GOVERNMENT FORMATION and DISSOLUTION (Part 1)

I. **The Centrality of the "Politics of Coalition"**
   A. Single party majority government is relatively rare in democracy, esp. in PR systems
   B. Within parliamentary systems, even legislative majority for 1 party does not really abrogate "politics of coalition"
      1. Single party government more often minority than majority
      2. Potential alternative governments (perhaps coalitions) remain in background for next time even when majority exists now
      3. Even in single-party government systems, more often than not "politics of coalition" plays out within party, amongst its factions (Japan's LDP, e.g.)
   C. Even in presidential systems, one can think of day-to-day politics of assembling a majority behind individual pieces of legislation as repeated plays of coalition politics
   D. Once formed, a government is continually subject to parliament's ability to unseat it–more politics of coalition
   E. The conduct of policy-making in democracy is virtually all about the forming & maintaining of coalitions
II. **Two Central Questions Regarding the Politics of Coalition:**
   A. **The partisan composition of government & the allocation of cabinet ministries therein**
   B. **Durability / instability of governments**
III. Executive Stability (Powell, ch. 7)
   A. **Powell** has already established two important facts about executive performance for us
      1. Constitutional factors dominate in the explanation of executive performance (ch. 2-4)
         a. Presidential systems ==> durable, but often minority, governments
         b. Majoritarian Parliamentary systems ==> durable, usually majority, governments
         c. Representative Parliamentary systems ==> unstable, occasionally minority, governments
      2. Presence of strong extremist parties is the key feature of representative parliamentary systems that produces these "negative" executive-performance outcomes (ch. 5)
   B. **Summary so far: That social-structural factors work *through* these constitutional & party-systemic factors has been demonstrated & accounts for the relative weakness of social-structural factors *per se* in explaining executive performance, now fill in remaining link which is type of governments formed by these party systems operating in these constitutional & socio-structural environments.**
   C. The Arguments:
      1. **Parties' Motivations are Two-fold (notice already that parties are being treated as unitary actors)**
         a. **Desire to participate in & control (current) policy-making**
            (1) This is both for **intrinsic ("policy-seeking")** reasons–parties care about what policies are made–and
            (2) for **instrumental ("office-seeking")** reasons–parties & party members wish to remain in government (this requires voter support which presumably depends on policies)

    b.   Parties are also motivated by considerations of the ramifications of current actions for future ability to participate (esp. the future electoral ramifications)

2. What sorts of governments will form then?

    a. This implies that parties will tend to form governments which...

        (1) ...are as small as possible to maximize seats/party for spoils & influence reasons

        (2) ...contain as little ideological dissension possible so as to make policies as close to their ideal as possible

        (3) ...have sufficient parliamentary support to pass necessary initiatives

        (4) These goals will often conflict, but knowing them will also often suffice for us to make sound predictions of what sorts of governments will form & endure

3. Evidence on Government Formation

    a. Rule #1: When a single-party majority can form it will

        (1) 23/25 such cases (1965-75) follow the rule

        (2) The two that didn't were "oversized" governments formed after a strong pre-electoral alliance produced a surprise majority for one of the allies

    b. Neither "Oversize" & "Minority" governments are terribly rare, which is partially explained by...

    c. Rule #2: Coalitions are usually formed of ideologically "connected" parties

        (1) addition of a connecting party to a potentially separated coalition lowers the average ideological distance between parties in government & thereby perhaps facilitates compromise

        (2) lessens the degree to which the separated parties are seen (by its members & electoral supporters) as moving from their ideals in joining the coalition

        (3) [parties between can add legis. support to coalition w/o requiring much/any further policy-compromise]

        (4) however, adding any party, intermediate or not, does require a further division of the spoils]

    d. Rule #3: Where "Minimum-Winning-Connected-Coalition" Governments possible, they are usually formed

    e. Rule #4: Non-majority governments & non-minimum-winning-connected governments are formed most frequently where extremist party support is high (>15%)

4. Legislative Circumstances behind certain types of Minority Government

    a. "Crisis Caretakers": Intense conflict among polarized major players ==> passive minority government as temporary measure (Powell calls these "caretakers" but the term can be misleading; it has narrower meaning in some contexts.)

    b. "Pre-election" minorities: often formed after an election in which a system that usually produces single-party majorities fails to produce one. The larger of the two holds office (assumed temporarily) while new elections are prepared which is assumed will fix the situation. If not, the minority government typically will try to serve a term with outside support

    c. "Active Minority Government": minority party or coalition secures outside

support from other legislative groups: these vary in formality (tacit agreement to written, detailed agreements) & in fixity (same outside support all the time to potentially different set of supporting parties each time a law is passed)

     5. Typical Government Duration by Government Type:

       a. Expectations:

         (1) Single-party-majority most durable, the minimum-winning-connected

         (2) Over-sized & unconnected governments should be less durable

         (3) Minority governments should not be terribly durable; among these caretakers least durable, pre-election a bit more durable, & externally-supported most durable

       b. Evidence:

         (1) SPMajG most durable, MWC not much less durable, externally-supported Min can be reasonably durable, all others less durable, esp. crisis caretakers

         (2) Surprisingly, though, over-sized coalitions were least stable of the bunch

       c. Figure 7.2 summarizes Powell's schematic view; strong extremist presence again key factor

  D. Comparing Presidential & Parliamentary Governments

     1. Presidential systems all have durable executives relatively independent of party system & political & social environment, but executive frequently lacks legislative majority ("divided government" common to pres. systems, not a uniquely US phenom.)

     2. Presidential systems associated with "weaker" parties (less unitary actors) perhaps precisely because the party can vote against the executive without risking its dissolution

     3. Weak party discipline, however, is what makes executive remaining in power w/o a legislative majority feasible

     4. At the same time, it means presidents do not enjoy anything like the degree of legislative control that PM's do

     5. If anything, separated powers work to require more complex negotiations between executives & legislatures, esp. since these will usually have different electoral constituencies (President national, Legislators sub-national)

IV. Building & Maintaining (Parliamentary) Government (GLM ch. 12)

  A. The Party Composition of Governments

     1. [Always keep in mind from here on out that...] elections are still paramount in that they determine the legislative weight of the party actors in the government-formation drama

     2. Politicians motivated by some combination of (a) "fame & power" & (b) desire to influence public policy, & these lead to different implications in government formation

       a. Pure office-seeking motivation leads to minimum-winning logic: don't share seats any more ways than you have to ==> oversized governments are a puzzle from this perspective

       b. Pure policy-seeking motivation leads to ideological-compatibility consideration ==> median-party govt

      c. Combination of these motivations suggests:
          (1) Minimum-winning-connected (Axelrod)
          (2) Minimum-ideological-range-winning (de Swaan)

B. Minority (and oversize) governments are not at all uncommon in parliamentary systems so any reasonable coalition theory must explain them, all reasonable such theories seem to rely on policy motivation of parties

   1. Minority Governments, Hypotheses:

      a. Strom: as ability of parties to influence policy from opposition increases, frequency of minority government should increase [Figure (mine): data strongly supports–n.b. the Opposition Influence measure used here comes from Laver & Hunt, not from Strom, so helps his case]

      b. Luebbert: increased role of interest groups & organizations outside parliament (esp. corporatist-type policy-making) decreases necessity of being in government to influence policy so should increase minority governments–might explain Scandinavia, but what of Germany, Austria, & Italy? Need multivariate analysis to consider this

      c. Laver & Shepsle: increased policy divisions among opponents leads to a decreased ability to form an alternative government which should enable minority-government formation–especially centrist governments can do this–we'll see this argument up close later as we go through Laver & Shepsle

   2. Oversized Governments, Hypotheses:

      a. Governments of "national unity": several of the observed over-sized governments appear immediately postwar, only occasionally after that & then usually short-lived & appear in crises

      b. Policy agenda in some situations may require super-majorities (Belgium notable in this regard) not all apparently oversized governments are really surplus then

      c. Laver & Shepsle: extra parties may be included for signals they send [to whom?] about govt's policy stance

      d. Luebbert: dominant party(s) in coalition may want surplus minor parties so no one smaller-party ally is a "veto actor"

      e. [surplus governments may be especially likely when a minimum-winning coalition bridges a smaller intermediate party because little further policy-compromise would be necessary to increase the legislative strength of government. May add to Luebbert's argument in particular]

      f. [party discipline? Surpluses in Italy, e.g., may have stemmed from need of extra "insurance" support]

   3. Some examples of government formation

      a. Figure 12-1: Ireland after the January 1993 election (minimum-winning)

      b. Figure 12-2: Sweden after the October 1991 election (minority coalition)

      c. Figure 12-3: Italy after the July 1987 election (surplus majority)

C. The Allocation of Cabinet Portfolios

   1. Cabinet government:

      a. Cabinet serves as central committee for decision-making: by time bills referred from cabinet to parliament for full-parliamentary votes, it's a done deal. In fact,

most decisions do not require direct legislative assent.

    b. Vote of confidence theoretically gives parliament control of cabinet, & ultimately it does, but only if parliament willing to risk govt collapse over the issue in question ==> much latitude to cabinet members, esp. within their department competence (more on this in L&S)

    c. Two questions: how many seats to each party? & which portfolios to which parties?

  2. How many seats allocated to each party?

    a. Proportional to share of legislative majority: 90% of the variation in party share of cabinet seats is explained by party share of the government's legislative majority (e.g., Govt has 40 seats in parl, party Y has 10 ==> party Y gets 1/4 of cab. seats).

    b. One of strongest empirical relationships in polysci even though it's not constitutionally required anywhere

  3. Which seats to which parties?

    a. Tendency for median party on each policy dimension represented by a department to get that portfolio

    b. Tendency for parties most centrally interested in that policy dimension to get that portfolio

    c. Cabinet ministers are agenda-setters in their policy area & have considerable latitude in policy-making

      (1) thus who gets what is central to the policy position of the government & its likely policy outputs

      (2) thus cabinet reshuffles more important than often realized

      (3) thus ideological positions of cabinet ministers are perhaps the only credible signals of government's policy stance in that policy area

      (4) thus shifts of power within parties can fundamentally impact the relations between parties

D. The Stability of Parliamentary Governments

  1. What exactly counts as a change of government is not universally agreed. Issues:

    a. Agreed that change in partisan composition of cabinet is a change in govt & that change of PM is change of govt.

    b. Not quite all agree that every govt forming after an election is a change in govt even if the same make-up as before

    c. Nor do all agree that if govt resigns & then is reformed with same PM & party make-up, that this is a new govt

    d. Still, such ambiguity is not so common that it makes tremendous difference. It makes some difference, but not so much that we cannot proceed from here

  2. Explaining Duration: Three sets of factors

    a. Features of Government Itself

      (1) Number of parties in the government (fractionalization)

      (2) Ideological distance between parties in government (polarization)

      (3) Majority/Minority status of government

    b. Features of the Political Environment

(1) Party System: Larger, more diverse party systems reduce government duration because smaller shocks can change what coalition is an equilibrium

(2) Other factors? [Powell: extremist party support]

    c. Shocks, events, & external circumstances [journalistic accounts invariably focus on these] (Warwick's work)

      (1) Worsening economic conditions, esp. unemployment

      (2) Unemployment especially bad for ctr-right; inflation especially bad for socialist-led

    d. [N.b. the difference between journalism/"politics" & "political science": political science is not interested in specific circumstances & events that bring down specific governments, but systematic features which make governments more or less stable in general. Analogy: not interest in what particular spark caused some specific fire but what conditions make fires more likely.]

GOVERNMENT FORMATION and DISSOLUTION (Part 1) (P ch. 7; L&E pp. 240-6; GLM ch. 12; L&S pt. I)

V. The "Politics of Coalition" is central to parliamentary democracy especially but also, more abstractly, to all democracy

VI.   Two Central Questions Regarding the Politics of Coalition:

    A. The partisan composition of government & the allocation of cabinet ministries therein

    B. Durability / instability of governments

VII.   Executive Stability (Powell, ch. 7)

    A. Powell has already established that constitutional factors, esp. presidential v. majoritarian parliamentary v. representative parliamentary systems, dominate in the explanation of executive performance (ch. 2-4). Presence of strong extremist parties also a key feature (ch 5).

