old issues that separated them from the Conservatives, should follow Lloyd George into a permanent alliance with the Conservatives. The alternative was to be left irrelevant and impotent.

At a smaller level of detail, Lloyd George pursued a similar coordination strategy. It was his intent to meet on March 18th with the Liberal rank and file and push for a decision to fuse with the Conservatives. Before that meeting, however, he wished to secure the support of those holding ministerial appointments, and then lead these gentlemen into the

meeting. This of course would be a classic ploy in coordinating expectations among the backbenchers. The appearance would be that most if not all of the Coalition Liberals were planning to go along with Lloyd George, which appearance would, if believed, increase the number who would find it in their interests to go along.

Despite his carefully laid plans, however, Lloyd George was not able to convince his ministerialists to join the Conservatives, and thus was not able to lead a unified body into the March 18th meeting with his backbenchers. The reason seems to be that he was ahead of his time, and could not convince his colleagues of his two global premises – that Labour's advance was inevitable, that Liberalism was dead. In any event, the result was that he backed off pushing for fusion at the meeting on March 18th, lacking his solid phalanx of ministerialists. Thanks to a leak to the *Times,* there was a fairly complete account of his failure.

Lloyd George never again came so close to achieving the kind of coalition after which he strove. But he did not give up. Instead his proposals became increasingly contingent on electoral reform. Here too he seems to have missed his chance.

In 1918, when Lloyd George was still prime minister, a Speaker's Conference had unanimously recommended that Britain switch to some version of proportional representation (PR). While not actively hostile to the proposal, Lloyd George gave it little time in the government's agenda and certainly did not push it, with the consequence that the proposal died. His inaction at this time makes sense when one remembers that he was at that time actively pursuing fusion with the Conservatives which, if successful, would have left it in his best interest to preserve the plurality system.

After fusion with the Conservatives had failed, however, Lloyd George increasingly discovered the charms of electoral reform. One incident that illustrates this progression occurred during the Cabinet crisis of March 1922, shortly before Lloyd George's fall from the Premiership. Sir Alfred Mond, one of Lloyd George's closest associates, had a report prepared on PR on his own initiative.

> News of this report leaked out early to the press, which used it to support rumours of the formulation of a new centre party – a union of a body of Liberals with the non-die-hard Conservatives; electoral reform, it was suggested, was a prerequisite to such a party's success. The idea was explored on 1 and 3 March in the *Daily Chronicle,* at the time reputed to be a semi-official mouthpiece of Mr. Lloyd George. But the flurry came to nothing (Butler 1953:42).

Soon thereafter, Lloyd George's coalition with the Conservatives fell apart, prompting an election in late 1922. Afterwards, Lloyd George

found himself both out of office and leading a much-reduced band of Coalition Liberals. It was only at this point that reconciliation with the Asquithian branch of the party seems to have become attractive. But even after such a reconciliation had been patched together in 1923, one still finds Lloyd George pursuing coalition with the Conservatives in November of that year (Cook 1984:92). He did not become a full-fledged advocate of PR until 1924, by which time he must finally have given up hopes of achieving his Centre Party ideal.

The narrative account just given cannot do justice to the twists and turns of Lloyd George's policy and no doubt paints a clearer picture than was visible at the time. Nonetheless, the outlines of the picture are pretty clear.

Did Lloyd George seek a realignment? He floated the idea of a coalition with the Conservatives as early as 1910. Wilson (1966) opines that he was after fusion from the early years of the war, and in any event it was clearly a full-time preoccupation in 1919–20, and intermittently thereafter.

Did he have reasons to seek a realignment? The growth of trade unionism, the situation in Ireland, and the expansion of the electorate all suggested an Australian outcome.