    B. Summary so far: That social-structural factors work *through* these constitutional & party-systemic factors has been demonstrated & accounts for the relative weakness of social-structural factors *per se* in explaining executive performance, now fill in remaining link which is type of governments formed by these party systems operating in these constitutional & socio-structural environments.

    C. Parties' Motivations are to participate in & control (current) policy-making

      1. This is both for intrinsic ("policy-seeking") reasons–parties care about what policies are made–and

      2. for instrumental ("office-seeking") reasons–parties & party members wish to remain in government

      3. Parties are also motivated by considerations of the ramifications of current actions for future ability to participate (esp. the future electoral ramifications), so the two are not necessarily so much in conflict

      4. This implies that parties will tend to form governments which...

        a. ...are as small as possible to maximize seats/party for spoils & influence reasons

        b. ...contain as little ideological dissension possible so as to make policies as close to their ideal as possible

   c. ...have sufficient parliamentary support to pass necessary initiatives

  D. Evidence on Government Formation

   1. Rule #1: When a single-party majority can form it will

   2. Rule #2: Coalitions are usually formed of ideologically "connected" parties [at least 3 reasons]

   3. Rule #3: Where "Minimum-Winning & Connected-Coalition" Governments possible, they are usually formed

   4. Rule #4: Non-majority governments & non-minimum-winning-and-connected governments are formed most frequently where extremist party support is high (>15%)

  E. Expectations of Government Duration by Government Type:

   1. Single-party-majority most durable, the minimum-winning-connected

   2. Over-sized & unconnected governments should be less durable

   3. Minority governments should not be terribly durable; among these caretakers least durable, pre-election a bit more durable, & externally-supported most durable

   4. Evidence: only surprise is that over-sized coalitions were least stable of the bunch

   5. Figure 7.2 summarizes Powell's schematic view; strong extremist presence again key factor

  F. Comparing Presidential & Parliamentary Governments

   1. Presidential systems all have durable executives relatively independent of party system & political & social environment, but executive frequently lacks legislative majority ("divided government" common to pres. systems, not a uniquely US phenom.)

   2. Presidential systems associated with "weaker" parties (less unitary actors) perhaps precisely because the party can vote against the executive without risking its dissolution

   3. Weak party discipline, however, is what makes executive remaining in power w/o a legislative majority feasible

   4. At the same time, it means presidents do not enjoy anything like the degree of legislative control that PM's do

   5. If anything, separated powers work to require more complex negotiations between executives & legislatures, esp. since these will usually have different electoral constituencies (President national, Legislators sub-national)

VIII. Building & Maintaining (Parliamentary) Government (GLM ch. 12)

  A. The Party Composition of Governments

   1. Pure office-seeking motivation leads to minimum-winning logic (Riker)

   2. Pure policy-seeking motivation leads to ideological-compatibility considerations

   3. Combination of these motivations suggests:

    a. Minimum-connected coalitions that win (Axelrod)

    b. Minimum-ideological-range coalitions that win (de Swaan)

  B. Minority (and oversize) governments are not at all uncommon, so any reasonable coalition theory must explain them

   1. Minority Governments, Hypotheses:

    a. Strom: as ability of parties to influence policy from opposition increases,

frequency of minority government should increase [Figure (mine): data strongly supports]

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  a. Governments of "national unity": appear in "crises" (usually short-lived)

  b. Policy agenda may require super-majorities (e.g., Belgium) not all apparently oversized governments are really "surplus"

  c. Laver & Shepsle: extra parties may be included for signals they send [to whom?] about govt's policy stance

  d. Luebbert: dominant party(s) in coalition may want surplus minor parties so no one smaller-party ally is a "veto actor"

  e. [surplus governments may be especially likely when a minimum-winning coalitions bridge smaller intermediate parties because little further policy-compromise would be necessary to increase the legislative strength of government.]

  f. [party discipline? Surpluses in Italy, e.g., may have stemmed from need of extra "insurance" support]

C. Explicit definition of the different single-dimensional government-formation concepts & some examples

 1. From my notes below [revised from the previous notes]

 2. From GLM ch. 12:

  a. Figure 12-1: Ireland after the January 1993 election (minimum-winning)

  b. Figure 12-2: Sweden after the October 1991 election (minority coalition)

  c. Figure 12-3: Italy after the July 1987 election (surplus majority)

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  b. Vote of confidence theoretically gives parliament control of cabinet, & ultimately it does, but only if parliament willing to risk govt collapse over the issue in question ==> much latitude to cabinet members, esp. within their department competence

  c. Two questions: how many seats to each party? & which portfolios to which parties?

 2. How many seats allocated to each party?

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cab. seats).
- b. One of strongest empirical relationships in political science even though it's not constitutionally required anywhere
- 3. Which seats to which parties?
    - a. Tendency for median party on each policy dimension represented by a department to get that portfolio
    - b. Tendency for parties most centrally interested in that policy dimension to get that portfolio
    - c. Cabinet ministers are agenda-setters in their policy area & have considerable latitude in policy-making
        - (1) thus who gets what is central to the policy position of the government & its likely policy outputs
        - (2) thus cabinet reshuffles more important than often realized
        - (3) thus ideological positions / policy-position reputations of cabinet ministers are one of few, perhaps only, credible signal of government's policy stance in that policy area
        - (4) thus shifts of power within parties can fundamentally impact the relations between parties
- IX. The Stability of Parliamentary Governments (What exactly counts as a change of government is not universally agreed. Still, such ambiguity is not so common that it makes tremendous difference. It makes some difference, but not so much that we cannot proceed from here)
    - A. Explaining Duration: Three sets of factors
        - 1. Features of Government Itself
            - a. Number of parties in the government (fractionalization)
            - b. Ideological distance between parties in government (polarization)
            - c. Majority/Minority status of government
        - 2. Features of the Political Environment
            - a. Party System: Larger, more diverse party systems reduce government duration because smaller shocks can change what coalition is an equilibrium
            - b. Electoral volatility: for a given party-system structure, greater electoral volatility means larger typical shocks to parties' support
            - c. Other factors? [Powell: extremist party support]
        - 3. Shocks, events, & external circumstances [journalistic accounts invariably focus on these] (Warwick's work)
            - a. Worsening economic conditions, esp. unemployment
            - b. Unemployment especially bad for ctr-right; inflation especially bad for socialist-led
    - B. Evidence: from King, Alt, Burns, & Laver

Single-Dimensional Coalition-Formation Concepts

Definitions:

Minimum Winning Coalition: a coalition whose member parties control a parliamentary majority & which contains no party which is unnecessary to do so; i.e., a coalition

obtaining a majority without any "surplus" parties. Need not be minimum-connected winning coalition or minimum-ideological-range winning coalition.

Minimum-Connected Winning Coalition: a coalition whose member parties are ideologically adjacent, without ideologically intervening parties that are not also in the coalition, & which contains no strict subset of parties which are sufficient for a majority. Need not be a minimum winning coalition, but will be a minimum-ideological-range winning coalition.

Minimum-Ideological-Range Winning Coalition: a coalition whose member parties obtain a majority without containing any other majority within its left-to-right span. I.e., a coalition that spans no more ideological space, left-to-right, than necessary for majority. Need not be a minimum winning coalition or a minimum-connected winning coalition.

Single-Dimensional Coalition-Formation Concepts:

Examples from the German Parliaments (*Bundestagen*) Elected in 1994 & 1998

1994 Partisan Composition of the German Bundestag Left to Right						1998 Partisan Composition of the German Bundestag Left to Right				
PARTY	**L/R IDEOL.**		**SEATS**	**PERCENT**		**PARTY**	**L/R IDEOL.**		**SEATS**	**PERCENT**
PDS	3.3025		30	4.5%		PDS	3.3025		36	5.4%
Greens	4.055		49	7.3%		Greens	4.055		47	7.0%
SPD	6.605		252	37.5%		SPD	6.605		298	44.5%
FDP	11.26		47	7.0%		FDP	11.26		43	6.4%
CDU/CSU	13.975		294	43.8%		CDU/CSU	13.975		245	36.6%
TOTAL			**672**	**100.0%**		**TOTAL**			**669**	**100.0%**

Minimum Winning Coalitions (Need 337):				Minimum Winning Coalitions (Need 335):		
CDU/CSU + FDP	*341*	*50.74%*		*SPD + Greens*	*345*	*51.57%*
CDU/CSU + SPD	546	81.25%		SPD + FDP	341	50.97%
CDU/CSU + Greens	343	51.04%		SPD + CDU/CSU	543	81.17%
SPD + Greens + FDP	348	51.79%		CDU/CSU+FDP+Greens	335	50.07%
n.b. PDS is a "dummy party"				n.b. PDS is a "dummy party"		

Minimum-Connected Winning (Need 337):				Minimum-Connected Winning (Need 335):		
CDU/CSU + FDP	*341*	*50.74%*		*SPD + Greens*	*345*	*51.57%*
SPD + Greens + FDP	348	51.79%		SPD + FDP	341	50.97%

Notes:

Both of the minimum-connected winning coalitions are also minimum winning coalitions in this case.

This does not have to be so. If, for example, PDS were between the greens and SPD, then:

In 1994: Greens + PDS + SPD +FDP would be minimum connected winning but not both MWC and MCW

This would leave only CDU/CSU + FDP as both MWC and MCW

In 1998: Greens + PDS + SPD would be minimum connected winning but not both MWC and MCW

This would leave only SPD + FDP as both MWC and MCW

Minimum-Ideological-Range Winning (Need 337):					Minimum-Ideological-Range Winning (Need 335):			
Range					Range			
2.715	*CDU/CSU + FDP*	*341*	*50.74%*		*2.55*	*SPD + Greens*	*345*	*51.57%*
7.205	SPD + Greens + FDP	348	51.79%		4.655	SPD + FDP	341	50.97%

The following are not Minimum Ideological Range Winning Coalitions because they span one or the other coalitions above, but it may nonetheless be informative to note that these two minimum winning coalitions span greater ideological range than the above two.

7.37	CDU/CSU + SPD	546	81.25%		7.37	SPD + CDU/CSU	543	81.17%
9.92	CDU/CSU + Greens	343	51.04%		9.92	CDU/CSU+FDP+Greens	335	50.07%

Notes:

It is possible to construct examples where the minimum ideological-range winning coalitions are not minimum winning coalitions.

It's, also possible to construct examples where minimum ideological-range winning coalitions are not minimum connected-winning.

The only necessary logical connection is that all minimum connected winning are also minimum ideological range winning. The opposite is not true. E.g., imagine 2 new parties, A&B, between SPD&Greens in 1998. Also imagine PDS and its 5.4% of the seats split among A&B. Then the following coalitions are minimum-ideological-range winning:

SPD + Greens	SPD + B + Greens
SPD + A + Greens	SPD + A + B + Greens

Of these 4, only SPD + Greens is minimum winning, and only SPD + A + B + Greens is minimum connected winning, but it is still impossible to draw any minimum connected winning coalitions that is not also minimum ideological range winning.

<u>Final Example</u>: A hypothetical Germany with parties arrayed left-to-right thus:

PDS — Greens — SPD — A — B — FDP — CDU/CSU — R

and with seats allocated thus:

1.4% — 7.0% — 44.5%—2.0%—1.0%— 6.4% — 36.62% — 1%

Minimum Winning Coalitions (*MWC*): (Riker)

Greens + SPD (also *MCC* & *MIRC*)
SPD + FDP (not *MCC* but *MIRC*)
SPD + CDU (neither *MCC* nor *MIRC*)
CDU/CSU + FDP + Greens (neither *MCC* nor *MIRC*)

Dummy Parties: PDS, A, B, R

Minimum Connected Coalitions that Win (*MCC*): (Axelrod)

Greens—SPD (also *MWC* & *MIRC*)
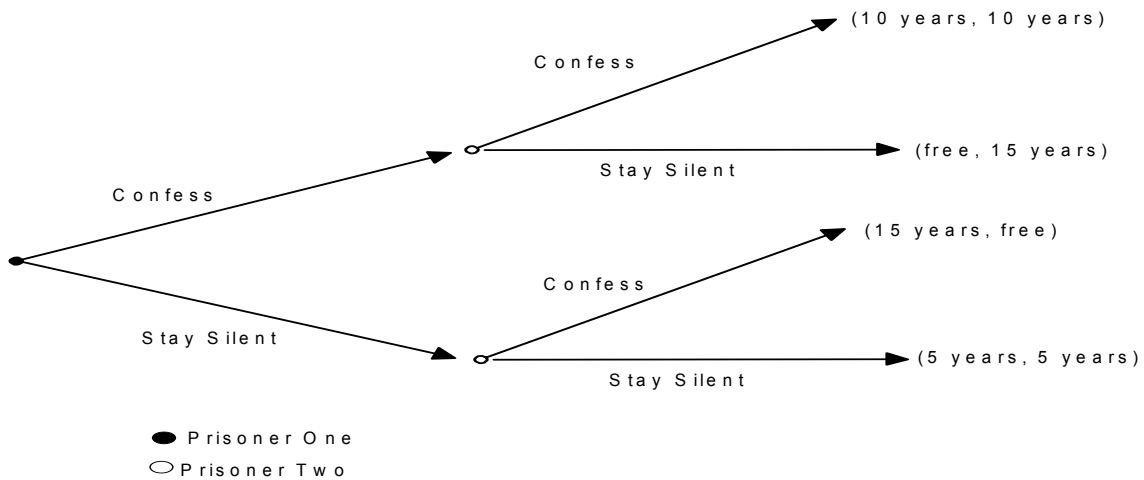SPD—A—B—FDP (not *MWC* but *MIRC*)

Dummy Parties: PDS, R

Minimum Ideological Range Coalitions that Win (*MIRC*): (de Swaan)

Greens—SPD (also *MWC* & *MCC*)
SPD—FDP (also *MWC* but not *MCC*)
SPD—A—FDP (neither *MWC* nor *MCC*)
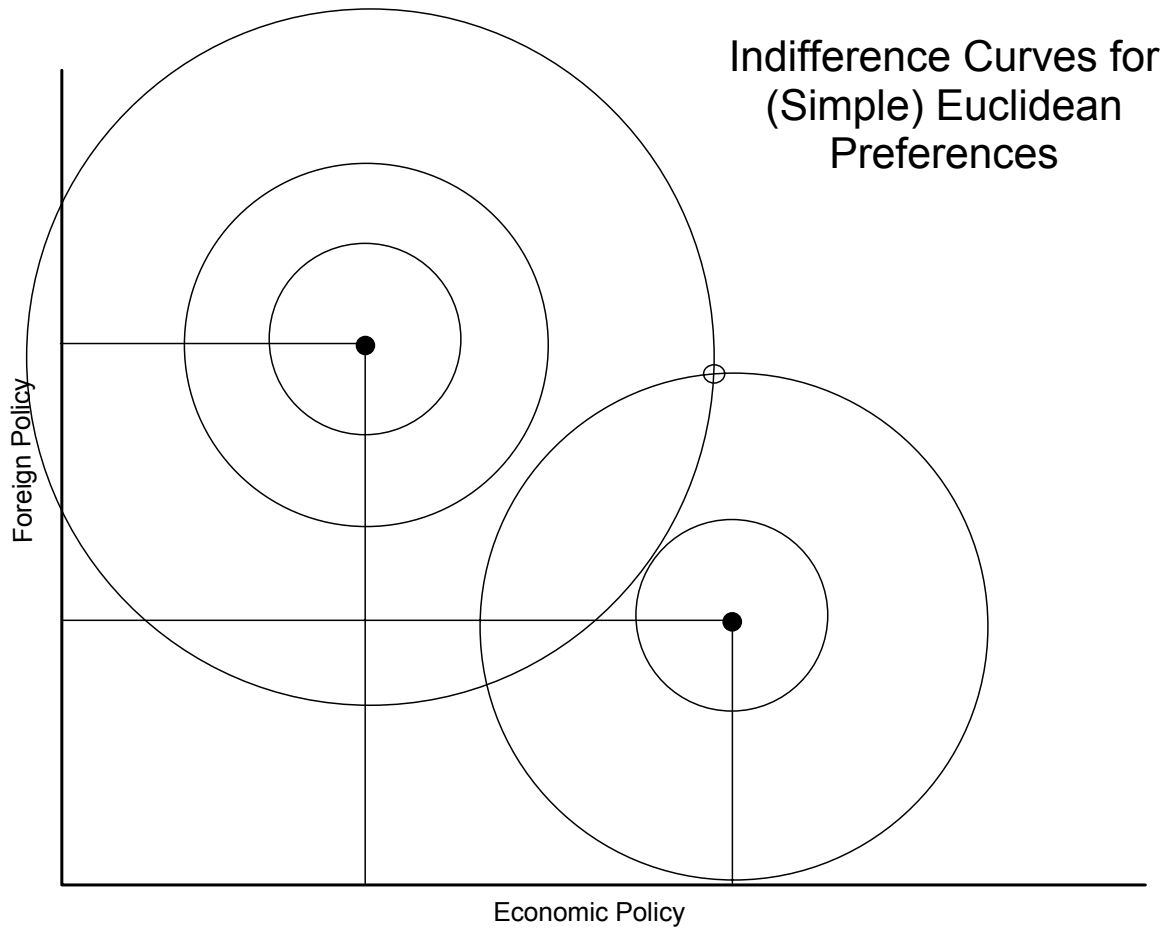SPD—B—FDP (neither *MWC* nor *MCC*)
SPD—A—B—FDP (not *MWC* but *MCC*)

Dummy Parties: PDS, R

What's a "game tree"?

T h e   P r i s o n e r s '   D i l e m m a

(10 years, 10 years)

Confess

(free, 15 years)

Stay Silent

Confess

(15 years, free)

Confess

Stay Silent

(5 years, 5 years)

Stay Silent

● Prisoner One
○ Prisoner Two

Indifference Curves for (Simple) Euclidean Preferences

Foreign Policy

Economic Policy

Given Laver & Shepsle's assumptions (party discipline, ministerial discretion, separable preferences, etc.)
How do we represent the set of possible governments?

The Lattice of Possible 2-Ministry Coalitions in an Arbitrary 5-Party System

AE	CE	DE	BE	**EE**
AA	CA	DA	BA	EA
AD	CD	**DD**	BD	ED
AB	CB	DB	**BB**	EB
AC	**CC**	DC	BC	EC

Foreign Policy Position (Left → Right)

Economic Policy Position (Left → Right)
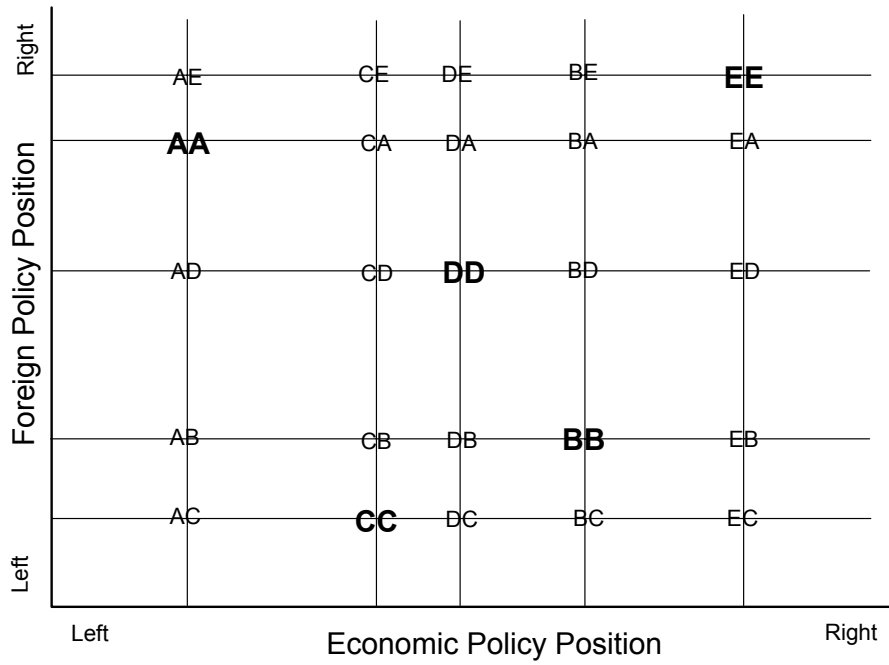
GOVERNMENT FORMATION and DISSOLUTION (Part 2) (L&S)

Laver & Shepsle, <u>Making & Breaking Governments</u>

X. Background (*Here Begins Part I*)
   A. The Centrality of Government Formation & Dissolution
      1. The essence of parliamentary democracy is the accountability of the government (*syn*: cabinet, executive, administration) to the legislature where it must retain a majority. (Legislature, in turn, is accountable to voters.)
         a. Votes of investiture
         b. Votes of (no) confidence
      2. Nonetheless, cabinet retains wide latitude as long as they remain in office
         a. Agenda setting
         b. Control over administrative departments (*syn*: cabinet ministries, portfolios)
      3. Government formation & dissolution lies at the apex of a set of links between voters, legislators, parties, etc.
      4. Change of government, thus, implies at least a potential change of policy (evidenced, e.g., by stock & financial markets' sensitivity to such changes)
   B. The Role of Analytic Modeling
      1. First fundamental premise is that it is possible to make general statements about the politics of building & maintaining a government, & that such general statements can give us valuable insights into the political processes involved.
      2. The advantages of deriving such general statements formally:
         a. Allows one logically to hold a set of variables constant while manipulating certain key variables–the model may thus be used as a discovery tool
            (1) this allows for counterfactuals (within logical, modeled world, if not actual, empirical world)
            (2) being more precise & explicit about models lets one check (mathematically) her intuitions & tease out further analysis of the problem at hand–sometimes even discovering counter-intuitive features which may nonetheless prove correct
         b. Analytical models are also a systematic aid to the construction of empirical models–the analytical model can less ambiguously tell us what to look for & how to look for it.
      3. Logical abstraction (i.e., simplifying assumptions) are essential to analytic modeling. However, they are no less essential to *any* other mode of theorizing. Theory *is* logical abstraction. The main point analytic modelers can (correctly) press is that it is almost always best to be as explicit as possible about these *unavoidably* necessary assumptions.
      4. Points about mathematical (in this case, set theory & geometry) modeling [a brief sermon]:
         a. Math is simply a language, specifically a symbolic language for the expression of logic. Anything which follows logical laws can be expressed mathematically, & anything which cannot be expressed mathematically does not follow logical laws. "Non-mathematical logic" is an oxymoron.
         b. Like other foreign languages, one becomes fluent in mathematical expression by

using it & being immersed in it. No one is born understanding it, & no one is born without the ability to learn it. (In my opinion, & from my experience, "I suck at math" usually means "I've had crummy math teachers in the past," sometimes "I haven't been immersed in math enough before to follow you there." I've never met anyone who convinced me that they truly "sucked at math" though I've met many who originally thought they did & a few who eventually convinced me they were just too stubborn to make an honest effort.)

    c. If you have an interest in grad school in the social sciences (not to mention the physical sciences of course), you will be immensely well-served by taking some math: calculus, linear algebra, & probability & statistics in particular.

    d. I don't advise taking any of the various *math escape hatches* liberal arts allows. It closes too many roads to leave college without even intro calculus & the like. Trust me–I took such an escape-hatch & paid later for it. I'm still paying. [OK, enough sermon]

C. Rationality & Analytic Modeling in the Social Sciences

    1. Only human agency effects outcomes in the social world which we are studying; therefore every social-scientific model must begin with establishing what motivates the actors & how they make decisions

        a. Thus, we first posit the aims or goals (here: office & the implementation of particular policies) of the key actors (here: politicians, especially MPs) in the phenomenon we're studying (here: government formation & dissolution).

        b. Then we must define the decision rule by which those actors choose between alternative possible actions. Here we assume actors are rational in sense that they calculate (implicitly or explicitly) the costs & benefits of various actions with regard to achieving their aims & select the course of action with the highest net benefit (lowest net cost).