Was his strategy for securing a favorable realignment heresthetical? Every element of his strategy was thoroughly top-down, as if he perceived the situation as a vast coordination game in which larger players could present smaller players with *faits accomplis,* leaving them no better strategy than to join new forces. Thus, he attempted to lead his ministers into fusion first, with their aid to lead the backbenchers, and to let things in the constituencies sort themselves out later. In addition, his strategy at the elite level was not so much persuasion as coordination. He sought to manipulate his colleagues' perceptions of the objective forces at work in the polity, arguing that the real choice they faced was between joining Labour and joining the Conservatives, rather than to persuade them on given policy issues one way or the other (although deemphasizing policy differences with the Conservatives was a part of his strategy).

14.3 NATIONAL COORDINATION AND THE CONSTITUENCIES

The possibility of realignment can arise in any polity. In strong electoral systems, however, realignments must involve coordination both at the national level, in choosing governments, and at the district level, in choosing legislators. In this section, I continue the discussion of Lloyd

George's realignment project by considering how its failure affected events in the constituencies.

Lloyd George's strategy was not entirely a matter of high politics, even if as shown above it was thoroughly top-down. He took the trouble, for example, to amass a very sizable and notorious fund, largely by selling honors while prime minister (Searle 1992), and this of course was quite useful in financing candidates and organization in the constituencies. In this section, I shall not concentrate on his direct attempts to influence the constituencies. Instead, I consider how his strategy of pursuing alliance with the Conservatives, especially as it played out in the Coupon Election of 1918, affected the ability of Labour to establish its viability (and thereby to impugn the Liberals' viability) in the constituencies.

The argument is fairly simple. In 1918 there were entirely new constituencies and a greatly expanded electorate going to the polls for the first time. This produced a substantial amount of uncertainty. Although Labour had been only a minor electoral force before the war, one could be less sure that it was obviously out of the running in the new world of 1918 than one might have been in the old world of 1910 (the date of the last election with the old districts and electorate). The situation was thus favorable for a previously small party to make a move.

In addition to the increased uncertainty of the first postwar election, Labour also disposed of greatly increased funds, thanks to the growth of union membership and the political levy. Labour accordingly was able to increase the number of constituencies it contested sevenfold, fielding 361 candidates all told (versus 56 in 1910). This was an important contributor to the more than tripling of Labour's national vote share, from 6.4% in 1910 to 20.8% in 1918.

In this context, Lloyd George's strategy of bestowing a coupon upon some Liberals and not others produced a substantial and essentially permanent contraction in the number of districts in which Liberal candidates appeared viable, and a substantial and essentially permanent increase in the number of districts in which Labour appeared viable. The broad outlines of this change in the London boroughs can be seen in Figure 14.1, which graphs the percentage of London districts in which the Liberals (respectively, Labour) finished either first or second.

Before the war, the percentage of all districts in which the Liberals fielded viable candidates (those finishing first or second) was about 90%. In the election of 1910 in London, the figure was 93%. In contrast, Labour prior to the war was a minor force restricted to a handful of districts. In London, a relatively favorable area, Labour was viable in only 7 districts (12%) in 1910, and in 3 of these there were Lib-Lab (jointly endorsed) candidates.

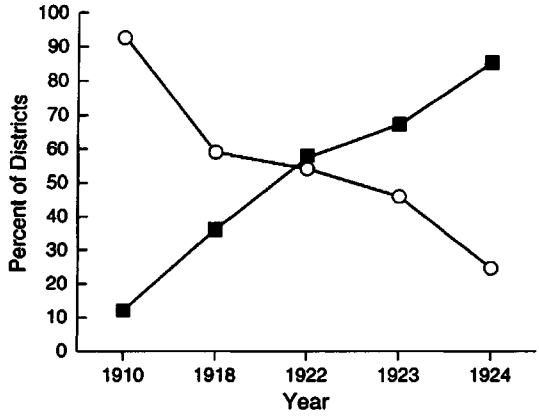

Figure 14.1. The battle of London

The situation in 1918 was starkly different. The Coalition Liberals refrained from running candidates in all but 159 districts, in return for the Conservatives' withdrawal in those districts. But the Asquithian Liberals did not have the funds to contest all of the districts left without a Coalition Liberal. Thus, a substantial number of districts had either no Liberal at all or only a weak one. In London, the Liberals fielded viable candidates in only 36 districts, 59% of the total. This represented a drop of fully 34 percentage points from their 1910 figure of 93%. Meanwhile, Labour fielded viable candidates in 22 districts (36%), of whom none were Lib-Labs. They thus tripled the percentage of districts in which they might be perceived as viable.