    2. Specifically, in this model of government formation, we are assuming:

        a. Potential government politicians are policy-motivated; doesn't matter whether intrinsically or instrumentally so.

        b. The policy aims of all the players, all the rules of the government-formation game, etc. are "common knowledge" to all players.

        c. Politicians act given this knowledge so as best to achieve their aims; i.e., their votes for or against governments are calculated to bring about their most desired cabinet as best they can.

    3. Aside on "rationality" & mathematical modeling: rationality as a decision-rule lends itself easily to mathematical modeling because "maximizing net benefits" is something easily expressed as mathematical problem, but *any* logically immutable decision rule can, in principle, be modeled. Once again: any decision rule which could not be precisely defined in this way is incapable of producing logically consistent theory.

D. Legacy: Some Important Theoretical Results which Have Come Before: Hotelling (1929), Black (1958), & Downs (1957)

    1. Black's Median Voter Theorem: If voters have "single-peaked" preferences defined on a single dimension (e.g., left-right), then the "ideal point" of the median voter is the only point which is preferred by a majority to all others.

2. Hotelling-Black-Downs' "Centripetal Tendency" of Party Competition: applied to elections between 2 competing parties, the median voter theorem (MVT) implies strong incentives for the parties to converge toward the median voter's ideal
3. Multiple Dimension Extensions:
   a. McKelvey's & Schofield's "Chaos Theorems": when more than one dimension is involved, & choices between various options are not structured in restrictive ways, it is virtually certain that policy proposals will "cycle" around the policy space, with no proposal majority-defeating all others.
      (1) This implies either perpetual flux or arbitrary outcomes when game ends (note: Arrow's Impossibility Theorem).
      (2) It also strongly suggests that institutional restrictions on the proposal- & decision-making process are essential to non-arbitrary democracy. (Shepsle's "Structurally Induced Equilibrium")
   b. Kadane (1972) has shown that, if an equilibrium exists in multi-dimensional space, & it may not, then it must be the "multi-dimensional median" a.k.a. the "Dimension-by-Dimension Median" (DDM)
4. All of these results refer to *policies* emerging from majority-rule voting, not to *governments* forming subject to majority approval – the process of government formation & dissolution may add precisely the kind of "structure" which can bring equilibria to multi-dimensional problems. (A key contribution of this volume, the authors' claim, is to show that a particular conception of government formation can produce precisely that.)
E. The Institutional Structure of Government Decision-Making
   1. Policy decisions are made by the executive.
   2. Departments, & especially their cabinet ministers, have agenda power & information, expertise, & resource advantages which give them wide latitude in directing policy within their sphere.
   3. Appointment of participating ministers is the government's most credible signal of its policy intent in that area.
   4. *The overall policy position of the government is given by the partisan position of the politicians' parties who are given the various cabinet portfolios.*
      a. This implies that, even in multi-dimensional space, the set of possible policies for government is finite.
      b. Precisely this specificness, & finiteness of the set of possible government policies, given by the set of possible party combinations in the various cabinet offices, limits the "chaos" potential of multi-dimensional decision-making.
F. The most important lesson of the volume is that...
   1. The departmental organization of governmental decision-making structures the environment in which governments are born, live, & die.
   2. The problem of finding & establishing equilibrium cabinets therefore differs from that of finding & implementing equilibrium policies in an unstructured environment.
   3. We'll find that cabinet equilibria are common & usually close to the center of the configuration of party policy-positions.
XI. Sketching the Building Blocks of the Cabinet-Formation-and-Dissolution Model

A. Motivations: office-seeking (Downs) and/or policy-motivated (de Swaan)
1. The interaction of politicians & voters in elections brings office-seeking & policy-seeking politicians to act alike
2. So Laver & Shepsle take no stand one way or the other here, simply assume they act "as if" policy-motivated
B. Rational Foresight & Common Knowledge
1. Politicians act (perhaps unconsciously) as if conducting (perhaps very sophisticated) cost-benefit calculations regarding their options
2. In doing so, they are capable of looking ahead: they attempt to foresee the consequences of their actions & use that to inform their current cost-benefit analysis (analogy to chess, e.g.)
3. Preferences of the "competing players" are "common knowledge" (as are the rules of the game, etc.)
4. An important tool in the analysis of such decision-making is a "Game Tree" [see the Prisoners' Dilemma example at end of these notes]
C. Parties are treated as unitary actors–cabinet ministers have discretion within their jurisdictions, but they use that discretion on behalf of not against their party. (Practical implication here is that government policy in each portfolio area will be given by partisan identity of its minister.)
D. Dimensionality: how many dimensions will we consider
1. Theoretically infinite number may exist, but empirically great correlation in party stances across substantive dimensions.
2. This implies that relatively few core issue areas may suffice for a reasonable description of a party's preferences.
3. We'll take the competencies of core ministries (Finance, Foreign Affairs, & maybe Internal Affairs) as defining the dimensions of the policy space.
E. Governments make policy, implementing the preferred policy of the party holding each cabinet ministry in that ministry's area. Such ministerial discretion comes from three sources:
1. Ministers may act on matters in their ministerial area which have not been explicitly decided by the cabinet as a whole
2. Ministers may influence which matters will actually come to the cabinet for such decision
3. Ministers may influence the content of the proposals which they or others do bring to cabinet
F. Unitary Parties + Ministerial-Policy + Indivisibility of Ministries ==> Limited Number of Possible Governments (and Thus Policies) to Consider, as Given by a Lattice of the perpendicular intersections of the parties' ideal points [see example at end of notes]. A pair of key assumptions at this stage:
1. A party's discretion in one portfolio is not affected by who controls other portfolios [can you think of violations?]
2. A party's preferences along 1 dimension are not affected by policies along other dim's [can you think of violations?]
G. All expected policy decisions are incorporated into the parties' calculations in deciding

whether to vote for a particular cabinet or not ==> unforeseen matters are the (only) potential sources of cabinet collapse

H. The *Status Quo*:
  1. The current government remains in office until defeated by a legislative majority. This can only happen when unforeseen circumstances change the distribution of legislative power that supported the government to begin with, or when some party or parties shift their ideological positions (unforeseen), or when some party or parties split or combine to new ideal points.
  2. When a government collapses, it remains in office as a caretaker until a new government receives majority support.

I. Any participant in a proposed government can veto that government by refusing to accept its proposed role ==> all governments require unanimous consent of the parties in it & majority support of all parties in legislature

J. [The chronological (continuous) play of the government-formation game is given schematically in Figure 3.1, p. 52]

XII.   Working through the Model (*Here begins Part II*)
  A. Equilibrium Cabinets: a cabinet for which no actor with the power to bring down the government has an incentive to do so
    1. One direct substantive implication of the concept of equilibria here is that equilibrium cabinets are expected to be stable while non-equilibrium cabinets are expected to be unstable
    2. There are two types of equilibria in general, & equilibrium cabinets can be of either sort
      a. Attractive Equilibria [define?]
      b. Retentive Equilibria [define?]
    3. A core notion in the determination of whether there is an equilibrium cabinet & in characterizing it if so is that of a *strong party*
  B. The information necessary to analyze cabinet formation in the model
    1. Information about parties
      a. Their identity (how many distinct parties)
      b. Their legislative weight (seats for each party)
      c. Their policy positions (ideological positions in the policy-space determined)
    2. Information about the Policy Space & the Departmental Structure of Government
      a. The set of (key) relevant policy dimensions
      b. The set of (key) cabinet ministries & their competences (i.e., their issue domains)
      c. The relation between the two–assumed for most of the book to be a simple one-for-one relationship
    3. The formation process (assumptions)
      a. Proposals can come from anyone at any time
      b. Unanimous internal consent is required
      c. Majority legislative consent is required
  C. Important concepts
    1. Indifference Curves for Euclidean Preferences [example figure]
    2. The *winset* & the *lattice winset*:
      a. The *winset* of some policy x is the set of all alternative policies preferred to x by a

majority

  b. The *lattice winset* of some cabinet X is the set of all alternative cabinets preferred to X by a majority

  c. The only difference is that the lattice winset is concerned only with alternative cabinets which must be on the lattice

  d. [We can use the lattice from the end of these notes to show how winsets are found; Figure 4.1 is L&S's example]

3. The Dimension-by-Dimension Median (DDM) in this context

  a. A cabinet is the DDM iff the policy associated with it is the median on each dimension (has 50%+ on either side of itself, including itself).

  b. The easy way to find this is to read from left to right & top to bottom (or vice versa) until you find the lattice line that turns a minority into a majority. [example again from lattice below or Figure 4.1]

  c. The DDM is an equilibrium government if no alternative government is in its winset, but there is no guarantee the DDM will have an empty winset (so it may not be an equilibrium)

   (1) the DDM is always a potential equilibrium point, so a useful place to start the analysis

   (2) the DDM is more likely to have an empty winset (and so be an equilibrium) when dimensionality & number of parties low

  d. [the example I give can have either an equilibrium DDM (empty winset) or non-equilibrium DDM (non-empty winset) depending on the distribution of legislative seats; L&S's Figure 4.2 shows a non-empty winset DDM–one in which cycling can occur]

4. Strong Parties

  a. Party S is strong if it participates in all cabinets majority preferred to its ideal point (so that it can veto all cabinets majority preferred to its ideal & thus perhaps secure its ideal point)

  b. A party may be "very strong" or "merely strong" ("strong" refers to a party which is either "very strong" or "merely strong")

   (1) "very strong": there is no cabinet majority preferred to its ideal (in which case the party's ideal must be the DDM)

   (2) "merely strong": there are cabinets majority preferred to its ideal, but it participates in all of them & so can veto them

  c. [Examples:

   (1) a relatively even distribution of seats in our example gives a DDM with an empty winset at DD, thus party D is very strong

   (2) Party D may be merely strong in a less even distribution of seats in our example

   (3) Party B is merely strong in L&S's Figure 4.3]

  d. There can be at most one strong party; L&S claim they are in fact common

  e. Theorems (*syn*: predictions, hypotheses)

   (1) A very strong party produces an attractive & retentive equilibrium cabinet at its ideal point (it gets all seats): (it's a special case of a DDM with an empty winset)–this is so whether or not the very strong party is itself "large" (in terms

of its seats)

    (2) When a merely strong party exists, it will be a member of every equilibrium cabinet, & an equilibrium cabinet can be no less desirable from the merely strong party's view than the DDM

  f. Whether & who's strong will depend on the weights & positions of the parties

    (1) changes entirely external to a strong party itself can change the identity of the strong party or whether there is one

    (2) "striking discontinuities"

      (a) small changes in weights or positions can have large effect on who's strong & thus on cabinet formation

      (b) conversely, large changes in these same could have no effect on who's strong

      (c) it depends on how close the equilibrium is to some alternative government in the lattice which could be an equilibrium if things were just somewhat different [refer back to diagrams]

  g. Merely strong parties depend on their ability to continue (credibly) to veto majority preferred cabinets in which they participate–thus standoffs can occur [refer back to diagrams]

  h. Notice the strong centripetal tendencies:

    (1) either the DDM is an equilibrium,

    (2) or a strong party can move the equilibrium toward its ideal, but strong parties tend to be toward the median

XIII. "Strong" Parties Making & Breaking Governments

 A. Analyzing a case vs. analyzing the process

  1. For analyzing a specific case we need to identify which, if any, party is strong

  2. For general analysis of government formation & dissolution, we need to discover the conditions (e.g., distribution of legislative power, etc.) which produce them.

 B. Simplest Case: 2 Dimensions, 3 Parties, any 2 parties make a majority ==> "Triangular system"

  1. Only the "middle" party can be strong, & it usually is (but doesn't have to be)

  2. "Middle" as defined here: connect the party ideal points to make a triangle, party whose ideal point is the vertex between the two smaller legs of the triangle is the "middle" party

  3. [L&S's first example shows this]

 C. Outside the simplest case:

  1. Formal analysis produces few intuitive results (the mathematical conditions for strong parties are not readily understood substantively)

  2. Empirical analysis is limited because the universe of coalition-generating party systems is too small to produce inductive generalizations of this breadth

  3. This leads to *Simulations*:

   a. Program a computer to find equilibrium cabinets, strong parties, etc. from inputted information about the parties, cabinet portfolios, etc.

   b. Then, holding some set of parameters fixed (e.g., # parties, their relative strength, & # dimensions), generate a large number of random "virtual parliaments" which vary some other parameter(s) (e.g., their policy positions).

   c. Try to find patterns in the outcomes (i.e., inductive reasoning from virtual reality)

       d. Simulations are NOT empirical tests b/c the program assumes the model is true to begin with, but
         (1) Useful for finding substantive "bite" of formal conclusions which may be too complicated for intuition–always with caveat that virtual world assumes "random" & assumes the model
         (2) Often useful for various kinds of sensitivity analysis
         (3) [In other contexts–many statistical procedures have known properties in infinite samples (asymptotic properties), but unknown properties in limited samples ==> simulate large number of small samples to observe properties: called Monte Carlo Experiments]

  D. L&S's Simulations
    1. Finding frequency of strong parties under various distributions of legislative strength, numbers of parties, & numbers of dimensions (party policy-positions are varied randomly) [Table 5.1]
      a. "Dominated Decisive Structure", Fewer Parties, Fewer Dimensions all foster SP's
      b. Most usually it's the dominating party that's strong if there is an SP, but not always, even a "dummy party" can be strong (though not very strong)!
      c. They argue that dominant position in the decisive structure (i.e., size) matters because it makes a party more likely to be strong or even very strong (almost the case that only dominant parties can be very strong).
    2. Finding frequency of strong parties as a function of party positions
      a. Almost impossible for a party at the median on no dimension to be a strong party, this seems true almost regardless of the party's size
      b. In most cases, being at median on 1 of 2 dimensions seems to give a party about 25% chance of being strong; these odds are only noticeably better for a dominant party in a very dominated sys.
      c. Parties at the DDM are usually strong regardless of size–though size helps it be at medians
    3. Conclusions
      a. Size & "median-ness" central to being a key player in formation, being in a small, low-dimension party system also helps. However, L&S argue, these factors matter because it makes a party 'strong' in their sense. [Parties can be 'strong' without these factors, & such parties would seem therefore to be the key test of L&S's theory against alternatives.]
      b. Strong parties are common (and very strong parties surprisingly so). They should always obtain government according to the theory.

XIV. Empirical Analysis (*Here Begins Part III*)
  A. Case-study Applications of the Theory
    1. Necessary Info:
      a. Number of parties & their seats in legislature
      b. Number of dimensions & party positions on them
    2. Germany 1987: Figures 6.1 & 6.2
    3. Ireland 1992-3: Figures 6.3 & 6.4
    4. I strongly recommend you get comfortable with applications like these–such an example

may appear on the test for you to analyze in various ways

B. Testable Implications of the Theory
1. Status Quo (SQ) government at beginning of period either remains in place or is replaced by a coalition in its winset
2. If SQ has an empty winset, then SQ remains in office
3. If party is very strong, then it gets all seats in the cabinet
4. If a party is merely strong, then it gets at least one seat in the cabinet
    a. If a party is strong, & every cabinet in the winset of its ideal gives some particular cabinet seat to that party, then the party will get that cabinet seat
    b. If there is a strong party, then each cabinet seat will be assigned to that party or to one of its "partners" identified as those parties participating in governments in the winset of the SP's ideal

C. Needed Data:
1. # Seats for each party across some set of countries over some period of time
2. Which party has which portfolio before & after each government change
3. The party positions on the salient dimensions: prior issues
    a. Which are the key portfolios?
    b. Which are the key policy dimensions?
    c. What is the correspondence between those two?
    d. [Salience weighting is possible]

D. L&S's "test" of these implications against a null of random portfolio allocation [this is a wimpy null to say the least. I think L&S way overstate the absence of alternative theories]
1. Table 8.1 assesses implication B.1 from above
2. Table 8.2 assesses implication B.2 from above
3. Table 8.3 assesses implication B.3 from above
4. Table 8.4 assesses implication B.4 from above
    a. Table 8.5 assesses implication B.4a from above
    b. Table 8.6 assesses implication B.4b from above
5. Conclusions [Mine, not L&S's]:
    a. Not all of these do terribly well, & there's clear variation across countries in how well they do
    b. The random alternative hypothesis is a weak & irrelevant alternative, why not use Minimum Winning Coalitions to at least narrow the range of parties from which randoms are drawn, for example. Hard to say, therefore, whether the performance reported is "good"; how would alternatives have done (and whatever L&S say, they do exist)
    c. That said, this is one of the only going theories which offers predictions at the level of which parties will get which seats [can you think of any alternatives?]

E. L&S's much better test: the regression on page 189
1. Dependent Variable: $G_{ij} = 1$ if party i is in government j , $G_{ij} = 0$ if not
2. Independent Variables:
    a. MSP = 1 if party is a merely strong party, = 0 if it is not
    b. VSP = 1 if party is a very strong party, = 0 if it is not
    c. PSP = 1 is party is a partner of a strong party, = 0 if it is not

     d. W = the party's percentage of the legislative seats

     e. MD1 = the party's policy distance from dimension 1 median

     f. MD2 = the party's policy distance from dimension 2 median

3. The results:

G=-0.970 -0.151 MSP   +0.630 VSP   +0.248 PSP   +0.041 W -0.047 MD1-0.157 MD2

s.e.   (0.34) (0.184)   (0.182)   (0.144)   (.004)   (.031) (0.041)

t: (2.85) (0.82)   (3.46)   (1.72)   (10.5)   (1.54)   (3.84)

We like coefficients near twice their standard error or better. That's the same as wanting t-stats around 2 or better.

XV.   The Portfolio-Allocation Model & Cabinet Stability (*Here Begins Part IV*)

  A. Equilibrium cabinets are more durable than any non-equilibrium cabinets which may form

  B. The same factors (information) which we needed to determine equilibrium cabinets are the factors which must change to alter what is the equilibrium cabinet:

    1. [The list of parties, their weights, & their policy positions]

    2. [The dimensionality of the policy space & its allocation to portfolios]

  C. Only unforeseen shocks can destabilize an equilibrium cabinet [why?]. Examples: [how do these link with I.B. above?]

    1. Party splits or fusions

    2. Defections or by-elections

    3. Emergence of new issues or fading of old

    4. Events may shift party preferences

    5. Change in parties' perceptions of each other (esp. regarding ability to win standoffs)

  D. Compare figures 10.1 & 10.2: which cabinet is more stable? Why? What general implications might be drawn from this?

  E. General Simulations

    1. Take some set of fixed situations, described by...

      a. The # parties,

      b. Their initial policy positions, and

      c. Their weight in parliament

    2. Calculate initial equilibrium

    3. Use a computer to generate 1000 random perturbations of party positions

    4. Calculate new equilibria

    5. Try to draw inferences from the proportion of the time the equilibrium changes in the various settings all subjected to the same variance random shocks

    6. [Tables 10.2 & 10.3 show results] Conclusions:

      a. Empty winset DDMs are most stable

        (1) if empty winset DDM is an ideal point (very strong party), then extremely stable

      b. Least stable appears to be where dominant party is not median

  F. Note on PM's ability to call elections:

    1. Since PM can call an election, it can threaten its coalition partners & parliament with doing so when expects to gain

      a. It certainly won't do so when expects to lose

b. This threat, if successful, will cause a change in government in PM's party's favor

  2. Thus, L&S conclude, shifts in potential electoral support favoring PM's party can cause government change [do you think changes in other parties' electoral potential will have effects? Governing parties? Non-governing parties? Parts of majority parliamentary support? Opponents in parliament?]

XVI. Relaxing some of the assumptions; specifically: Reconsidering aspects of the policy space

 A. First a reminder: the options are not whether to make assumptions or not–all logical argumentation begins with some set of assumptions. The options surround which assumptions are made & how explicitly they are made. So, when re-considering assumptions like this, the question is how much do alternative assumptions alter the conclusions. The next question, of course, is how do the conclusions drawn from one set of assumptions fare empirically compared to those drawn from another. I would agree with L&S that, *ceteris paribus*, more explicit assumptions (usually following from formal argumentation) are better than less (usually following from informal argumentation).

 B. Dimensionality–allowing for many dimensions?

  1. In principle, it may well seem that dimensionality of policy space is infinite or at least large & indeterminate

   a. even in the lattice subset of all possible policy locations, raising the dimensions decreases the probability of equilibria in random party systems

  2. Two approaches to determining policy space:

   a. take the existing portfolios as simple & given (fixed at start of process)

   b. use policy issues on which parties take a public stance

   c. both seem to produce dimensionality which is too large given the apparent stability of governments [what's the logic of the argument here?]

  3. Empirically, policy positions of parties are highly correlated across dimensions

   a. especially across related dimensions, but even across seemingly unrelated dims

  4. such correlation reduces the effective dimensionality of politics

   a. [demonstrate this in two dimension, perfect correlation case: figures 11.1 & 11.2]

   b. [why might parties adopt correlated policy stances like this?]

 C. Differing salience of issues & dependence of policy preferences across dimensions

  1. Assuming equal salience gave us circular indifference curves: pure distance-based preferences

   a. if unequal salience, distance along one dimension is 'more distasteful' than distance along others ==> ellipsoidal indifferences

   b. Still linear, orthogonal policy reaction curves ==> theoretical propositions continue to hold, but actual equilibria case by case may well be different

  2. Assuming independent preferences across dimensions gave us indifference ellipses or circles which are perpendicular to the axes

   a. if policy preferences *non-separable* then policy reaction-curves not orthogonal any more

   b. this can radically change the analysis

 D. Complex jurisdictions [define]

  1. If we continue to assume that ministers have free reign in their portfolios' areas, then allocating multiple portfolios to one party reduces the set of possible cabinets (the lattice

space): fewer ways to allocate control over policy areas

    2. Some new results

        a. party ideal points are always in the set of possible cabinets: e.g., pure prime-ministerial government

        b. if strong (either type) under simple jurisdictions, then strong under any complex jurisdictioning [why]

        c. if empty winset DDM under simple jurisdiction remains an option under complex then remains eqbm [how might it disappear?]

        d. reminder that effective jurisdictional complexity is what matters (policy stances are correlated across issues)

  E. Implications of these three extensions

    1. Correlated preferences between parties across dimensions reduces dimensionality & simplifies analysis, increases prob. eqba

    2. Jurisdictional complexity reduces the set of possible cabinets & so likewise simplifies & increases prob. eqba

    3. Unequal salience doesn't make that much difference, but non-separability makes a large difference

XVII. Extensions

  A. Factions & intra-party politics

    1. Party leaders are potential cabinet ministers

        a. Their leadership involves having established a set of policy reputations & credibility

        b. These reputations take time to build & are generally valuable enough to be maintained

        c. This implies that parties have a set of possible issue stances they can credibly commit to in government given by the established policy reputations of their leaders

        d. Factions, from this standpoint, arise from party leaders having (probably slightly) different preferences

        e. By having a diverse set of leaders, a party retains some ability to strategically shift its policy stance on issues by rearranging its leadership assignments

    2. Three issues arise from this possibility

        a. Effect of having more than one possible party ideal point (L&S still maintain that it's not any possible point, but those for which some combination of leaders have established a reputation)

        b. Effect of factionalism on the stability of cabinets

        c. Incentives for leaders to split from or fuse with parties

    3. L&S work from the premises that:

        a. There is a dominant party leadership which controls the entire party's votes

        b. Subordinate party leadership:

            (1) does not control any votes

            (2) cannot veto any cabinet, cannot even veto its own participation in a cabinet

            (3) BUT, once in a ministry it can pursue its own ideal point, not forced to pursue that of the dominant leadership

        c. Under these conditions, the addition of factions adds lattice points to the set of possible cabinets. Its like adding parties with zero votes & no veto power.