As Figure 14.1 shows, the Liberal fall and the Labour rise continued after 1918. By 1924, an election at which the Liberals had great difficulty funding candidates, the Liberals and Labour have essentially switched places in terms of the percentage of London districts in which each is viable.

These figures suggest the importance of getting off to a good early start. Another way to suggest the point is to look at how the subsequent electoral history of each London district relates to the result in 1918. The Liberals won 15 London districts in 1918; in one of these (6.7%) their subsequent fate was disastrous: They never again did better than third place. The comparable percentages in districts in which the Liberals finished second, finished below second, and failed to field any candidate were, respectively, 43.8%, 53.9%, and 76.5%.

Presumably, these figures line up in the way they do in part because Lloyd George chose to withdraw from districts in which he thought the

Liberals were weak in any event, and to insist on a coupon for one of his followers in districts in which he thought the Liberals were strong. But such predictions could rapidly become self-fulfilling. By not fielding a candidate at all, or a weak one, the Liberals gave Labour a chance to post a good showing. Voters whose primary goal was to stop the Conservatives then saw Labour as the best vehicle to that end, while voters whose primary goal was to stop Labour fled to the Conservatives. Lloyd George's rhetoric, which highlighted the fight against socialism, was of course likely to increase the percentage of the electorate that fell into one of the two categories described above, hence to accelerate the process of Liberal dismemberment.

Finally, it should also be noted that the uncertainty of electoral politics in the early 1920s was ideal for the translation of national into local viability, along the lines suggested by Leys (1959) and in Chapter 10. Given the newness of the district lines and the electorate, and the flux in the number and names of the parties competing in the districts, many districts must have been hard to handicap with much confidence. The decision by Asquith in 1924 to let Labour form a minority government lent credibility to Labour as the second viable party of government. But voters who saw a national contest between Labour and the Conservatives for control of parliament, and an unclear free-for-all in their own districts, in which a Conservative-Labour tie was at least as likely as any other, would have been led to vote for either Labour or the Conservatives, even if they preferred the Liberals. From this perspective, Asquith's decision, which has often been second-guessed, looks to have been a poor one.

14.4 CONCLUSION

In the context of the perennial debate about great leaders and their impact on history, the notion of a coordination game is an intriguing one. The key feature of such a game is that there are multiple possible equilibria and that which one is chosen depends crucially on which one people expect to be chosen. Moreover, the more people there are who act in accord with a given equilibrium (e.g., that the two major parties are Labour and the Conservatives), the more it is in the interest of others to act in accord with that equilibrium. The consequence of these two features is that manipulating expectations – something that great leaders, with their bully pulpits, are in a position to do – can powerfully affect the course of events, leading to fairly rapid and important changes in regime.

Nonetheless, even with all the advantages of focalness, realignments are not easy to bring about, and there are costs to failure. In strong elec-

toral systems, the costs of failed coordination are particularly high. This very fact makes it harder to realign such systems, simply because people fear the costs. It also means that any realignments that do occur are more consequential, purely as a selection phenomenon: Only really important issues can force realignments in stronger systems, whereas smaller issues can motivate realignments in proportional systems.

The narrative presented in this chapter can be read as a case study of the costs of forming a new coalition in a strong electoral system. Lloyd George hoped that he could engineer a new equilibrium, with a center party of which he was the chief ruling the country. In order to push the project along he had to convince one and all that the old Liberal party was no longer viable. He convinced some people, but not others, and not all at the same time. And that missed timing was enough to turn into substantial coordination costs in a large and growing number of constituencies, eventually leading to the demise of the party and the project.