4. One interesting implication is that changes within opposition parties can affect the strategic options of governing party(ies)
B. Minority & surplus-majority governments
1. One of the portfolio-allocation model's most attractive features is the way it predicts minority governments under certain conditions
2. Surplus-majorities are also understandable from this perspective: parties contribute more than votes, they also contribute credible policy stances (i.e., they add lattice points to the possible set of governments–such an added point may be an equilibria even though the party in question is not necessary to a majority)
C. Endogenizing issue assignment to portfolios: since different jurisdictional allocations can produce different equilibrium cabinets (as noted above), parties have preferences over portfolio allocation schemes because they prefer some cabinets to others. This too, then, can be an element in bargaining to form a government.
XVIII. Some very key elements of the theory & what would happen if they were relaxed
A. Extreme departmentalism:
1. But compromise within cabinet goes on all the time
2. Finance minister especially has considerable influence on other ministries
3. Prime minister has strong influence across board
4. As departmentalism relaxed, lattice begins to get "fuzzy" ==> back toward government policy is some compromise among its members ideals on all issues rather than policy is ideal of party holding that portfolio ==> back toward chaos theories
B. Party positions (or faction leadership positions) are given, fixed exogenous to model: if these are instead strategic, we may get a very different dynamic

XIX. Laver & Shepsle: Empirics
A.

Table 9.1: Variables Involved in Evaluating L&S's *Making & Breaking Governments*			
Variable	*Variable Label*	*Operationalization*	*Source*
Government	G_{ij}	1 = party i is in govt j 0 = party i is not in govt j	EJPR
"Merely" Strong Party	MSP_{ij}	1 = party i is merely strong at time of government j 0 = party i is not merely strong at time of government j	WINSET
"Very" Strong Party	VSP_{ij}	1 = party i is very strong at time of government j 0 = party i is not very strong at time of government j	WINSET
"Partner" of a Strong Party	PSP_{ij}	1 = party i is a partner of a merely strong party at time of government j 0 = party i is not a partner of a merely strong party at time of government j	WINSET

Weight	W_{ij}	Party i's percentage of legislative seats at time of government j	MR
Centrality	MD_{ijk}	Ideological distance on dimension k of party i from the median on that dimension at the time of government j	LH

B. *Who Gets Into Government?*

   1. $G_{ij} = -0.72 +1.01(S_{ij})$ where $S_{ij} = MSP_{ij}+VSP_{ij}$
t-statistics: (2.72) (10.93)

   2. $G_{ij} = -0.51 +0.68(MSP_{ij}) +1.66(VSP_{ij}) +0.73PSP_{ij}$
t-statistics: (1.90) (4.62)   (11.01)   (5.86)

C. *What Makes a Party Strong?*

   1. $MSP_{ij} = -0.77 +0.03(W_{ij}) -0.49(MD_{ij1}) -0.03(MD_{ij2})$
t-statistics: (5.23) (6.24)   (8.79)   (0.55)

   2. $VSP_{ij} = -1.77 +0.05(W_{ij}) -0.29(MD_{ij1}) -0.10(MD_{ij2})$
t-statistics: (9.67) (10.19)   (6.43)   (1.61)

   3. $PSP_{ij} = -0.86 +0.01(W_{ij}) +0.18(MD_{ij1}) -0.45(MD_{ij2})$
t-statistics: (6.96) (2.89)   (6.75)   (10.51)

D. *Who Gets Into Government? Take 2*

   1. $G_{ij}= -0.97 -.15MSP_{ij} +.63VSP_{ij} +.25PSP_{ij} +.04W_{ij} -.05MD_{ij1} -.16MD_{ij2}$
t-statistics: (2.85) (0.82)   (3.46)   (1.72)   (10.53)   (1.54) (3.84)

XX.   Laver & Shepsle: Examples of Applying the Model:
  A. Example 1: Empty inset DDM at a party's ideal point ==> that party is very strong & the government where it gets all the portfolios is *the* (1) equilibrium:

The Lattice of Possible 2-Ministry Coalitions in an Arbitrary 5-Party System

Foreign Policy Position

Right

AE   CE   DE   BE   **EE**   [20 Seats]

[20 Seats] **AA**   CA   DA   BA   EA

AD   CD   **DD**   BD   ED
                         [20 Seats]

AB   CB   DB   **BB**   EB
                                   [20 Seats]

AC   **CC**   DC   BC   EC
         [20 Seats]

Left

Left   Economic Policy Position   Right
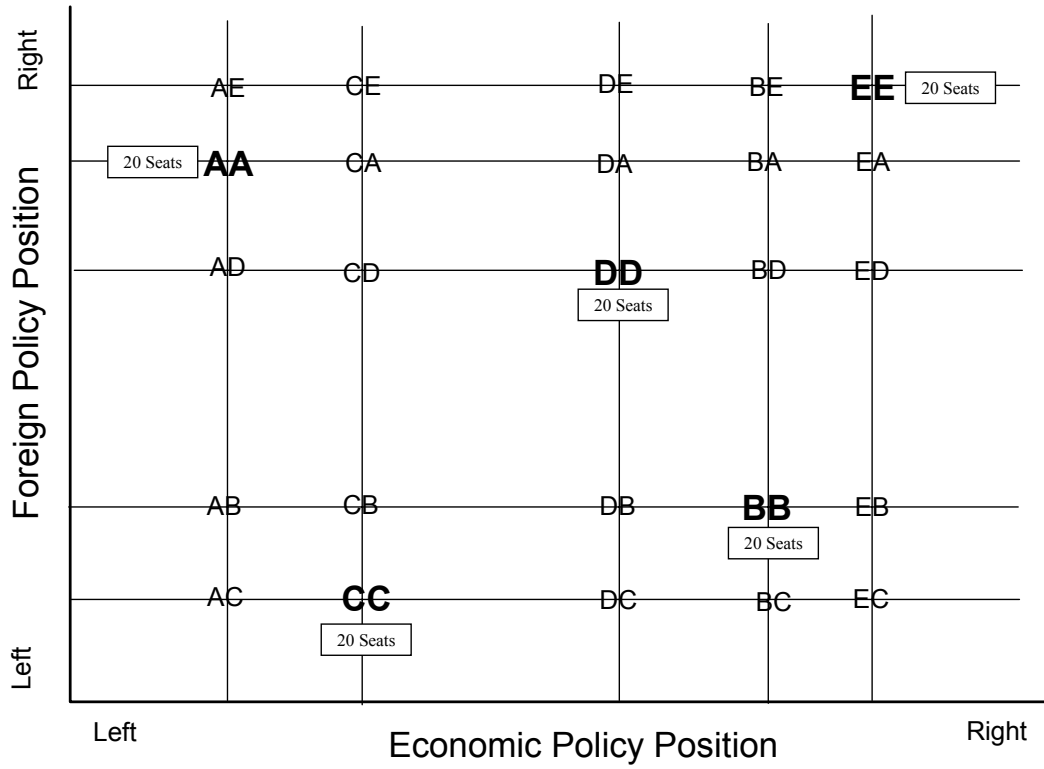
The Lattice of Possible 2-Ministry Coalitions in an Arbitrary 5-Party System
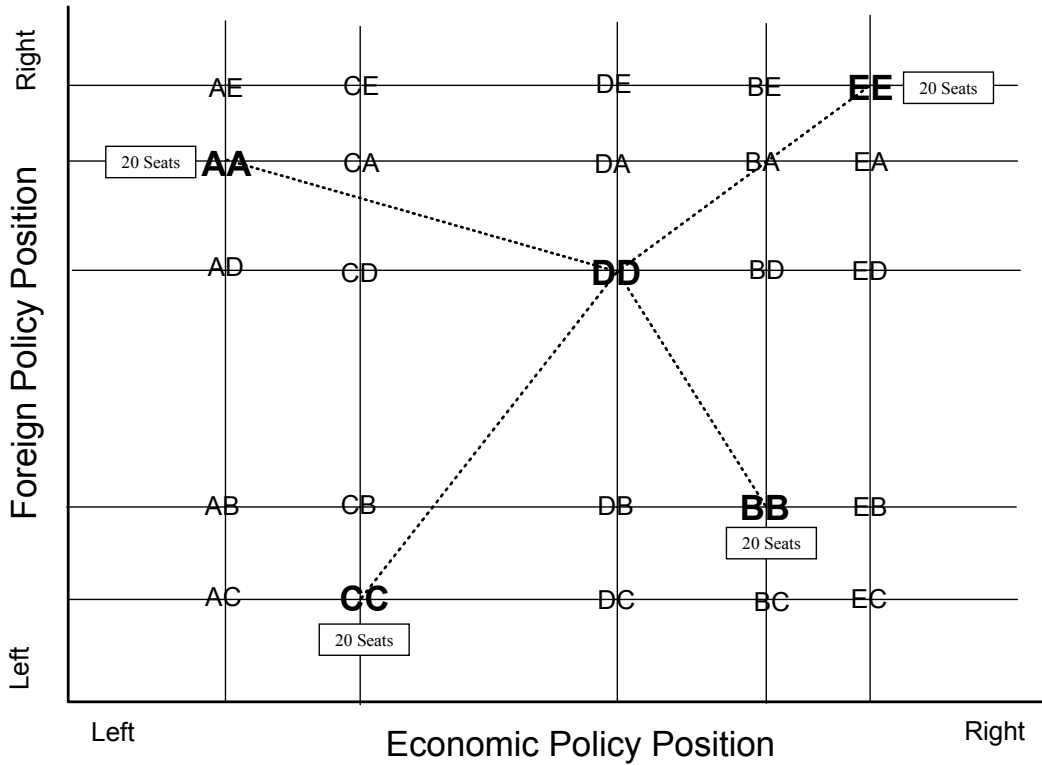
B. Example 2: Non-Empty Winset DDM, not at any party's ideal point, but a merely strong party exists ==> equilibrium government*s* (more than one) are that party's ideal point & all government's majority preferred to it (in all of which it participates, by definition of "merely strong")
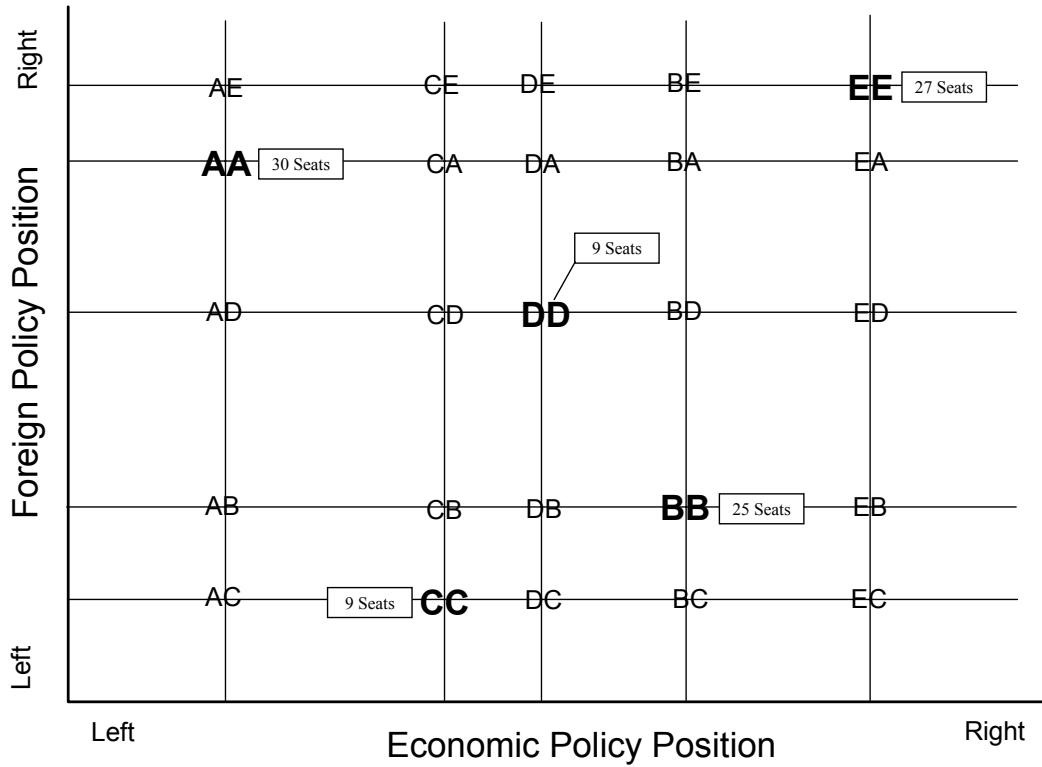
The Lattice of Possible 2-Ministry Coalitions in an Arbitrary 5-Party System

Foreign Policy Position

Right

AE	CE	DE	BE	**EE** 27 Seats
AA 30 Seats	CA	DA	BA	EA
		9 Seats		
AD	CD	**DD**	BD	ED
AB	CB	DB	**BB** 25 Seats	EB
AC	9 Seats **CC**	DC	BC	EC

Left

Left   Economic Policy Position   Right

The Lattice of Possible 2-Ministry Coalitions in an Arbitrary 5-Party System

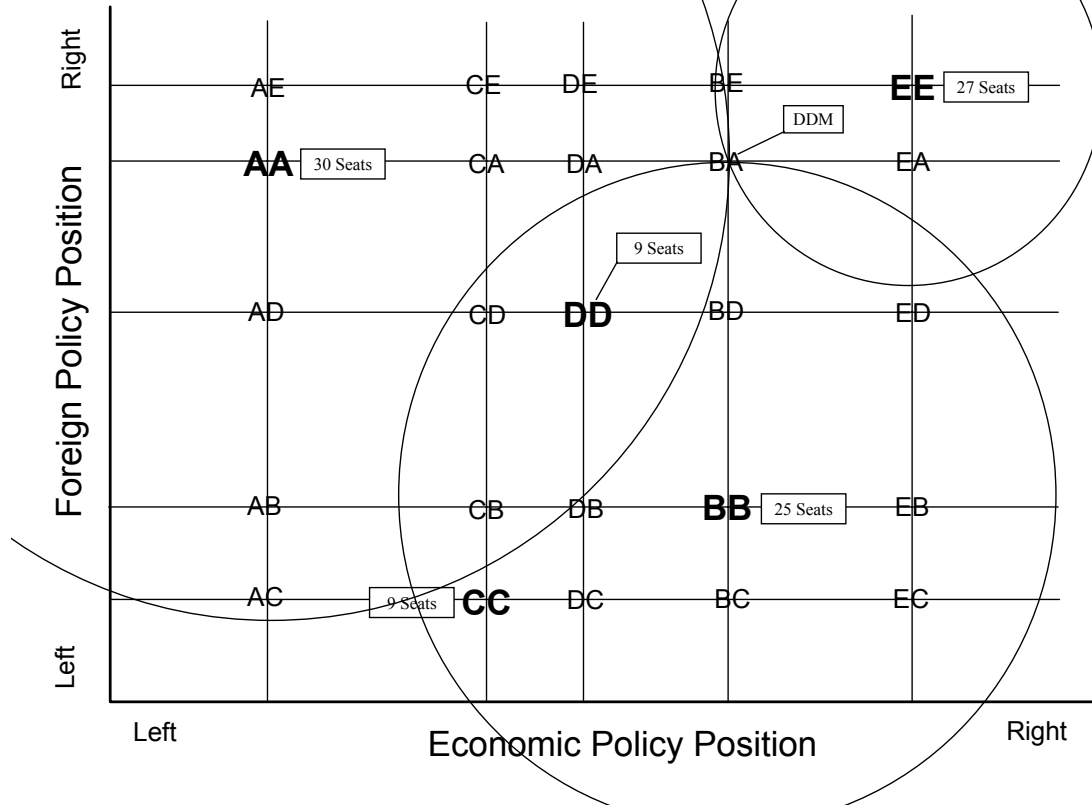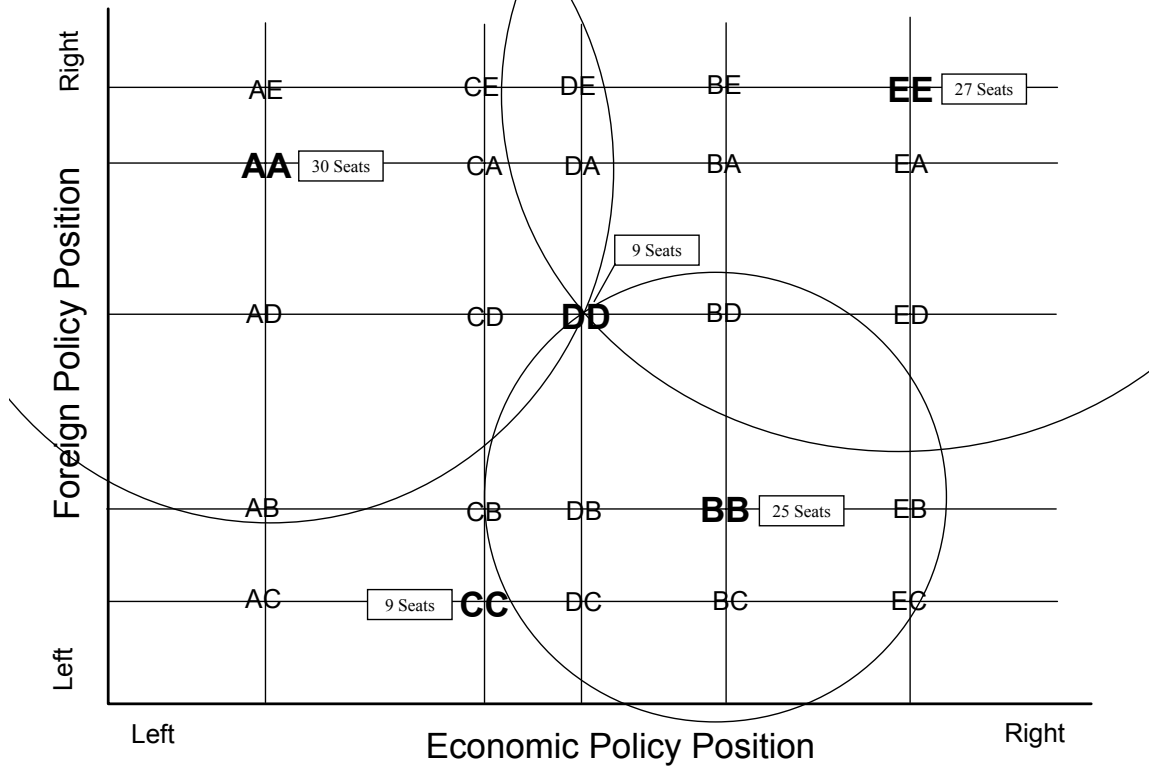The Lattice of Possible 2-Ministry Coalitions in an Arbitrary 5-Party System

AE	CE	DE	BE	**EE** 27 Seats
AA 30 Seats	CA	DA	BA	EA
		9 Seats		
AD	CD	**DD**	BD	ED
AB	CB	DB	**BB** 25 Seats	EB
AC	9 Seats **CC**	DC	BC	EC

Foreign Policy Position — Right / Left

Economic Policy Position — Left / Right

C. Example 3: Empty Winset DDM, not at any party's ideal point, but a merely strong party exists ==> equilibrium government*s* (more than one) are that party's ideal point & all government's majority preferred to it (in all of which it participates, by definition of "merely strong"), but only those governments which are no farther away from the merely strong party's ideal point than the empty-winset DDM.

The Lattice of Possible 2-Ministry Coalitions in an Arbitrary 5-Party System
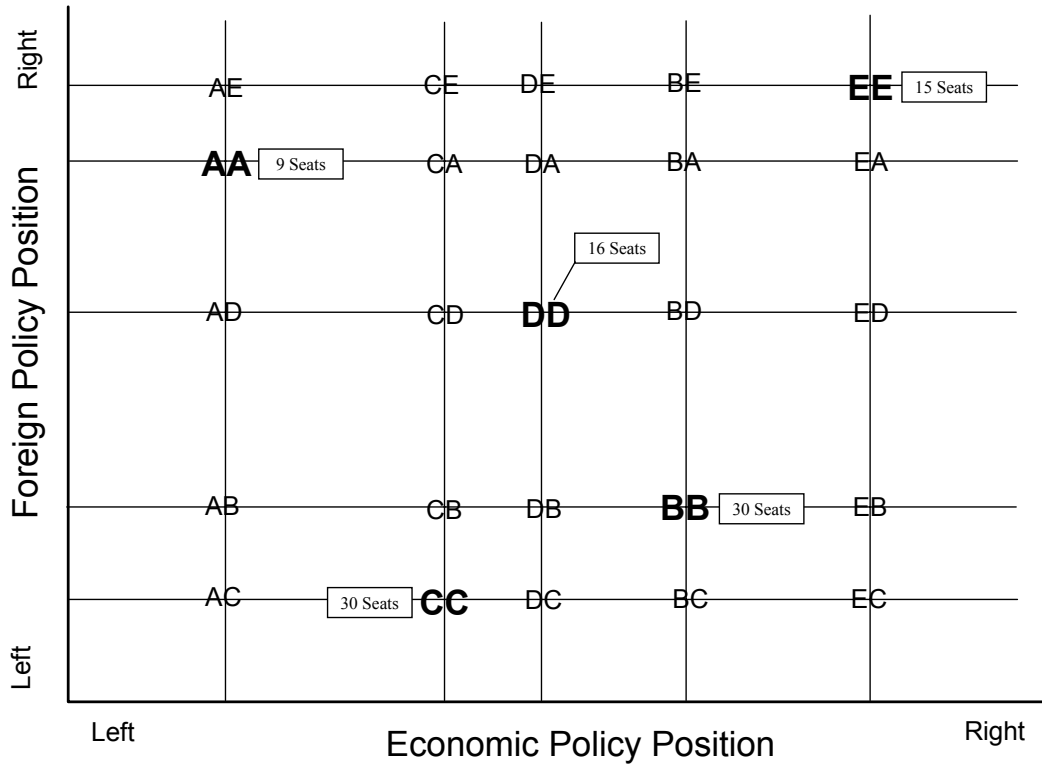
Foreign Policy Position

Right

AE	CE	DE	BE	**EE** 15 Seats
AA 9 Seats	CA	DA	BA	EA
AD	CD	**DD** 16 Seats	BD	ED
AB	CB	DB	**BB** 30 Seats	EB
AC	30 Seats **CC**	DC	BC	EC

Left

Left   Economic Policy Position   Right

The Lattice of Possible 2-Ministry Coalitions in an Arbitrary 5-Party System

Foreign Policy Position — Right / Left (vertical axis)

Economic Policy Position — Left / Right (horizontal axis)

AE   CE   DE   BE   **EE**   15 Seats

AA   9 Seats   CA   DA   BA   EA

16 Seats

AD   CD   **DD**   BD   ED

AB   CB   DB   **BB**   30 Seats   EB

AC   30 Seats   **CC**   DC   BC   EC
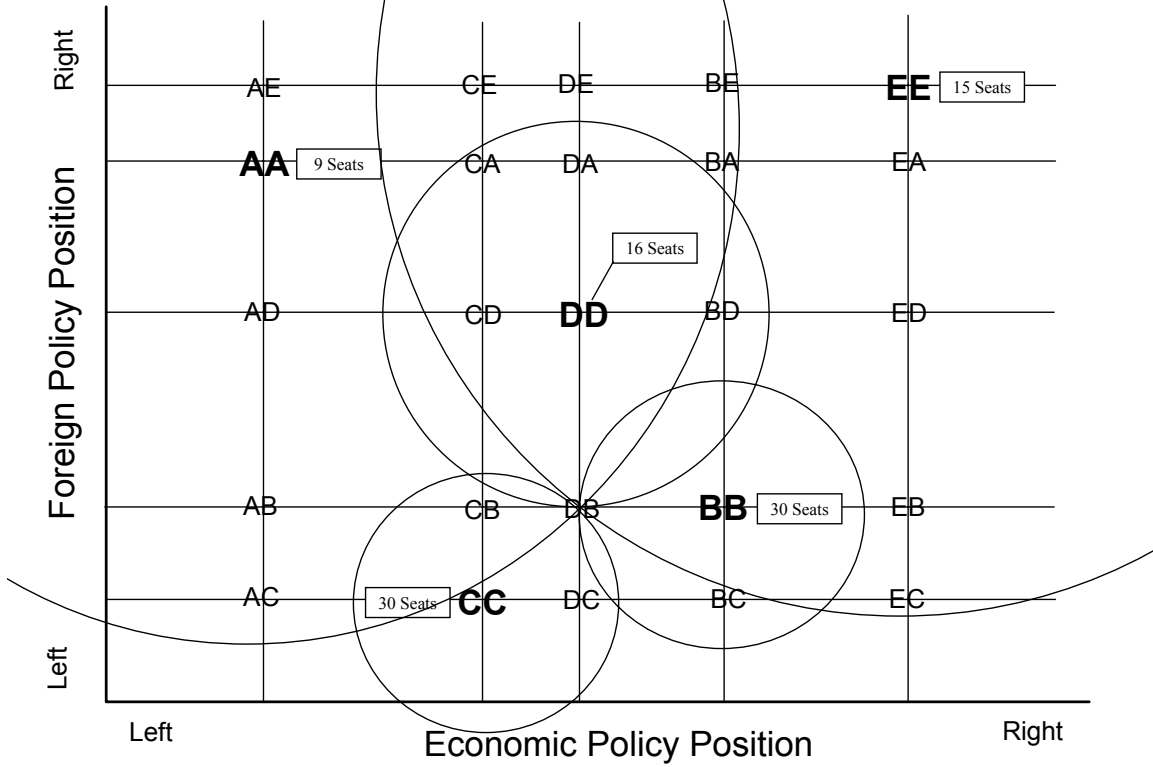
The Lattice of Possible 2-Ministry Coalitions in an Arbitrary 5-Party System

D. Example 4: Non-empty winset DDM & no strong party ==> **no** (0) equilibrium governments

The Lattice of Possible 2-Ministry Coalitions in an Arbitrary 5-Party System

Right

Foreign Policy Position

Left

AE   CE   DE BE   **EE**   35 Seats

20 Seats **AA**   CA   DABA   EA

AD   CD   **DD**BD   ED

5 Seats

AB   CB   DB**BB** 20 Seats EB

AC   **CC**   DCBC   EC

20 Seats

Left   Economic Policy Position   Right
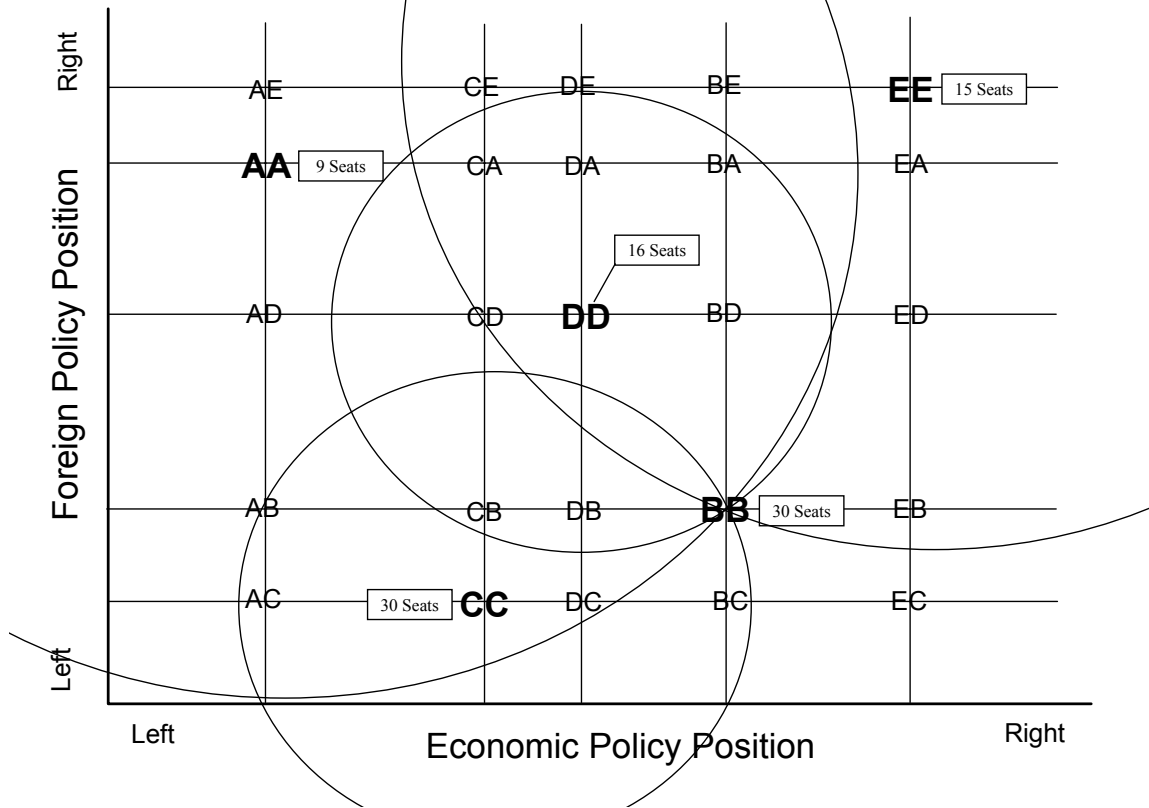
The Lattice of Possible 2-Ministry Coalitions in an Arbitrary 5-Party System

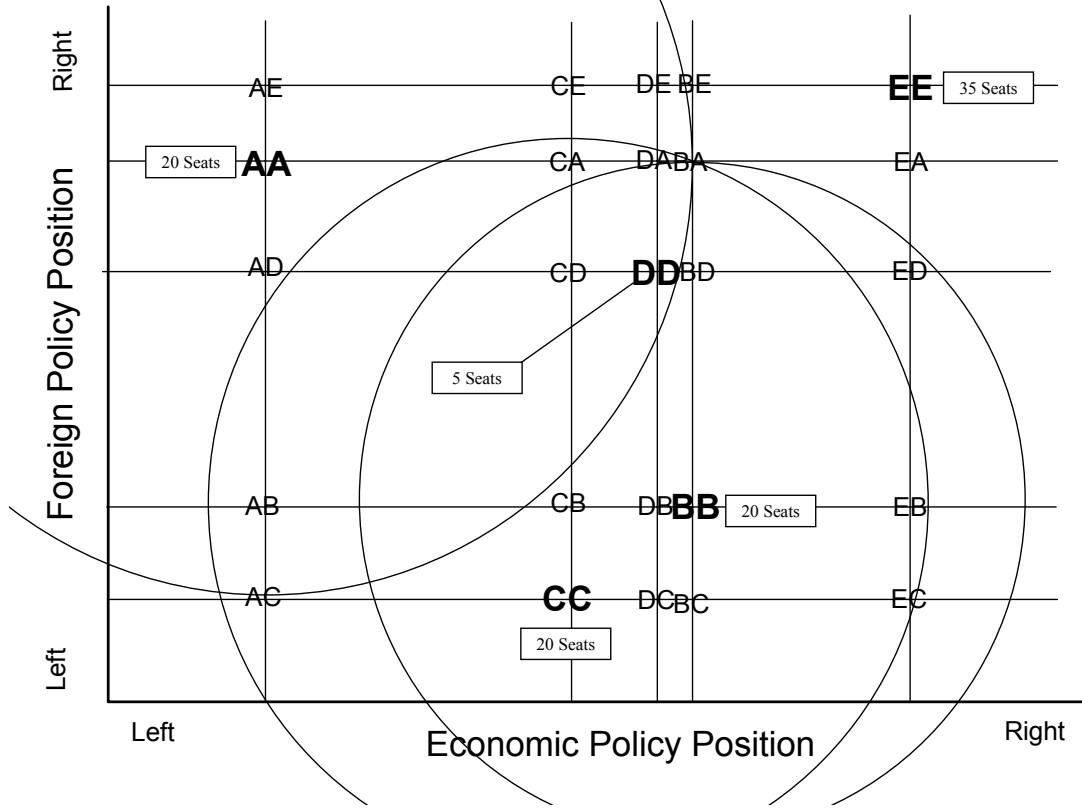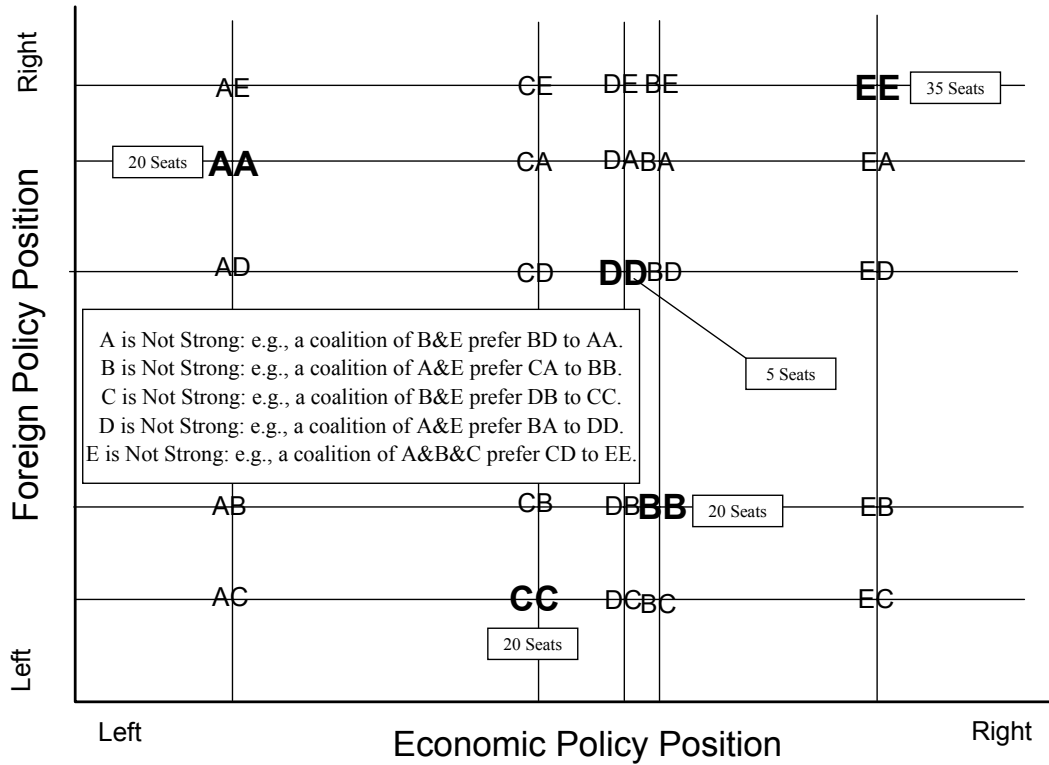## The Lattice of Possible 2-Ministry Coalitions in an Arbitrary 5-Party System

Foreign Policy Position (Left — Right)

Economic Policy Position (Left — Right)

AE   CE   DE BE   **EE** [35 Seats]

[20 Seats] **AA**   CA   DABA   EA

AD   CD   **DD**BD   ED   [5 Seats]

A is Not Strong: e.g., a coalition of B&E prefer BD to AA.
B is Not Strong: e.g., a coalition of A&E prefer CA to BB.
C is Not Strong: e.g., a coalition of B&E prefer DB to CC.
D is Not Strong: e.g., a coalition of A&E prefer BA to DD.
E is Not Strong: e.g., a coalition of A&B&C prefer CD to EE.

AB   CB   DB**BB** [20 Seats]   EB

AC   **CC**   DCBC   EC

[20 Seats]

E. There is one more possibility which was not drawn: Empty Winset DDM with No Strong Party ==> *the* (1) equilibrium is the empty-winset DDM.